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22 Investment property	26	(b) The column headed "Consolidated" comprises the University and its subsidiaries.	
23 Property, plant and equipment	27		
24 Intangible assets	29	Refer to Note 35 for a listing of the subsidiaries.	

Income Statement for the year ended 31 December 2016

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	234,041	230,381	234,041	230,381
HELP - Australian Government payments	3	98,477	93,349	98,477	93,349
State and local Government financial assistance	4	8,434	9,613	8,466	9,613
HECS-HELP - Student payments		7,541	8,111	7,541	8,111
Fees and charges	5	94,070	82,801	93,994	82,628
Investment revenue	6	6,399	7,825	5,958	8,505
Royalties, trademarks & licences	7	1,293	3,049	921	2,766
Consultancy and contracts	8	8,698	9,152	8,081	8,746
Other revenue	9	26,107	21,319	14,806	11,514
Gains on disposal of assets		1,263	-	1,263	-
Share of profit or loss on investments accounted for using the equity method	21	976	281	-	-
Other investment income	6	2,510	-	2,642	-
Other income	9	386	427	386	427
Total income from continuing operations		490,195	466,308	476,576	456,040
Expenses from continuing operations					
Employee related expenses	10	313,526	297,881	302,997	288,908
Depreciation and amortisation	11	33,869	29,961	33,522	29,711
Repairs and maintenance	12	12,533	13,359	12,302	13,215
Borrowing Costs	13	276	370	276	370
Impairment of assets	14	528	305	1,022	384
Losses on disposal of assets		-	5,998	-	6,001
Investment losses	6	-	1,359	-	1,807
Other expenses	15	101,877	102,727	99,051	99,051
Total expenses from continuing operations		462,609	451,960	449,170	439,447
Net result for the year		27,586	14,348	27,406	16,593
Net result attributable to non-controlling interest		(99)	(6)	-	-
Net result attributable to members of The Flinders University of South Australia		27,685	14,354	27,406	16,593

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

Statement of Comprehensive Income for the year ended 31 December 2016

	Note	<i>Consolidated</i>		<i>University</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Net result for the year		27,586	14,348	27,406	16,593
Items that maybe reclassified to profit or loss					
Gain / (loss) on value of available for sale financial assets	29	1,902	7,142	484	5,381
Total		1,902	7,142	484	5,381
Items that will not be reclassified to profit or loss					
Gain / (loss) on revaluation of land, buildings, library and artwork	29	9,884	-	9,884	-
Total		9,884	-	9,884	-
Total comprehensive income		39,372	21,490	37,774	21,974
Total comprehensive income attributable to non-controlling interest		(99)	(6)	-	-
Total comprehensive income attributable to the University		39,471	21,496	37,774	21,974
Total comprehensive income attributable to members of The Flinders University of South Australia		39,372	21,490	37,774	21,974

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

Statement of Financial Position as at 31 December 2016

	Note	<i>Consolidated</i>		<i>University</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Assets					
Current assets					
Cash and cash equivalents	16	56,142	47,582	55,003	45,576
Receivables	17	18,882	22,319	17,826	22,072
Inventories	18	338	387	195	241
Other financial assets	19	19,658	9,375	19,658	9,375
Other non-financial assets	20	8,927	8,167	8,821	8,063
Total current assets		103,947	87,830	101,503	85,327
Non-current assets					
Receivables	17	46,928	48,927	46,928	48,927
Investments accounted for using the equity method	21	976	300	-	-
Other financial assets	19	60,968	56,305	61,156	58,198
Property, plant and equipment	23	602,093	587,761	600,381	586,199
Investment property	22	8,800	8,300	8,800	8,300
Intangible assets	24	19,215	17,762	18,231	16,992
Other non-financial assets	20	4,059	4,022	4,059	4,022
Total non-current assets		743,039	723,377	739,555	722,638
Total assets		846,986	811,207	841,058	807,965
Liabilities					
Current liabilities					
Trade and other payables	25	34,131	35,518	31,330	33,325
Borrowings	26	1,743	1,643	1,743	1,643
Provisions	27	23,654	23,491	22,793	22,603
Other liabilities	28	12,522	9,892	12,850	10,722
Total current liabilities		72,050	70,544	68,716	68,293
Non-current liabilities					
Trade and other payables	25	3,594	4,081	3,417	3,904
Borrowings	26	2,450	4,193	1,850	3,593
Provisions	27	70,901	73,768	70,848	73,722
Total non-current liabilities		76,945	82,042	76,115	81,219
Total liabilities		148,995	152,586	144,831	149,512
Net assets		697,991	658,621	696,227	658,453
Equity					
University interest					
Reserves	29	162,780	150,994	166,113	155,745
Retained earnings	29	535,144	507,459	530,114	502,708
University interest		697,924	658,453	696,227	658,453
Non-controlling interest		67	168	-	-
Total equity		697,991	658,621	696,227	658,453

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 2016

	Reserves \$'000	Retained Earnings \$'000	Total Group Interest \$'000	Non- controlling Interest \$'000	Total \$'000
Consolidated					
Balance as at 1 January 2015	143,852	493,105	636,957	552	637,509
Net result	-	14,354	14,354	(6)	14,348
Gain on revaluation of available-for-sale financial assets	7,142	-	7,142	-	7,142
Total comprehensive income	7,142	14,354	21,496	(6)	21,490
Recognition of non-controlling interest	-	-	-	(378)	(378)
Balance at 31 December 2015	150,994	507,459	658,453	168	658,621
Balance at 1 January 2016	150,994	507,459	658,453	168	658,621
Net result	-	27,685	27,685	(99)	27,586
Gain on revaluation of land, buildings, infrastructure, library and artwork	9,884	-	9,884	-	9,884
Gain on revaluation of available-for-sale financial assets	1,902	-	1,902	-	1,902
Total comprehensive income	11,786	27,685	39,471	(99)	39,372
Recognition of non-controlling interest	-	-	-	(2)	(2)
Balance at 31 December 2016	162,780	535,144	697,924	67	697,991
University					
		Retained Earnings \$'000			Total \$'000
Balance as at 1 January 2015		486,115	150,364		636,479
Net result		16,593	-		16,593
Gain on revaluation of available-for-sale financial assets		-	5,381		5,381
Total comprehensive income		16,593	5,381		21,974
Balance at 31 December 2015		502,708	155,745		658,453
Balance at 1 January 2016		502,708	155,745		658,453
Net result		27,406	-		27,406
Gain on revaluation of land, buildings, infrastructure, library and artwork		-	9,884		9,884
Gain on revaluation of available-for-sale financial assets		-	484		484
Total comprehensive income		27,406	10,368		37,774
Balance at 31 December 2016		530,114	166,113		696,227

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 2016

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities					
Inflows:					
Australian Government Grants	3(g)	336,900	318,032	336,900	318,032
OS-HELP (net)	3(g)	1,141	835	1,141	835
Superannuation Supplementation	3(g)	3,295	2,848	3,295	2,848
State Government Grants		9,163	11,166	9,195	11,166
Local Government Grants		43	12	43	12
HECS-HELP – Student payments		7,541	8,111	7,541	8,111
Receipts from student fees and other customers		137,055	119,548	124,053	108,458
Dividends received		2,118	1,860	1,708	1,422
Interest received		2,180	3,401	2,149	3,369
Other investment income		2,722	3,104	2,722	3,173
GST recovered / (paid)		6,871	10,037	6,871	10,037
Outflows:					
Payments to suppliers and employees (inclusive of GST)		(445,783)	(421,803)	(432,807)	(409,909)
Interest and other costs of finance		(276)	(370)	(276)	(370)
Net cash provided by / (used in) operating activities	40	62,970	56,781	62,535	57,184
Cash flows from investing activities					
Inflows:					
Proceeds from sale of property, plant & equipment		1,603	282	1,603	282
Proceeds from sale of financial assets		4,591	42,372	4,591	41,967
Repayment of loans by related parties		-	170	-	170
Increase/(Decrease) in funds held on behalf of other entities		(1,035)	-	(1,035)	-
Outflows:					
Payments for property, plant and equipment		(42,220)	(77,078)	(41,361)	(76,596)
Payments for financial assets		(15,706)	(2,510)	(15,263)	(2,510)
Net cash provided by / (used in) investing activities		(52,767)	(36,764)	(51,465)	(36,687)
Cash flows from financing activities					
Inflows:					
Proceeds from borrowings		-	600	-	-
Outflows:					
Repayment of finance leases		(1,643)	(1,549)	(1,643)	(1,549)
Net cash provided by / (used in) financing activities		(1,643)	(949)	(1,643)	(1,549)
Net increase/ (decrease) in cash and cash equivalents		8,560	19,068	9,427	18,948
Cash and cash equivalents at beginning of the financial year		47,582	28,514	45,576	26,628
Cash and cash equivalents at the end of the financial year	1(g), 16	56,142	47,582	55,003	45,576
Financing arrangements	26				
Non-cash financing and investing 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 Flinders University and its subsidiaries as the Consolidated entity.

The principal address of Flinders University is:

Sturt Road
Bedford Park
South Australia 5042

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of Flinders University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

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 11 May 2017.

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 2016 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated entity.

The financial statements of the Consolidated entity comprise the accounts of Flinders University (the Parent entity) and all of its subsidiaries. A subsidiary is any entity controlled by the University. Control exists where the University is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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 an interest in a number of joint operations. 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 an 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 income and the statement of changes in equity. Details relating to the entities are set out in Note 36.

Note 1 Summary of significant accounting policies

(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 23.

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.

(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

Note 1 Summary of significant accounting policies

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 23.

(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 2016 by Richard 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 2016.

(ii) Buildings and infrastructure

Buildings and above ground infrastructure controlled by the University were independently revalued as at 31 December 2016 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.

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.

Note 1 Summary of significant accounting policies

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 2016 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.

(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	1.6 - 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

Note 1 Summary of significant accounting policies

Leasehold Improvements 5.0 - 20.0

The gross amount of depreciable assets and the related accumulated depreciation is provided within Note 23. 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 2016 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 22.

(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 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 2016 by Stuart Mules, FIAA, of Mercer (Australia) Pty Ltd. The assumptions used by the actuary include:

- investment earnings rate of 2.5% pa (2015: 2.4%) pa. salary inflation rate of 3.0% pa (2015: 3.0%).
- on costs have been applied at the rate of 16.4% (2015: 16.2%).
- the proportion of leave taken in service is 65% (2015: 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. 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.

Note 1 Summary of significant accounting policies

(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) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The University recognises the expense when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing redundancy benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value. Expenses are disclosed in Note 10. Amounts unpaid at balance are included under Trade and Other Payables.

(viii) 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 ReturnToWorkSA as an exempt employer. Lawsons Risk Management Services Pty Ltd administers workers' compensation arrangements on behalf of the University.

The provision for workers' compensation liability is actuarially determined each year. The valuation as at 31 December 2016 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 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.

Note 1 Summary of significant accounting policies

(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

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2016 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.

There are no material impacts from new or revised Australian Accounting Standards and Interpretations for the reporting period ending 31 December 2016.

(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.

In 2012 the University recognised a \$2.7m payment to the FMC Foundation as a lease prepayment for a facility the foundation was funding and predominantly to provide the University with space for Cancer research. As there was no formal contract in place the University has derecognised the lease prepayment which reduced opening prepayments and retained earnings accordingly. The 2015 operating result has been adjusted upwards by \$56k.

In 2016, following independent expert advice, the University reclassified FCD Health from a jointly controlled entity to a controlled entity. The impact was an increase to 2015 opening equity of \$0.4m. The University's interest in FCD Health remains unchanged at 50%.

(ae) Changes in accounting policies

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods. The University has elected not to early adopt any of these standards. The University's assessment of the impact of these new standards and interpretations is set out below:

AASB 16 Leases - Effective date 1 January 2019: Requires a lessee to recognise assets and liabilities for leases of greater than 12 months duration unless the asset is of low value. Based on existing operating leases the impact would be an increase to assets and liabilities of approximately \$18.5m with no impact on expenses or the operating result.

Certain existing leases taken by the University at less than commercial rates will be recognised as leased assets at fair value

with a corresponding adjustment to opening retained earnings of \$21m and an increase in lease expenses of \$0.8m.

AASB 1058 Income of Not-for-Profit Entities – Effective date 1 January 2019: Simplifies the income recognition requirements for not-for-profit entities in conjunction with AASB 15 *Revenue from Contracts with Customers* relating to timing of the transaction giving rise to a liability or other performance obligation or contribution by owners related to an asset received by an entity. The revenue impact in future years has yet to be determined as it will depend on contracts in place at that time.

AASB 9 Financial Instruments – Effective date 1 January 2018: Incorporates classification and measurement requirements for financial assets and liabilities and recognition and derecognition requirements for financial instruments. Impairment requirements are to be based on an "expected loss model" rather than the current "incurred loss" model in relation to long-term or life-time expected credit loss and Hedge accounting has been simplified. The University is yet to determine the impact with an expectation it will be minimal.

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	<i>Consolidated</i>		<i>University</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Note 3 Australian Government financial assistance including Australian Government loan programs (HELP)					
(a) Commonwealth Grant Scheme and Other Grants	47.a				
Commonwealth Grant Scheme (CGS) ^{#1}		145,328	141,800	145,328	141,800
Indigenous Support Program		705	664	705	664
Higher Education Participation Program ^{#2}		4,352	4,367	4,352	4,367
Disability Support Program		282	250	282	250
Promotion of Excellence in Learning and Teaching		231	527	231	527
Total Commonwealth Grant Scheme and Other Grants		150,898	147,608	150,898	147,608
(b) Higher Education Loan Programs	47.b				
HECS-HELP		87,290	83,987	87,290	83,987
FEE-HELP ^{#3}		9,200	7,436	9,200	7,436
SA-HELP	47.h	1,987	1,926	1,987	1,926
Total Higher Education Loan Programs		98,477	93,349	98,477	93,349
(c) Scholarships	47.c				
Australian Postgraduate Awards		4,519	4,554	4,519	4,554
International Postgraduate Research Scholarship		343	337	343	337
Commonwealth Education Cost Scholarships ^{#4}		30	25	30	25
Commonwealth Accommodation Scholarships ^{#4}		21	41	21	41
Indigenous Access Scholarships		34	39	34	39
Total Scholarships		4,947	4,996	4,947	4,996
(d) EDUCATION Research	47.d				
Joint Research Engagement Program		6,802	6,715	6,802	6,715
JRE Engineering Cadetships		33	-	33	-
Research Training Scheme		10,883	10,977	10,883	10,977
Research Infrastructure Block Grants		2,881	3,003	2,881	3,003
Sustainable Research Excellence in Universities		2,196	2,140	2,196	2,140
Total EDUCATION Research Grants		22,795	22,835	22,795	22,835

^{#1} Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, CGS-Medical Student Loading.

^{#2} Includes Access and Participation Fund and National Priorities Pool.

^{#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	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Note 3 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)					
(e) Australian Research Council					
<i>(i) Discovery</i> 47.e (i)					
Project		3,108	2,990	3,108	2,990
Fellowships # ⁵		3,186	3,068	3,186	3,068
Indigenous Researchers Development		18	-	18	-
Total Discovery		6,312	6,058	6,312	6,058
<i>(ii) Linkages</i> 47.e (ii)					
Infrastructure		745	783	745	783
Projects		1,601	1,190	1,601	1,190
Total Linkages		2,346	1,973	2,346	1,973
<i>(iii) Networks and Centres</i> 47.e (iii)					
Centres		5	207	5	207
Total Networks and Centres		5	207	5	207
Special Research Initiatives	47.e (iii)	149	130	149	130
Total Australian Research Council		8,812	8,368	8,812	8,368
(f) Other Australian Government financial assistance					
Non-capital					
National Health and Medical Research Council		9,705	9,689	9,705	9,689
Other Research		16,724	18,232	16,724	18,232
Other Non-Research		19,846	18,130	19,846	18,130
Commonwealth Scholarships		314	523	314	523
Total non-capital		46,589	46,574	46,589	46,574
Capital					
Capital programs		-	-	-	-
Total Capital		-	-	-	-
Total other Australian Government financial assistance		46,589	46,574	46,589	46,574
Total Australian Government financial assistance		332,518	323,730	332,518	323,730
Reconciliation					
Australian Government grants (a+c+d+e+f)		234,041	230,381	234,041	230,381
Higher Education Loan Programs (b):					
HECS-HELP payments		87,290	83,987	87,290	83,987
FEE-HELP payments		9,200	7,436	9,200	7,436
SA-HELP payments		1,987	1,926	1,987	1,926
Total Australian Government financial assistance		332,518	323,730	332,518	323,730

^{#5} Includes Early Career Researcher Award

	Note	<i>Consolidated</i>		<i>University</i>	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'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	47.a	155,576	141,768	155,576	141,768
Higher Education Loan Programs	47.b	98,507	93,147	98,507	93,147
Scholarships	47.c	5,026	5,123	5,026	5,123
EDUCATION Research	47.d	22,795	22,835	22,795	22,835
ARC grants - Discovery	47.e (i)	6,220	5,936	6,220	5,936
ARC grants - Linkages	47.e (ii)	1,956	2,122	1,956	2,122
ARC grants - Networks and Centres	47.e (iii)	-	-	-	-
Other Australian Government Grants		46,820	47,101	46,820	47,101
Total Australian Government Grants received - cash basis		336,900	318,032	336,900	318,032
OS-HELP (Net)	47.f	1,141	835	1,141	835
Superannuation Supplementation	47.g	3,295	2,848	3,295	2,848
Total Australian Government funding received - cash basis		341,336	321,715	341,336	321,715

Note 4 State and Local Government financial assistance

Non-Capital

South Australian Government

Research financial assistance		3,380	3,159	3,380	3,159
Scholarships - State		85	271	85	271
Reimbursements		2,335	2,729	2,367	2,729
Non-research		1,508	2,174	1,508	2,174
South Australian State Government financial assistance		7,308	8,333	7,340	8,333
South Australian Local Government financial assistance		43	12	43	12
Other State/Territory Governments financial assistance		1,083	1,268	1,083	1,268
Total State and Local Government financial assistance		8,434	9,613	8,466	9,613

Note 5 Fees and charges

Course fees and charges

Fee-paying onshore overseas students		63,369	51,751	63,369	51,751
Fee-paying offshore overseas students		5,008	6,193	5,008	6,193
Fee-paying domestic postgraduate students		3,918	3,615	3,918	3,615
Fee-paying domestic undergraduate students		4,682	4,681	4,682	4,681
Fee-paying domestic non-award students		109	145	109	145
Other domestic course fees and charges		2,532	2,665	2,532	2,665
Total course fees and charges		79,618	69,050	79,618	69,050

Other non-course fees and charges

Student Services and Amenities Fees from students	47.h	2,375	2,148	2,375	2,148
Student accommodation		6,941	6,946	6,941	6,946
Rental charges		1,444	1,193	1,364	1,056
Other student charges		432	341	432	341
Other hire fees		181	208	181	208
Parking fees		2,518	2,320	2,518	2,320
Other fees and charges		561	595	565	559
Total other fees and charges		14,452	13,751	14,376	13,578
Total fees and charges		94,070	82,801	93,994	82,628

	<i>Consolidated</i>		<i>University</i>	
<i>Note</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

Note 6 Investment revenue and other investment income

Investment revenue

Dividends from equity investments				
Other entities	1,505	1,901	1,095	1,463
Total Dividends	1,505	1,901	1,095	1,463
Interest income	2,172	2,820	2,141	2,788
Managed funds distributions	1,547	1,908	1,547	3,058
Investment property rental revenue	1,175	1,196	1,175	1,196
Total investment revenue	6,399	7,825	5,958	8,505
Other investment gains / (losses)				
Net gain/(loss) arising on financial assets designated at fair value through profit or loss	1,642	(436)	1,774	(884)
Realised gain/(loss) on disposal of investments	368	(20)	368	(20)
Movements in fair value of investment properties	500	(903)	500	(903)
Total investment income gains / (losses)	2,510	(1,359)	2,642	(1,807)
Total investment income	8,909	6,466	8,600	6,698

Note 7 Royalties, trademarks and licences

Total royalties, trademarks and licences	1,293	3,049	921	2,766
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Note 8 Consultancy and contracts

Consultancy	2,092	2,059	1,514	1,425
Contract research	6,606	7,093	6,567	7,321
Total consultancy and contracts	8,698	9,152	8,081	8,746

Note 9 Other revenue and other income

Other revenue

Donations and bequests	1,475	535	1,775	1,063
Scholarships and prizes	684	761	684	761
Non-government grants	4,721	4,870	4,464	4,650
Contribution of assets	54	291	54	291
Reimbursements	2,202	2,551	2,261	2,597
Sales and other charges	14,271	10,066	4,771	1,615
Other revenue	2,700	2,245	797	537
Total other revenue	26,107	21,319	14,806	11,514
Other income	386	427	386	427
Total other revenue and income	26,493	21,746	15,192	11,941

Note	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Note 10 Employee related expenses				
Academic				
Salaries	123,332	120,129	123,332	120,129
Contributions to superannuation and pension schemes				
Contributions to funded schemes	17,805	17,505	17,805	17,505
Contributions to unfunded schemes	131	141	131	141
Payroll tax	7,457	7,061	7,457	7,061
Workers' compensation	360	372	360	372
Long service leave expense	2,234	3,519	2,234	3,519
Annual leave	8,429	9,481	8,429	9,481
Redundancy expenses	6,670	-	6,670	-
Total academic	166,418	158,208	166,418	158,208
Non-academic				
Salaries	108,059	105,130	98,539	97,530
Contributions to superannuation and pension schemes				
Contributions to funded schemes	15,823	16,131	14,956	15,427
Contributions to unfunded schemes	33	35	33	35
Payroll tax	5,745	6,394	5,800	5,927
Workers' compensation	304	323	284	303
Long service leave expense	1,672	2,635	1,651	2,617
Annual leave	7,262	8,630	7,106	8,466
Redundancy expenses	8,210	395	8,210	395
Total non-academic	147,108	139,673	136,579	130,700
Total employee related expenses	313,526	297,881	302,997	288,908
Note 11 Depreciation and amortisation				
Depreciation				
Buildings	16,670	14,566	16,633	14,566
Infrastructure	1,078	957	1,078	957
Plant and equipment	6,269	6,071	5,985	5,849
Leased Equipment	1,649	1,649	1,649	1,649
Library	3,662	3,758	3,662	3,758
Total depreciation	29,328	27,001	29,007	26,779
Amortisation				
Software	3,856	2,354	3,830	2,326
Leasehold Improvements	685	606	685	606
Total amortisation	4,541	2,960	4,515	2,932
Total depreciation and amortisation	33,869	29,961	33,522	29,711
Note 12 Repairs and maintenance				
Buildings and grounds	7,792	6,718	7,577	6,577
Minor new works	1,985	2,912	2,009	2,947
Equipment and artwork	2,756	3,729	2,716	3,691
Total repairs and maintenance	12,533	13,359	12,302	13,215

Note	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

Note 13 Borrowing Costs

Finance charges in respect of finance leases

Total borrowing costs expensed

276	370	276	370
276	370	276	370

Note 14 Impairment of assets

Bad and doubtful debts

Impairment of assets

Total impairment of assets

269	312	911	312
259	(7)	111	72
528	305	1,022	384

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

14,826	14,671	14,826	14,671
5,476	6,793	5,574	6,755
4,389	3,934	4,394	3,940
13,245	13,980	13,248	13,719
3,759	4,835	2,610	3,922
6,211	6,783	6,540	7,148
1,344	1,195	1,327	1,180
3,819	4,619	3,897	4,549
3,788	3,632	3,772	3,684
14,049	14,311	13,914	14,234
6,494	5,703	6,338	5,508
8,974	6,838	9,109	6,803
2,190	1,844	2,190	1,844
6,328	5,135	6,232	5,032
732	819	724	813
1,378	1,352	1,287	1,300
4,875	6,283	3,069	3,949
101,877	102,727	99,051	99,051

Note	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

Note 16 Cash and cash equivalents

Cash at bank and on hand		31,142	47,582	30,003	45,576
Term deposits with a maturity term of less than 90 days		25,000	-	25,000	-
Total cash and cash equivalents	40	56,142	47,582	55,003	45,576

(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		56,142	47,582	55,003	45,576
Less: Bank overdrafts		-	-	-	-
Balance per statement of cash flows		56,142	47,582	55,003	45,576

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 1.25% and 1.80% (2015 - 1.75% and 2.30%).

(c) Deposits at call

The deposits are bearing floating interest rates between 2.20% and 2.80% (2015 - 3.00% and 3.05%). These deposits have an average maturity of 114 days.

Note 17 Receivables

Current

Student fees		1,042	1,656	1,042	1,656
Less: Provision for impaired receivables		(256)	(400)	(256)	(400)
		786	1,256	786	1,256
Trade receivables		11,006	9,936	10,391	9,369
Less: Provision for impaired receivables		(201)	(303)	(106)	(208)
		10,805	9,633	10,285	9,161
Subsidiary debtors		-	-	762	696
Less: Provision for impaired receivables		-	-	(737)	(95)
		-	-	25	601
Sub total		11,591	10,889	11,096	11,018
Accrued income		3,607	8,253	3,046	7,877
Deferred government benefit for superannuation	44	3,684	3,177	3,684	3,177
Total current receivables		18,882	22,319	17,826	22,072
Non-current					
Deferred government benefit for superannuation	44	46,928	48,927	46,928	48,927
Total non-current receivables		46,928	48,927	46,928	48,927
Total receivables		65,810	71,246	64,754	70,999

As at 31 December 2016 current receivables of the Group with a nominal value of \$3.492m (2015: \$3.277m) 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	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

Note 17 Receivables (continued)**Student Fees**

3 to 6 months	400	617	400	617
6 to 12 months	33	62	33	62
over 12 months	-	9	-	9
Total past due but not impaired current receivables	433	688	433	688

Trade receivables

3 to 6 months	5	208	5	208
6 to 12 months	9	3	9	3
over 12 months	-	16	-	16
Total past due but not impaired current receivables	14	227	14	227

Total past due but not impaired receivables

	447	915	447	915
--	------------	------------	------------	------------

(a) Impaired receivables

As at 31 December 2016 current receivables of the Group with a nominal value of \$0.457m (2015: \$0.703m) 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	52	162	52	162
6 to 12 months	110	33	110	33
over 12 months	94	159	94	159
Total current impaired Student receivables	256	354	256	354

Trade receivables

3 to 6 months	3	51	3	51
6 to 12 months	37	30	37	30
over 12 months	-	172	-	77
Total current impaired Trade receivables	40	253	40	158

Subsidiary receivables

3 to 6 months	-	-	10	-
6 to 12 months	-	-	35	-
over 12 months	-	-	171	95
Total current impaired Subsidiary receivables	-	-	216	95

Total current impaired receivables

	296	607	512	607
--	------------	------------	------------	------------

Movements in the provision for impaired receivables are as follows:

At 1 January provision for impairment	703	814	703	814
Provision for impairment recognised during the year	269	316	911	316
Receivables written off during the year as uncollectible	(129)	-	(129)	-
Unused amount reversed	(386)	(427)	(386)	(427)
At 31 December	457	703	1,099	703

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	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

Note 18 Inventories

Current

Inventories held for other than distribution

Total current inventories

Total inventories

338	387	195	241
338	387	195	241
338	387	195	241

Note 19 Other financial assets

Current

Held-to-maturity - Term deposits greater than 90 days

Total current other financial assets

19,658	9,375	19,658	9,375
19,658	9,375	19,658	9,375

Non-current

Available-for-sale

Interests in business undertakings:

· Subsidiaries at Council valuation

· Other entities ^[1]

Australian equities

Total available-for-sale

35	-	-	3,912	5,330
	11,102	9,200	11,102	9,200
	3,724	3,437	-	-
	14,826	12,637	15,014	14,530

Fair value through profit or loss ^

Managed Funds

· JBWere

Equities

· Australian equities

· International equities

Total fair value through profit or loss

Total non-current other financial assets

Total other financial assets

3,971	4,791	3,971	4,791
3,971	4,791	3,971	4,791
32,992	28,244	32,992	28,244
9,179	10,633	9,179	10,633
46,142	43,668	46,142	43,668
60,968	56,305	61,156	58,198
80,626	65,680	80,814	67,573

^ 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 investment income.

^[1] Education Australia has been revalued to \$11.0m (2015 \$9.2m).

Note 20 Other non-financial assets

Current

Prepayments

Non Current

Prepayments

Total other non-financial assets

8,927	8,167	8,821	8,063
4,059	4,022	4,059	4,022
12,986	12,189	12,880	12,085

Note 21 Investments accounted for using the equity method

Associates

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. The Trustees have not made a distribution declaration for the 2016 financial year.

GPEX Ltd

GPEX Ltd was formed in 2015 to develop and deliver quality education and training services to general practice registrars. The company began operations in October 2015 therefore the financials include 15 months in the 2016 financial year.

Summarised financial information for these associates is set out below:

	FRM		GPEX	
	Ownership interest		Ownership interest	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	50%	50%	50%	50%
	<i>Consolidated</i>		<i>Consolidated</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Financial Position				
Current assets	4,523	4,468	3,705	-
Non-current assets	2,109	1,657	-	-
Total assets	6,632	6,125	3,705	-
Current Liabilities	6,115	5,406	2,024	-
Non-current liabilities	97	120	79	-
Total Liabilities	6,212	5,526	2,103	-
Net Assets	420	599	1,602	-
Share of associate's net assets	210	300	801	-
Reconciliation of carrying amounts				
Balance as at 1 January	300	546	-	-
Share of profit for the year	210	282	801	-
Distribution to the beneficiary	(300)	(528)	-	-
Additions/(Disposals)	-	-	-	-
Balance as at 31 December	210	300	801	-
Financial Performance				
Income	5,174	4,536	17,851	-
Expenses	4,754	3,972	16,249	-
Profit/(loss)	420	564	1,602	-
Share of associate's profit/(loss)	210	282	801	-

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

(b) Associate

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 that fact only significant influence (34.7%) was held by Flinders Partners over the entity.

Summarised financial information for this associate is set out below:

	Re-Time Ownership interest	
	<i>2016</i>	<i>2015</i>
	35%	35%
	<i>Consolidated</i>	
	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>
Financial Position		
Current assets	515	512
Non-current assets	64	266
Total assets	579	778
Current Liabilities	204	101
Non-current liabilities	-	-
Total Liabilities	204	101
Net Assets	375	677
Share of associate's net assets	130	235
Reconciliation of carrying amounts		
Balance as at 1 January	235	249
Share of profit for the year	130	(12)
Distribution	-	(2)
Additions/(Disposals)	-	-
Balance as at 31 December	365	235
Financial Performance		
Income	318	774
Expenses	419	809
Profit/(loss)	(101)	(35)
Share of associate's profit/(loss)	(35)	(12)

	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Note 22 Investment property				
At Fair value:				
Opening balance at 1 January	8,300	9,203	8,300	9,203
Net gain/(loss) from fair value adjustments	500	(903)	500	(903)
Closing balance at 31 December	8,800	8,300	8,800	8,300

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

Rental Income	1,175	1,196	1,175	1,196
Direct operating expenses (rent generating properties)	(494)	(306)	(494)	(306)
Other direct operating expenses	(114)	(188)	(114)	(188)
Total recognised in profit or loss	567	702	567	702

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 capital commitments 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	392	69	392	69
Later than one year and not later than 5 years	472	144	472	144
Later than 5 years	-	-	-	-
Total lease commitments as lessor	864	213	864	213

In 2000 the University purchased the Mark Oliphant building in Science Park as an investment property. As at 31 December 2016, 95% (2015: 95%) of the building is leased or available for lease to entities outside the Consolidated entity. 0% (2015: 0%) was leased to entities outside the University but within the Consolidated entity.

Note	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000

Note 23 Property, plant and equipment

Land, buildings and infrastructure

Crown Land:

2016 Independent valuation

31,040 31,040 31,040 31,040

Net book amount

31,040 31,040 31,040 31,040

Freehold Land:

2016 Independent valuation

6,875 5,352 6,875 5,352

At cost

- 2,584 - 2,584

Net book amount

6,875 7,936 6,875 7,936

Total Land

37,915 38,976 37,915 38,976

Buildings:

2016 Independent valuation

460,420 282,553 460,420 282,553

At cost

402 136,972 - 136,778

Total Buildings

460,822 419,525 460,420 419,331

Infrastructure:

2016 Independent valuation

35,568 24,414 35,568 24,414

At cost

- 4,828 - 4,828

Total Infrastructure

35,568 29,242 35,568 29,242

Total Buildings and infrastructure

496,390 448,767 495,988 448,573

Less: Accumulated depreciation

(45) (26,003) - (25,995)

Total Buildings and infrastructure net book amount

496,345 422,764 495,988 422,578

Leasehold Improvements

Leasehold Improvements at cost

5,886 5,886 5,886 5,886

Less: Accumulated amortisation

(1,584) (899) (1,584) (899)

Net book amount

4,302 4,987 4,302 4,987

Construction in progress

5,733 63,554 5,733 63,554

Total Land, buildings and infrastructure net book amount

544,295 530,281 543,938 530,095

Library collection

At fair value

37,066 33,189 37,066 33,189

Less: Accumulated depreciation

(17,165) (15,134) (17,165) (15,134)

Net book amount

19,901 18,055 19,901 18,055

Equipment

At fair value

73,291 71,841 69,984 68,709

Less: Accumulated depreciation

(44,877) (43,422) (42,925) (41,666)

Net book amount

28,414 28,419 27,059 27,043

Leased Equipment

At fair value

8,245 8,245 8,245 8,245

Less: Accumulated depreciation

(4,947) (3,298) (4,947) (3,298)

Net book amount

3,298 4,947 3,298 4,947

Works of Art

2013 Independent valuation

5,654 5,528 5,654 5,528

At Council valuation

531 531 531 531

Net book amount

6,185 6,059 6,185 6,059

Total property, plant and equipment

602,093 587,761 600,381 586,199

Note 23 Property, plant and equipment (continued)

Valuations of land and buildings

Land, buildings and infrastructure were revalued as at 31 December 2016 by Richard Wood B.App.Sc (Val) AAPI CPV of Opleon 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.

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
Consolidated										
Year ended 31 December 2015										
Opening net book amount	37,466	386,477	25,140	39,373	2,176	17,100	25,909	6,596	5,808	546,045
Additions	-	186	-	61,732	-	4,713	8,441	-	251	75,323
Reclassification	2,500	27,834	3,667	(37,551)	3,417	-	133	-	-	-
Disposals ^	(990)	(4,564)	(447)	-	-	-	-	-	-	(6,001)
Depreciation/amortisation charge	-	(14,572)	(957)	-	(606)	(3,758)	(6,064)	(1,279)	-	(27,236)
Finance costs on leased equipment	-	-	-	-	-	-	-	(370)	-	(370)
Closing net book amount	38,976	395,361	27,403	63,554	4,987	18,055	28,419	4,947	6,059	587,761
Year ended 31 December 2016										
Opening net book amount	38,976	395,361	27,403	63,554	4,987	18,055	28,419	4,947	6,059	587,761
Additions	-	2,566	114	20,051	-	5,508	7,908	-	4	36,151
Reclassification	-	71,296	6,454	(77,872)	-	-	-	-	122	-
Disposals	-	(46)	-	-	-	-	(1,644)	-	-	(1,690)
Revaluation increment / (decrement)	(1,061)	8,270	2,675	-	-	-	-	-	-	9,884
Depreciation/amortisation charge	-	(16,670)	(1,078)	-	(685)	(3,662)	(6,269)	(1,373)	-	(29,737)
Finance costs on leased equipment	-	-	-	-	-	-	-	(276)	-	(276)
Closing net book amount	37,915	460,777	35,568	5,733	4,302	19,901	28,414	3,298	6,185	602,093
University										
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 ^	(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
Year ended 31 December 2016										
Opening net book amount	38,976	395,175	27,403	63,554	4,987	18,055	27,043	4,947	6,059	586,199
Additions	-	2,358	114	20,051	-	5,508	7,681	-	4	35,716
Reclassification	-	71,296	6,454	(77,872)	-	-	-	-	122	-
Disposals	-	(46)	-	-	-	-	(1,680)	-	-	(1,726)
Revaluation increment / (decrement)	(1,061)	8,270	2,675	-	-	-	-	-	-	9,884
Depreciation/amortisation charge	-	(16,633)	(1,078)	-	(685)	(3,662)	(5,985)	(1,373)	-	(29,416)
Finance costs on leased equipment	-	-	-	-	-	-	-	(276)	-	(276)
Closing net book amount	37,915	460,420	35,568	5,733	4,302	19,901	27,059	3,298	6,185	600,381

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."

The University also occupies various sites in the Northern Territory on Crown Land. The value of these properties is \$16.9m (2015 \$17.4m).

^ 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.

Note	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000

Note 24 Intangible assets

Non-current

Software costs	30,220	26,078	30,220	26,078
Less: accumulated amortisation and impairment	(16,006)	(12,301)	(16,006)	(12,301)
	14,214	13,777	14,214	13,777
IT development in progress	4,017	3,215	4,017	3,215
Net book value of software costs	18,231	16,992	18,231	16,992
Project costs carried forward (development costs)	984	770	-	-
Net book value of project costs	984	770	-	-
Net book amount	19,215	17,762	18,231	16,992

	Consolidated			University	
	Software costs	Project costs	Total	Software costs	Total
	\$'000	\$'000	\$'000	\$'000	\$'000

At 1 January 2015

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
Additions	12,352	-	12,352	12,352	12,352
Disposals	-	(34)	(34)	-	-
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

Year ended 31 December 2016

Opening net book amount	13,777	770	14,547	13,777	13,777
Additions	4,267	569	4,836	4,267	4,267
Disposals	-	(355)	(355)	-	-
Amortisation charge	(3,830)	-	(3,830)	(3,830)	(3,830)
Closing net book amount	14,214	984	15,198	14,214	14,214

At 31 December 2016

Cost	30,823	1,816	32,639	30,823	30,823
Accumulated amortisation and impairment	(16,609)	(832)	(17,441)	(16,609)	(16,609)
Net book amount	14,214	984	15,198	14,214	14,214

	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Note 25 Trade and other payables				
Current				
Creditors	11,927	11,246	10,338	9,707
OS-HELP Liability to Australian Government	1,787	695	1,787	695
Accrued expenses	16,734	19,800	15,522	19,146
Annual leave on costs	3,002	3,072	3,002	3,072
Long service leave on costs	681	705	681	705
Total current trade and other payables	34,131	35,518	31,330	33,325
Non-current				
Creditors	177	177	-	-
Long service leave on costs	3,417	3,904	3,417	3,904
Total non-current trade and other payables	3,594	4,081	3,417	3,904
Total trade and other payables	37,725	39,599	34,747	37,229

(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	1,743	1,643	1,743	1,643
Total current borrowings	1,743	1,643	1,743	1,643
Non-Current				
Finance lease liabilities	1,850	3,593	1,850	3,593
Long Term Borrowings	600	600	-	-
Total Non-current borrowings	2,450	4,193	1,850	3,593
Total Borrowings	4,193	5,836	3,593	5,236

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.

(a) Assets pledged as security

There are no assets pledged as security.

(b) Financing arrangements

The Group has the following arrangements in place –

Overdraft facility ⁽¹⁾	500	500	500	500
Amount used	-	-	-	-
Unused overdraft facility	500	500	500	500
Credit card facility ⁽¹⁾	4,560	4,560	4,500	4,500
Amount used	(587)	(551)	(555)	(518)
Unused credit cards facility	3,973	4,009	3,945	3,982

⁽¹⁾ These facilities are unsecured.

Note 27 Provisions

Current provisions expected to be settled within 12 months

	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Annual leave	10,526	10,650	10,176	10,310
Long service leave	4,077	4,436	3,860	4,237
Defined benefit obligation	44 3,684	3,177	3,684	3,177
Severance (contract employees)	956	840	663	500
Workers' compensation	450	247	449	238
Sub total	19,693	19,350	18,832	18,462

Current provisions expected to be settled after more than 12 months

Annual leave	3,961	4,141	3,961	4,141
Total current provisions	23,654	23,491	22,793	22,603

Non-current provisions

Long service leave	23,273	24,234	23,220	24,188
Defined benefit obligation	44 46,928	48,927	46,928	48,927
Severance (contract employees)	265	144	265	144
Workers' compensation	435	463	435	463
Total non-current provisions	70,901	73,768	70,848	73,722

Total provisions

94,555	97,259	93,641	96,325
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Movements in Provisions

	<i>Annual leave/ Long Service leave</i>	<i>Defined benefit obligation</i>	<i>Severance</i>	<i>Workers' compensati on</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Consolidated - current				
Carrying amount at start of year	19,227	3,177	840	247
Additional/(reductions in) provisions recognised	(663)	507	116	203
Carrying amount at the end of the year	18,564	3,684	956	450
Consolidated - non-current				
Carrying amount at start of year	24,234	48,927	144	463
Additional/(reductions in) provisions recognised	(961)	(1,999)	121	(28)
Carrying amount at the end of the year	23,273	46,928	265	435
University - current				
Carrying amount at start of year	18,688	3,177	500	238
Additional/(reductions in) provisions recognised	(691)	507	163	211
Carrying amount at the end of the year	17,997	3,684	663	449
University - non-current				
Carrying amount at start of year	24,188	48,927	144	463
Additional/(reductions in) provisions recognised	(968)	(1,999)	121	(28)
Carrying amount at the end of the year	23,220	46,928	265	435

Annual and long service leave

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Refer to note 1(u)(ii)&(iii).

Workers' compensation provision

Provision is made based on an actuarial assessment of workers' compensation estimated claims liability for future years. Refer to note 1(v)

	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Note 28 Other liabilities				
Current				
Income received in advance				
Fees & charges	10,886	7,978	10,886	7,978
Other	1,121	385	468	213
Total Income received in advance	12,007	8,363	11,354	8,191
Australian Government unspent financial assistance	-	-	-	-
Total current other liabilities	12,007	8,363	11,354	8,191
Interest-bearing funds held on behalf of external entities				
Student entities	10	9	991	1,011
Other entities	505	1,520	505	1,520
Total current unsecured interest bearing liabilities	515	1,529	1,496	2,531
Total current other liabilities	12,522	9,892	12,850	10,722
Total other liabilities	12,522	9,892	12,850	10,722

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.

	Notes	<i>Consolidated</i>		<i>University</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Note 29 Reserves and retained earnings					
(a) Reserves					
Asset revaluation surplus					
Property, plant and equipment revaluation surplus		152,314	142,430	152,833	142,949
Available-for-sale investments revaluation surplus		10,466	8,564	13,280	12,796
Total reserves		162,780	150,994	166,113	155,745
Movements in reserves					
Property, Plant and Equipment					
Balance 1 January		142,430	142,430	142,949	142,949
Increment/ (decrement) on revaluation of Property, plant and equipment	23	9,884	-	9,884	-
Balance 31 December		152,314	142,430	152,833	142,949
Available-for-sale investments revaluation surplus					
Balance 1 January		8,564	1,422	12,796	7,415
Increment/ (decrement) on revaluation		1,902	7,142	484	5,381
Balance 31 December		10,466	8,564	13,280	12,796
Movements in retained earnings were as follows:					
Retained earnings at 1 January		507,459	493,105	502,708	486,115
Net result for the period		27,685	14,354	27,406	16,593
Retained earnings at 31 December		535,144	507,459	530,114	502,708

(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 available-for-sale 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 2016

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 AM

Ms Kathryn Gramp

Mr Stephen Hains

Mrs Peggy Lau Flux

Ms Elizabeth Perry

Mr Austin Taylor

Professor Brenda Wilson

Mrs Christine Zeitz

Member co-opted and appointed by the Council

Professor Goran Roos (to 30/6/16)

Members elected by the academic staff

*Dr Grant Banfield (from 1/2/16 to 18/11/16)

*Professor Leon Lack (to 31/1/16)

*Dr Clare McCarty (to 11/6/16)

Members elected by the non-academic staff

*Ms Debra Hackett (to 24/6/16)

*Ms Pamela Smith (to 9/8/16)

Student members elected by the students

Dr Kwan Leung Chia

Ms Simone Jowett

Mr Caleb Pattinson

UNIVERSITY SENIOR MANAGEMENT IN 2016

Professor John Beynon (from 1/7/2016)

Professor Nancy Cromar (to 3/6/16)

Professor Michael Kidd

Professor Warren Lawrance (to 30/6/16)

Professor Richard Maltby

Mr Stuart Mossman

Professor Andrew Parkin

Mr Richard Porter

Professor Clare Pollock (from 18/1/16)

Mr Sebastian Raneskold (from 1/4/16)

Professor Robert Saint

Professor Colin Stirling

Professor Phyllis Tharenou

Ms Callista Thillou

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

	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Nil	20	19	21	21
\$20,000 - \$29,999	1	2	-	-
Number of members	21	21	21	21
Aggregate remuneration of Council members (\$'000)	24	48	Nil	Nil

30.2 Key management personnel

(a) Remuneration of University Senior Management

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

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

	<i>2016</i>	<i>2015</i>
	<i>Number of staff</i>	
\$140,000 - \$149,999	1	-
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	-	1
\$260,000 - \$269,999	1	-
\$280,000 - \$289,999	-	2
\$290,000 - \$299,999	2	-
\$300,000 - \$309,999	-	1
\$310,000 - \$319,999	1	-
\$360,000 - \$369,999	-	1
\$380,000 - \$389,999	-	1
\$390,000 - \$399,999	-	2
\$400,000 - \$409,999	2	-
\$410,000 - \$419,999	1	1
\$430,000 - \$439,999	1	-
\$470,000 - \$479,999	1	-
\$520,000 - \$529,999	-	1
\$1,040,000 - \$1,049,999	1	-
\$1,190,000 - \$1,199,999	-	1
	**	
	14	12
Aggregate remuneration of Executives (\$'000)	5,116	5,014

**The number of executives has increased by two from 2015. There is a net increase of one executive post. There is also a temporary increase of one person as a result of staff movements occurring part way through the year, with more than one person being included for a single position.

Note 30 Key management personnel disclosures (continued)

30.2 Key management personnel (continued)

(a) Remuneration of key management personnel (continued)

Senior University Management compensation

	2016	2015
	\$'000	\$'000
Short-term employee benefits	4,360	4,070
Post-employment benefits	665	593
Other long-term benefits	91	167
Termination benefits	-	184
Total key management personnel compensation	5,116	5,014

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. The University may employ close family members of senior management. When this occurs it follows normal recruitment practice.

In 2016 the following transactions occurred between the University and entities in which Council members have declared an interest:

Entity	Nature of goods/services	Value \$'000	Council members interest	
Bedford Phoenix Group	Grounds maintenance	56	Director	
North Adelaide Local Area Health Network	Health related	42	Director	
ACH Group	Health related	47	Director	

		<i>Consolidated</i>		<i>University</i>	
		2016	2015	2016	2015
		\$'000	\$'000	\$'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 firms:

Audit of the financial statements

Fees paid to the South Australian Auditor-General's Department	308	303	308	303
Edwards Marshall	21	33	-	-
Total paid for audit	329	336	308	303

Other audit and assurance services

Fees paid to Deloitte	247	297	247	297
Fees paid to Others	55	60	55	58
Total paid for audit and assurance	302	357	302	355

Total remuneration for audit services

631	693	610	658
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Fees paid for other audit and assurance services include payment for internal audit (Deloitte and KPMG), audit of the Higher Education Research Data Collection (Messenger Zerner) and grant reporting, and medical grant programs (Australian Independent Audit Services).

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 2016 the University had a bank guarantee facility of \$1.616m in place (2015: \$1.01m).

<i>Consolidated</i>		<i>University</i>	
<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

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	6,890	13,830	6,839	13,780
Between one and five years	1,231	1,608	1,231	1,608
Later than five years	-	-	-	-
	8,121	15,438	8,070	15,388

Intangible assets

Within one year	861	164	861	164
Between one and five years	-	-	-	-
Later than five years	-	-	-	-
	861	164	861	164

Total Capital commitments

	8,982	15,602	8,931	15,552
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(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	3,819	4,675	3,897	4,605
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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	3,198	2,473	3,126	2,473
Between one and five years	5,863	3,300	5,655	3,300
Later than 5 years	9,712	5,066	9,712	5,066
	18,773	10,839	18,493	10,839

Total future minimum lease payments

University as lessor

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

Within one year	753	626	753	626
Between one and five years	929	1,223	929	1,223
Later than 5 years	375	117	375	117
	2,057	1,966	2,057	1,966

Total lease commitments as lessor

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 22, Investment Property.

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

<i>Consolidated</i>		<i>University</i>	
<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

Note 33 Commitments (continued)

(c) Other expenditure commitments

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

Within one year	13,956	15,305	13,931	15,305
Between one year and five years	8,216	4,196	8,141	4,196
Later than five years	1,140	41	1,140	41
Total other expenditure commitments	23,312	19,542	23,212	19,542

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

	<i>University</i>	
	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>
Beginning of the year	515	500
Loans advanced	250	250
Loans repayments received	(250)	(250)
Interest charged	22	22
Interest received	(7)	(7)
End of year	530	515

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):

<i>Name of entity</i>	<i>Principal activities</i>	<i>Ownership interest</i>	
		<i>2016</i>	<i>2015</i>
		<i>%</i>	<i>%</i>
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	62
FCD Health ^	Operate the Palmerston GP Super Clinic providing placements for medical students in NT	50	50
Clevertar Pty Ltd (subsidiary of Flinders Partners Pty Ltd)	Software development company	51	51
Lung Health Diagnostics Pty Ltd	Biotech development company	60	60
National Institute of Labour Studies (NILS) Foundation Inc. ^^^	Supports the activities of NILS	-	-
Flinders Consulting Pty Ltd ^^	Consulting, subsumed by Flinders Partners.	-	-

^ FCD Health cannot pay dividends and on wind-up, the assets cannot be distributed to the University.

^^ 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.

The principal place of business for all subsidiaries is in Australia.

Note 36 Joint Operations

		<i>Consolidated</i>		<i>University</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
(a) Joint operations				Ownership interest	
Entity name	Principal activity			<i>2016</i>	<i>2015</i>
				%	%
Centre for Remote Health	Provision of health education and research to remote areas			100	50
Assets					
Cash at bank		-	918	-	918
Receivables		-	33	-	33
Property Plant and equipment		-	2,485	-	2,485
Total assets		-	3,436	-	3,436
Liabilities					
Payables		-	40	-	40
Provisions		-	213	-	213
Total liabilities		-	253	-	253
Share of net assets employed in the joint venture		-	3,183	-	3,183

The University has taken over 100% ownership of the Centre of Remote Health from 1st January 2016.

Jointly controlled operations		Ownership interest	
Entity name	Principal activity	<i>2016</i>	<i>2015</i>
		%	%
Rubuntja Building, Alice Springs Hospital	Education and research services providing health services to local & remote Indigenous populations.	41	41
Assets			
Property, plant and equipment		984	1,038
Share of net assets employed in the joint venture		984	1,038

Entity name	Principal activity	Ownership interest	
		<i>2016</i>	<i>2015</i>
		%	%
University Research Repositories of South Australia	Provision of storage area for library materials from three South Australian Universities	28	28

University Research Repository of South Australia (URRSA)

Assets			
Property, plant and equipment		1,532	1,338
Share of net assets employed in the joint venture		1,532	1,338

Note 36 Joint Operations (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 2016 (2015: \$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 University's accounts.

Relevant disclosures are as follows:-

Name of entity		Reporting date	Principal activity	Ownership interest	
				2016	2015
				%	%
eRSA	(I)	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

(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 CRC	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.
Low Carbon Living CRC	We work towards lowering carbon emissions in the built environment while driving competitive advantage for Australian industry.
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 CRC for Remote Economic Participation	To deliver solutions to the economic challenges that affect remote Australia.
The Lowitja Institute	To provide a cross cultural framework for strategic research leading to evidence based improvements in education and health practice.
The Young and Well CRC	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 associates.

Name of entity	Reporting date	Principal activity	Ownership interest	
			2016 %	2015 %
Flinders Reproductive Medicine (FRM)	30-Jun	FRM provides a high quality comprehensive infertility investigatory and treatment service.	50	50
GPEX Ltd	31-Dec	GPEX Ltd was formed in 2015 to develop and deliver quality education and training services to general practice registrars.	50	50
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
SABRENet Ltd	30-Jun	Delivers high capacity broadband network services to the education and research sector.	25	25

FRM, GPEX Ltd and Re-Time Pty Ltd are accounted for using the equity method. Refer to note 21.

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 this is considered to be immaterial. The University has no rights to the residual assets of SABRENet Ltd.

Note 39 Events occurring after the end of the reporting period

On 24 January 2017 the Vice-Chancellor announced a decision to consolidate the existing Faculty and school structure into six colleges and to align professional services accordingly. It is expected the change will be in place from 1 July 2017.

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 2016.

Note 40 Reconciliation of net result to net cash provided by / (used in) operating activities

	<i>Consolidated</i>		<i>University</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Net result for the period	27,586	14,348	27,406	16,593
Non-cash items:				
Depreciation and amortisation	33,869	29,961	33,522	29,711
Net (gain)/loss on sale of non-current assets	(1,263)	5,998	(1,263)	6,001
Net contribution of assets	(54)	(291)	(54)	(291)
Fair value gains on other financial assets at fair value through profit or loss	(2,406)	(615)	(2,274)	(167)
Distributions	(300)	955	(300)	(1,081)
Impairment of Assets	259	(7)	111	72
Investment expenses paid direct from funds	153	165	57	165
Other	(1,245)	1,166	(368)	2,102
Total non-cash items	29,013	37,332	29,431	36,512
Change in assets and liabilities				
Decrease/(Increase) in receivables	6,036	(22)	6,545	127
Decrease/(Increase) in inventories	49	47	46	9
(Increase)/Decrease in other operating assets	(797)	(62)	(795)	16
Increase/(Decrease) in payables	121	5,327	(577)	4,478
(Decrease)/Increase in other provisions	(2,704)	(1,206)	(2,684)	(1,436)
Increase/(Decrease) in other operating liabilities	3,666	1,017	3,163	885
Net cash provided by / (used in) operating activities	62,970	56,781	62,535	57,184

Cash balances not available for use

All cash balances are available for use (2015: all available).

Tax status

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

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 \$0.054million (2015: \$0.291 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 rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The University has policies that manage financial instrument risk.

Investments tend to be largely held in term deposits with banking institutions, with a policy requirement that no more than 60% of short term investments are held with a single financial institution. 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.

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

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 includes its investments in international equities of \$9.179m in 2016 (2015: \$10.633m), foreign currency cash holdings of \$308k in AUD equivalent (2015: \$82k) and there is the equivalent of AUD \$730k (2015: \$31k) denoted in foreign currency receivables. There are \$NIL (2015: \$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 gain on cash flow hedges in 2016 was \$54k (2015: loss \$128k).

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to the volatility of its share price. The Consolidated entity's exposure to price risk is limited to its shareholdings in Australian companies of \$44.094m in 2016 (2015: \$37.444m).

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity has a finance lease with a fixed implicit interest rate with no other borrowings and therefore its interest rate risk exposure relates to income only. As at 31 December 2016 the Consolidated Entity held \$44.658m (2015: \$9.375m) in term deposits and short-term deposits earning interest at market rates. Refer Notes 16 and 19. The Consolidated Entity also held \$3.716m (2015: \$4.592m) in fixed interest managed funds. Refer Note 19.

(iv) Summarised sensitivity analysis

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

31 December 2016	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Price risk			
		-1%		+1%		-1%		+1%		-1%		+1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
- Cash & cash equivalents	56,142	(558)	(558)	558	558	(3)	(3)	3	3	-	-	-	-
- Receivables	65,810	-	-	-	-	(7)	(7)	7	7	-	-	-	-
- Other financial assets	80,552	(236)	(236)	236	236	(92)	(92)	92	92	(533)	(533)	533	533
Financial liabilities													
- Payables	37,061	-	-	-	-	-	-	-	-	-	-	-	-
- Other liabilities	515	(5)	(5)	5	5	-	-	-	-	-	-	-	-
Total increase /(decrease)	164,928	(799)	(799)	799	799	(102)	(102)	102	102	(533)	(533)	533	533

31 December 2015	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Price risk			
		-1%		+1%		-1%		+1%		-1%		+1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
- Cash & cash equivalents	47,582	(475)	(475)	475	475	(1)	(1)	1	1	-	-	-	-
- Receivables	71,246	-	-	-	-	-	-	-	-	-	-	-	-
- Other financial assets	65,680	(142)	(142)	142	142	(106)	(106)	106	106	(481)	(481)	481	481
Financial liabilities													
- Payables	39,599	-	-	-	-	-	-	-	-	-	-	-	-
- Other liabilities	1,529	(15)	(15)	15	15	-	-	-	-	-	-	-	-
Total increase /(decrease)	143,380	(632)	(632)	632	632	(107)	(107)	107	107	(481)	(481)	481	481

The interest rate risk on other financial liabilities not included above is nil as these funds are invested on behalf of related entities and they bear the interest rate risk. For foreign exchange risk, a 1% movement in exchange rates would vary investments by \$92k and receivables by \$7k.

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 \$50.612m (2015: \$52.490m).

(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.

31 December 2016	<i>Average Interest Rate</i>	<i>Less than 1 Year</i>	<i>1 to 5 Years</i>	<i>5+ Years</i>	<i>Non-interest bearing</i>	<i>Total</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Financial assets						
Cash and cash equivalents	2.10%	55,814	-	-	328	56,142
Receivables	-	-	-	-	65,810	65,810
Other financial assets	2.85%	20,852	1,185	1,592	56,997	80,626
Total financial assets	2.33%	76,666	1,185	1,592	123,135	202,578
Financial liabilities						
Payables	-	-	-	-	37,548	37,548
Other liabilities	2.21%	515	-	-	-	515
Total financial liabilities	2.21%	515	-	-	37,548	38,063
Net financial assets	-	76,151	1,185	1,592	85,587	164,515
31 December 2015						
	<i>Average Interest Rate</i>	<i>Less than 1 Year</i>	<i>1 to 5 Years</i>	<i>5+ Years</i>	<i>Non-interest bearing</i>	<i>Total</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Financial assets						
Cash and cash equivalents	2.24%	47,479	-	-	103	47,582
Receivables	-	-	-	-	71,246	71,246
Other financial assets	3.84%	12,368	1,033	765	51,514	65,680
Total financial assets	2.61%	59,847	1,033	765	122,863	184,508
Financial liabilities						
Payables	-	-	-	-	39,599	39,599
Other liabilities	2.29%	1,529	-	-	-	1,529
Total financial liabilities	2.29%	1,529	-	-	39,599	41,128
Net financial assets	-	58,318	1,033	765	83,264	143,380

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	<i>Consolidated</i>			
		<i>Carrying Amount</i>		<i>Fair Value</i>	
		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Financial Assets					
Cash and cash equivalents	16	56,142	47,582	56,142	47,582
Receivables	17	65,810	71,246	65,810	71,246
Investments using the equity method	21	976	300	976	300
Other financial assets					
Held to maturity	19	19,658	9,375	19,658	9,375
Available-for-sale	19	14,826	12,637	14,826	12,637
Financial assets at fair value through profit or loss	19	46,142	43,668	46,142	43,668
Total Financial Assets		203,554	184,808	203,554	184,808
Non-Financial assets					
Other non-financial assets	20	12,986	12,189	12,986	12,189
Total Non-Financial assets		12,986	12,189	12,986	12,189
Financial Liabilities					
Payables	25	37,548	39,599	37,548	39,599
Borrowings	26	4,193	5,836	4,193	5,836
Other financial liabilities	28	515	1,529	515	1,529
Total Financial Liabilities		42,256	46,964	42,256	46,964

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

Note 43 Fair value measurements (continued)

(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 2016.

Fair value measurements at 31 December 2016	Notes	<i>Consolidated</i>			
		2016	Level 1	Level 2	Level 3
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Financial assets					
Fair value through profit or loss					
Equity securities	19	45,895	1,906	40,265	3,724
Debt securities	19	3,971	-	3,971	-
Available for sale					
Other entities	19	11,102	-	-	11,102
Investments using the equity method	21	976	-	-	976
Total Financial Assets		61,944	1,906	44,236	15,802
Non Financial Assets					
Investment property	22	8,800	-	-	8,800
Land, buildings and infrastructure	23	538,562	-	-	538,562
Library	23	19,901	-	-	19,901
Works of Art	23	6,185	-	-	6,185
Total Non Financial Assets		573,448	-	-	573,448
Financial Liabilities					
Derivatives used for hedging		54	-	54	-
Total Financial Liabilities		54	-	54	-
Total Fair Value measurements at 31 December 2016		635,338	1,906	44,182	589,250

Fair value measurements at 31 December 2015	Notes	<i>Consolidated</i>			
		2015	Level 1	Level 2	Level 3
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Financial assets					
Fair value through profit or loss					
Equity securities	19	42,314	1,877	37,000	3,437
Debt securities	19	4,791	-	4,791	-
Available for sale					
Other entities	19	9,200	-	-	9,200
Investments using the equity method	21	300	-	-	300
Total Financial Assets		56,605	1,877	41,791	12,937
Non Financial Assets					
Investment property	22	8,300	-	-	8,300
Land, buildings and infrastructure	23	466,727	-	-	466,727
Library	23	18,055	-	-	18,055
Works of Art	23	6,059	-	-	6,059
Total Non Financial Assets		499,141	-	-	499,141
Financial Liabilities					
Derivatives used for hedging		128	-	128	-
Total Financial Liabilities		128	-	128	-
Total Fair Value measurements at 31 December 2015		555,618	1,877	41,663	512,078

Note 43 Fair value measurements (continued)

(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 2016 on investment properties and on freehold land and building (classified as property, plant and equipment). All properties are revalued independently at least every three years. At the end of each reporting period, the Consolidated entity updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Consolidated entity determines the property's value within a range of reasonable fair value estimates.

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

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

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

(d) Valuation inputs and relationships to fair value

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

Description	Fair value at 31 Dec 2016	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	<i>\$'000</i>			
Unlisted equity securities	14,826	Earnings growth factor	Net asset position and future earnings	Increase in net assets and increase in future earnings would result in higher fair value. Decrease in net assets and decrease in future earnings would result in lower fair value.

Note 43 Fair value measurements (continued)

(e) 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 2016 and 2015:

Consolidated

Level 3 Fair Value Measurements 2016	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 2016	12,637	466,727	18,055	6,059	8,300	300	512,078
Gains or (losses) in profit or loss							
Additions	-	80,430	5,508	126	-	976	87,040
Disposals	-	(46)	-	-	-	(300)	(346)
Depreciation recognised in net result	-	(18,433)	(3,662)	-	-	-	(22,095)
Total gains or (losses) in profit or loss	-	61,951	1,846	126	-	676	64,599
Gains or (losses) in comprehensive income:							
Gain/(Loss) in other comprehensive income	1,902	-	-	-	-	-	1,902
Revaluation increment or (decrement)	287	9,884	-	-	500	-	10,671
Total gains or (losses) in other comprehensive income	2,189	9,884	-	-	500	-	12,573
Closing balance 31 December 2016	14,826	538,562	19,901	6,185	8,800	976	589,250

Consolidated

Level 3 Fair Value Measurements 2015	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	451,259	17,100	5,808	9,203	411	488,835
Gains or (losses) in profit or loss							
Additions	-	37,604	4,713	251	-	417	42,985
Disposals/Distribution	-	(6,001)	-	-	-	(528)	(6,529)
Depreciation recognised in net result	-	(16,135)	(3,758)	-	-	-	(19,893)
Total gains or (losses) in profit or loss	-	15,468	955	251	-	(111)	16,563
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	466,727	18,055	6,059	8,300	300	512,078

Note 44 Defined benefit plans

The University contributes to the following employee superannuation funds:

(i) UniSuper Limited Superannuation Schemes

(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 2016 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 2016 the assets of the Defined Benefit Division (DBD) in aggregate were estimated to be:

- \$2,252 million (June 2015: \$1,479m) 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.
- \$3,757 million (June 2015: \$3,377m) above accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2016. The financial assumptions used were:

	<i>Vested Benefits</i>	<i>Accrued Benefits</i>
Gross of tax investment return:		
- Defined Benefit Division pensions	5.30%	6.90%
- Commercial rate indexed pensions	3.70%	3.70%
Net of tax investment return - non pensioner members	4.60%	6.10%
Consumer Price Index	2.50%	2.50%
Inflationary salary increases long term	3.50%	3.50%

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

At 30 June 2016 the Vested Benefit Index (VBI) was 112.2% (2015: 108.8%) and the Accrued Benefit Index (ABI) was 122.2% (2015: 122.6%). As a result of the VBI being greater than 100% at 30 June 2016, 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. The monitoring period commencing on 30 June 2013 is still in place.

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 71 (2015: 73) 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 2016. 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 \$50.6 million (2015: \$52.1 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 \$3.7 million (2015: \$3.1 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 14.02 years (2015: 14.47 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	<i>Less than 1 year</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit obligation - 31 Dec 2016	3,647	3,136	9,568	66,092	82,443
Defined benefit obligation - 31 Dec 2015	3,139	3,548	9,662	69,447	85,796

b) Categories of plan assets

	<i>2016</i>		<i>2015</i>	
	%	%	%	%
	Active Market	No Active Market	Active Market	No Active Market
Cash and cash equivalents	2.4%	0.0%	3.3%	0.0%
Equity instruments	48.1%	0.0%	49.6%	0.0%
Debt instruments	2.8%	0.0%	2.0%	0.0%
Property	2.5%	11.8%	2.6%	11.8%
Diversified strategies growth	0.8%	10.2%	0.7%	9.0%
Diversified strategies income	15.7%	0.0%	13.8%	0.0%
Inflation linked securities	0.0%	5.7%	0.0%	7.2%
Total	72.3%	27.7%	72.0%	28.0%

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:

	2016	2015
	%	%
Discount rate	3.1	3.2
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%	(5.30%)	(0.50%)	5.80%
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

	2016	2015
	\$'000	\$'000
Present value of defined benefit obligations		
Opening defined benefit obligation	55,998	58,868
Current Service Cost	206	133
Interest expense	1,742	1,776
	57,946	60,777
Remeasurements		
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-
Actuarial losses/(gains) arising from changes in financial assumptions	648	(869)
Experience (gains)/losses	(1,298)	(540)
	57,296	59,368
Benefits paid	(2,470)	(3,370)
Closing defined benefit obligation	54,826	55,998
Net Liability Reconciliation		
Defined Benefit Obligation	54,826	55,998
Fair value of plan assets	(4,214)	(3,894)
Net Liability	50,612	52,104
Present value of obligation		
Opening defined benefit obligation	52,104	55,207
Current service costs	1,818	1,798
Remeasurements	(816)	(1,507)
Employer contributions	(2,494)	(3,394)
Total net liability/(asset) in balance sheet	50,612	52,104

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
CPI	Consumer Price Index
CRC	Cooperative Research Centre
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
JRE	Joint Research Engagement
NHMRC	National Health & Medical Research Council
NILS	National Institute of Labour Studies
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

		<i>University ONLY</i>					
		Commonwealth Grant Scheme ⁽¹⁾		Indigenous Support Program		Higher Education Participation Program ⁽²⁾	
Note		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	150,475	137,048	705	664	3,883	3,279
	Net accrual adjustments	(5,147)	4,752	-	-	469	1,088
	Revenue for the period	145,328	141,800	705	664	4,352	4,367
	Surplus/ (deficit) from the previous year	-	-	-	-	1,267	1,167
	Total revenue including accrued revenue	145,328	141,800	705	664	5,619	5,534
	Less expenses including accrued expenses	145,328	141,800	705	664	4,979	4,267
	Surplus/ (deficit) for reporting period	-	-	-	-	640	1,267

[1] Includes the basic CGS grant amount, CGS-Regional loading, CGS-Enabling loading and CGS Medical student loading.

[2] Includes Access and Participation Fund and National Priorities Pool. \$4k is to be returned to the Department.

		<i>University ONLY</i>					
		Disability Support Program		Promotion of Excellence in Learning and Teaching		Total	
Note		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	282	250	231	527	155,576	141,768
	Net accrual adjustments	-	-	-	-	(4,678)	5,840
	Revenue for the period	282	250	231	527	150,898	147,608
	Surplus/ (deficit) from the previous year	-	-	563	716	1,830	1,883
	Total revenue including accrued revenue	282	250	794	1,243	152,728	149,491
	Less expenses including accrued expenses	282	250	428	680	151,722	147,661
	Surplus/ (deficit) for reporting period	-	-	366	563	1,006	1,830

Note 47 Acquittal of Australian Government financial assistance (continued)

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

		<i>University ONLY</i>					
		HECS-HELP (Australian Government payments only) ^[1]		FEE-HELP ^[2]		SA-HELP ^[3]	
<i>Note</i>		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	Cash Payable / (Receivable) at beginning of year	1,683	1,930	74	66	18	(19)
	Financial assistance received in CASH during the reporting period	87,416	83,740	9,330	7,444	1,761	1,963
	Cash available for period	89,099	85,670	9,404	7,510	1,779	1,944
	Revenue earned	87,290	83,987	9,200	7,436	1,987	1,926
	Cash Payable / (Receivable) at end of year	1,809	1,683	204	74	(208)	18

[1] HECS-HELP - \$549k to be returned to the Department

[2] Program is in respect of FEE-HELP for Higher Education only. This includes \$204k to be returned to the Department

[3] SA-HELP - \$208k additional funding to be provided by the Department

		<i>University ONLY</i>	
		Total	
<i>Note</i>		<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>
	Cash Payable / (Receivable) at beginning of year	1,775	1,977
	Financial assistance received in CASH during the reporting period	98,507	93,147
	Cash available for period	100,282	95,124
	Revenue earned	98,477	93,349
	Cash Payable / (Receivable) at end of year	1,805	1,775

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]	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	4,519	4,554	343	337	62	96
Net accrual adjustments	-	-	-	-	(32)	(71)
Revenue for the period	4,519	4,554	343	337	30	25
Surplus/ (deficit) from the previous year	988	973	-	-	47	58
Total revenue including accrued revenue	5,507	5,527	343	337	77	83
Less expenses including accrued expenses	4,611	4,539	343	337	40	36
Surplus/ (deficit) for reporting period	896	988	-	-	37	47

Note	University ONLY			
	Commonwealth Accommodation Scholarships ^[1]		Indigenous Access Scholarships	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	68	97	34	39
Net accrual adjustments	(47)	(56)	-	-
Revenue for the period	21	41	34	39
Surplus/ (deficit) from the previous year	30	38	-	-
Total revenue including accrued revenue	51	79	34	39
Less expenses including accrued expenses	13	49	34	39
Surplus/ (deficit) for reporting period	38	30	-	-

Note	University ONLY	
	Total	
	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	5,026	5,123
Net accrual adjustments	(79)	(127)
Revenue for the period	4,947	4,996
Surplus/ (deficit) from the previous year	1,065	1,069
Total revenue including accrued revenue	6,012	6,065
Less expenses including accrued expenses	5,041	5,000
Surplus/ (deficit) for reporting period	971	1,065

[1] Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively. Commonwealth Accommodation Scholarships includes \$47k and Commonwealth Education Cost Scholarships includes \$30k to be returned to the Department.

Note 47 Acquittal of Australian Government financial assistance (continued)

47.d Education Research ⁽¹⁾

		<i>University ONLY</i>					
		Joint Research Engagement		Joint Research Engagement Cadetships		Research Training Scheme	
<i>Note</i>		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	6,802	6,715	33	-	10,883	10,977
	Net accrual adjustments	-	-	-	-	-	-
3(d)	Revenue for the period	6,802	6,715	33	-	10,883	10,977
	Surplus/ (deficit) from the previous year	-	-	-	-	-	-
	Total revenue including accrued revenue	6,802	6,715	33	-	10,883	10,977
	Less expenses including accrued expenses	6,802	6,715	-	-	10,883	10,977
	Surplus/ (deficit) for reporting period	-	-	33	-	-	-

		<i>University ONLY</i>			
		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities	
<i>Note</i>		<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	2,881	3,003	2,196	2,140
	Net accrual adjustments	-	-	-	-
3(d)	Revenue for the period	2,881	3,003	2,196	2,140
	Surplus/ (deficit) from the previous year	-	-	-	-
	Total revenue including accrued revenue	2,881	3,003	2,196	2,140
	Less expenses including accrued expenses	2,881	3,003	2,196	2,140
	Surplus/ (deficit) for reporting period	-	-	-	-

		<i>University ONLY</i>	
<i>Note</i>		<i>2016</i>	<i>2015</i>
		<i>\$'000</i>	<i>\$'000</i>
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	22,795	22,835
	Net accrual adjustments	-	-
3(d)	Revenue for the period	22,795	22,835
	Surplus/ (deficit) from the previous year	-	-
	Total revenue including accrued revenue	22,795	22,835
	Less expenses including accrued expenses	22,762	22,835
	Surplus/ (deficit) for reporting period	33	-

(1) The reported surplus for Joint Research Engagement Cadetships of \$33k will be rolled over into the 2017 Research Support Program.

Note 47 Acquittal of Australian Government financial assistance (continued)

47.e Australian Research Council Grants

(i) Discovery

Note	University ONLY					
	Projects		Fellowships ⁽¹⁾		Indigenous Researchers Development	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	3,034	2,868	3,186	3,068	-	-
Net accrual adjustments	74	122	-	-	18	-
Revenue for the period	3,108	2,990	3,186	3,068	18	-
Surplus/ (deficit) from the previous year	1,748	1,190	2,632	2,479	-	-
Total revenue including accrued revenue	4,856	4,180	5,818	5,547	18	-
Less expenses including accrued expenses	2,933	2,432	3,108	2,915	-	-
Surplus/ (deficit) for reporting period	1,923	1,748	2,710	2,632	18	-

[1] Includes Early Career Researcher Award.

Note	University ONLY	
	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	6,220	5,936
Net accrual adjustments	92	122
Revenue for the period	6,312	6,058
Surplus/ (deficit) from the previous year	4,380	3,669
Total revenue including accrued revenue	10,692	9,727
Less expenses including accrued expenses	6,041	5,347
Surplus/ (deficit) for reporting period	4,651	4,380

(ii) Linkages

Note	University ONLY					
	Infrastructure		Projects		Total Linkages	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	500	860	1,456	1,262	1,956	2,122
Net accrual adjustments	245	(77)	145	(72)	390	(149)
Revenue for the period	745	783	1,601	1,190	2,346	1,973
Surplus/ (deficit) from the previous year	297	138	940	770	1,237	908
Total revenue including accrued revenue	1,042	921	2,541	1,960	3,583	2,881
Less expenses including accrued expenses	813	624	1,284	1,020	2,097	1,644
Surplus/ (deficit) for reporting period	229	297	1,257	940	1,486	1,237

Note 47 Acquittal of Australian Government financial assistance (continued)

(iii) Networks and Centres and Special Research Initiatives

	<i>University ONLY</i>					
	Centres		Special Research Initiatives		Total	
	<i>Note</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		-	-	-	-	-
Net accrual adjustments		5	207	149	130	154
Revenue for the period	3(e)(iii)	5	207	149	130	337
Surplus/ (deficit) from the previous year		263	151	369	548	632
Total revenue including accrued revenue		268	358	518	678	1,036
Less expenses including accrued expenses		188	95	156	309	344
Surplus/ (deficit) for reporting period		80	263	362	369	632

47.f OS-HELP ^[1]

	<i>University ONLY</i>	
	<i>Note</i>	<i>2016</i>
		<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>
Cash received during the reporting period		3,786
Cash Spent during the reporting period		2,645
Net cash received	3 (g)	1,141
Cash Surplus / (deficit) from the previous period		646
Cash Surplus / (deficit) for reporting period		646

^[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.

	<i>University ONLY</i>	
	<i>Note</i>	<i>2016</i>
		<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>
47.g Higher Education Superannuation Program		
Cash received during the reporting period	3 (g)	3,295
University contribution in respect of current employees		164
Cash available		3,459
Cash Surplus / (deficit) from the previous period		(490)
Cash available for current period		2,969
Contributions to specified defined benefit funds		2,739
Cash Surplus / (deficit) this period		(490)

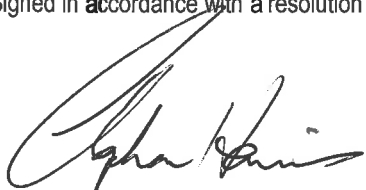
	<i>University ONLY</i>	
	<i>Note</i>	<i>2016</i>
		<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>
47.h Student Services and Amenities Fee		
Unspent / (overspent) revenue from previous period		3,646
SA-HELP Revenue Earned	3 (b)	1,987
Student Services and Amenities Fees direct from Students	5	2,375
Total revenue expendable in period		8,008
Student Services expenses during period		4,313
Unspent / (overspent) Student Services revenue		3,695

FLINDERS UNIVERSITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

To the best of our knowledge and belief –

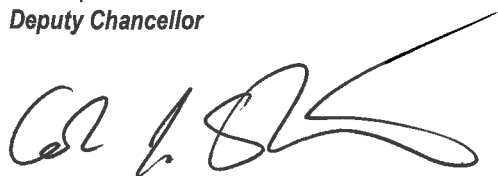
- the attached General Purpose Financial Report for Flinders University presents a true and fair view, in accordance with the Treasurer's Instructions issued under Section 41 of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and to conform to the Department of Education and Training Financial Statement Guidelines for Australian Higher Education Providers for the 2016 Reporting Period, the financial position of Flinders University as at 31 December 2016, 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

25 May 2017



Professor Colin Stirling
Vice-Chancellor

25 May 2017



Mr Richard Porter
Chief Financial Officer

25 May 2017

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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 financial report of the Flinders University of South Australia and the consolidated entity comprising the Flinders University of South Australia (the University) and its controlled entities for the financial year ended 31 December 2016.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the University and its controlled entities as at 31 December 2016, their financial performance and their cash flows for the year ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Support Act 2003* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2016
- a Statement of Financial Position as at 31 December 2016
- a Statement of Changes in Equity for the year ended 31 December 2016
- a Statement of Cash Flows for the year then ended 31 December 2016
- notes, comprising significant accounting policies and other explanatory information for administered items.

Basis for opinion

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

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

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

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

The Council is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

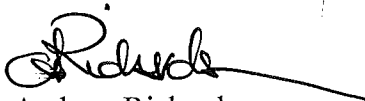
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Vice-Chancellor
- conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern

- conclude on the appropriateness of the entity's use of the going concern basis of accounting based on the audit evidence obtained up to the date of my auditor's report
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

1 June 2017