

2001



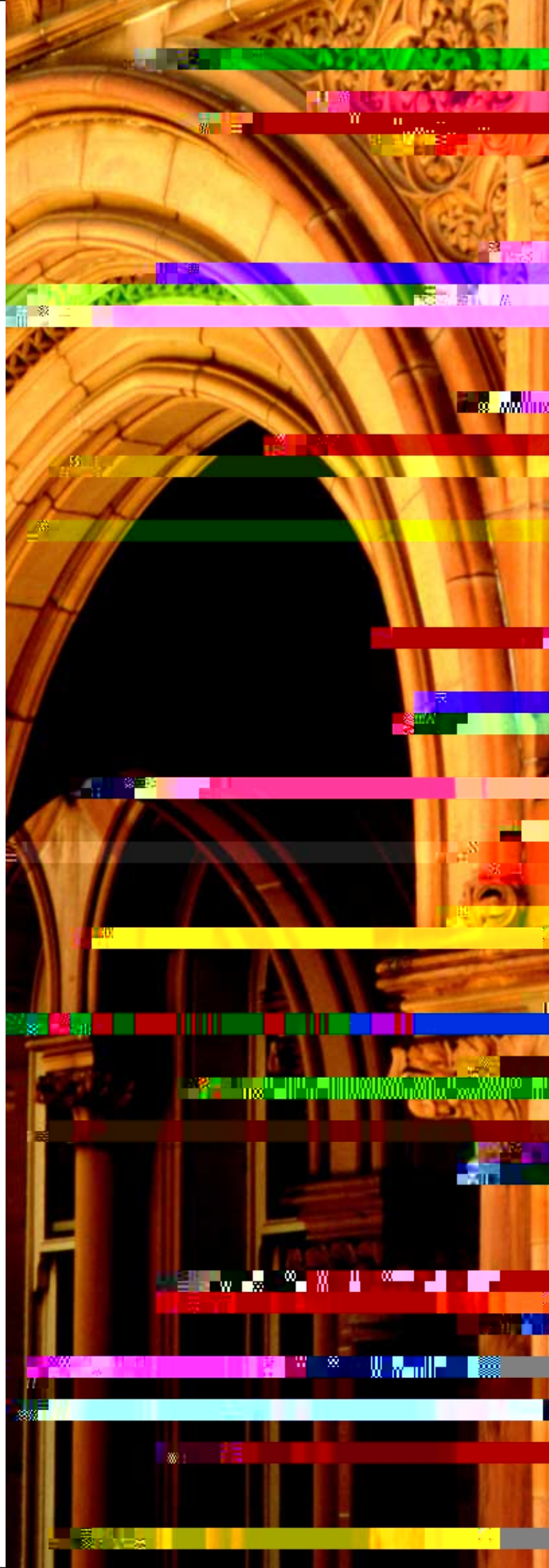
Message from the Vice-Chancellor

When I entered on duty as Vice-Chancellor in August 2001, I was impressed by the enthusiasm and commitment of the Council

any Australian university, while the success rate of applications for research funding across the board remained well above the average, both nationally and indeed in the Asia-Pacific region. Multi-million dollar grants for research in areas ranging from laser diagnostics to hormone replacement therapy, human genome research, and the early origins of adult disease, were indicative of the University's commanding position.

Our policy commitment to active learning and the pursuit of knowledge has been underpinned by action. We have provided the resources necessary to develop an environment conducive to the distinctive and high quality learning experience that distinguishes the University of Adelaide in a highly competitive market. The establishment of the Online Learning and Teaching Unit, for example, is a notable demonstration of our commitment to using technology to enhance learning and teaching.

The investments in Music and Law already mentioned illustrated our determination to drive forward in 2001, and they accord well with significant developments in almost every area. The \$22 million Rural Clinical School at Whyalla, for example, and new buildings for Engineering, Mathematics, and Molecular Life Sciences, are especially tangible signs of growth. Building works commenced on the new School of Petroleum Engineering and Management (in both directions – the capital works include the drilling of a





Commonwealth-Funded Research Centres

National Research Centres Funded by the Australian Research Council:

Special Research Centre for the Molecular Genetics of Development
Special Research Centre for the Subatomic Structure of Matter
Key Centre for Social Applications of Geographical Information Systems

Cooperative Research Centres – the Commonwealth Program linking industry with government and higher education research organisations

Australian Petroleum CRC
CRC for Cattle and Beef Quality
CRC for Clean Power from Lignite
CRC for Freshwater Ecology
CRC for Landscape Environments and Mineral Exploration
CRC for Molecular Plant Breeding
CRC for Pest Animal Control
CRC for Plant-based Management of Dryland Salinity
CRC for Sensor Signal and Information Processing
CRC for Smart Internet Technology
CRC for Tissue Growth and Repair
CRC for Viticulture
CRC for Water Quality and Treatment
CRC for Australian Weed Management
CRC for Welded Structures

University-Designated Research Centres

Adelaide Research Centre for the Humanities and Social Sciences
Australian Centre for Environmental Law
Australian Research Centre for Population Oral Health
Centre for Amphibian Studies
Centre for Applied Modelling in Water Engineering
Centre for Biomedical Engineering
Centre for British Studies
Centre for Computer Systems and Software Engineering
Centre for Evolutionary Biology and Biodiversity
Centre for High Performance Computing and Applications
Centre for High Performance Integrated Technologies and Systems
Centre for Infrastructure Diagnosis, Assessment and Rehabilitation
Centre for International Economic Studies (incorporating Chinese Economies Research Centre)
Centre for Internet Technology Research
Centre for Labour Research
Centre for Physiology of Early Development
Centre for Plant Root Symbiosis
Centre for Telecommunications Information Networking
Institute for Geometry and its Applications
Institute for Information Technology and Telecommunications
National Centre for Petroleum Geology and Geophysics
South Australian Institute for Theoretical Physics (incorporating the National Institute for Theoretical Physics)

Faculty Research Groups/Units

Adelaide Fire Safety Research Unit
Centre for Asian and Middle Eastern Architecture
Centre for History of Food and Drink
Centre for Turbulence and Energy Combustion
Colgate Australian Clinical Dental Research Centre
Dental Statistics and Research Unit
Forensic Odontology Unit
Franco-Australia Centre for International Research in Marketing
Joanna Briggs Institute for Evidence Based Nursing
Research Centre for South East Asian Ceramics
Road Accident Research Unit
Teletraffic Research Centre

Joint University Units

South Australian Centre for Economic Studies
South Australian Centre for Parallel Computing
South Australian Centre for Rural and Remote Health

Key Research/Teaching Affiliations

Australian Wine Research Institute
Commonwealth Scientific and Industrial Research Organisation
Institute of Medical and Veterinary Science
Modbury Public Hospital
Museum of Migration and Settlement
Northwestern Adelaide Health Service
Primary Industry and Resources South Australia
Queen Elizabeth Hospital
Royal Adelaide Hospital
Royal Zoological Society
South Australian Museum
South Australian Research and Development Institute
State Library of South Australia
Tandanya National Aboriginal Cultural Institute

Governance

Early in 2001 Council approved an amended **Council committee structure**, with two new committees established, the terms of reference of others changed slightly and the Senior Salaries and Industrial Relations committee renamed the People Committee. Late in the year more far-reaching changes were foreshadowed when the University engaged Professor David Penington, a former Vice-Chancellor of the University of Melbourne, to review all the committees of Council and their functions. His report was expected early in 2002.

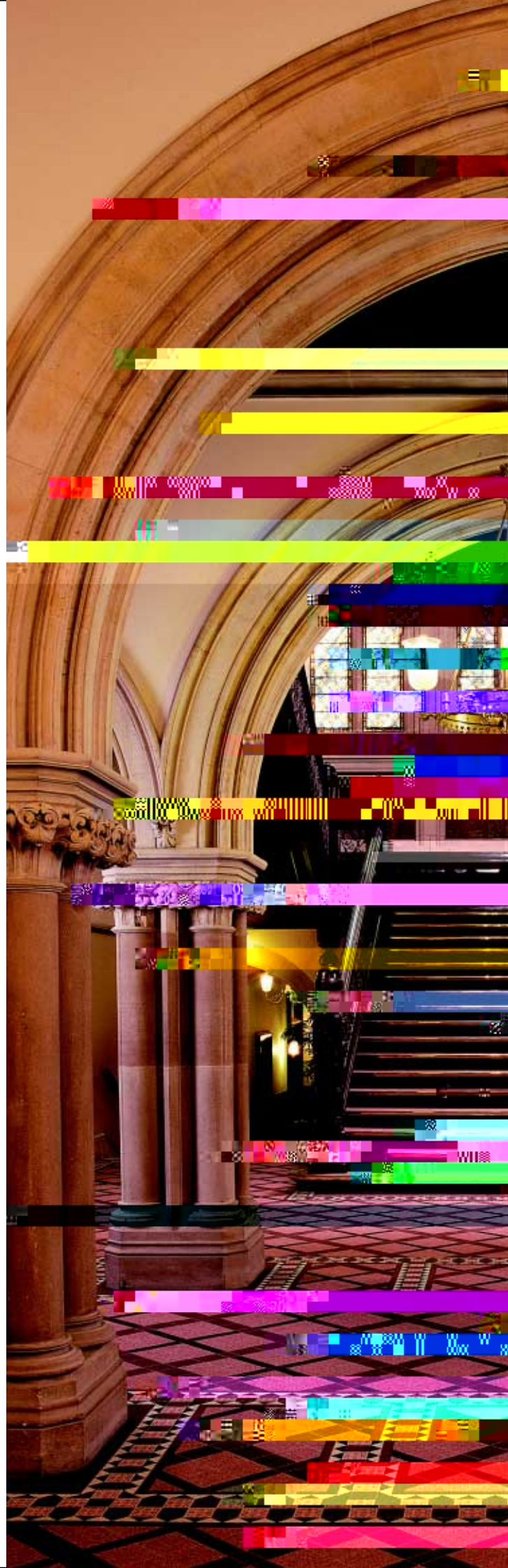
A review by the Council Secretary of the **University of Adelaide Act 1971** also commenced late in the year, with a view to modernising some of its provisions and rendering it comparable with other Australian university Acts.

In June the University Council approved a recommendation that it revoke the qualified **delegation of its powers** to the Chancellor. The proposal was made to Council by the Chancellor himself on the recommendation of the Chancellor's Committee; it noted that no event requiring the exercise of the powers had arisen since the Committee's establishment in July 2000.

At a **weekend workshop** in April Council agreed that it would strive to make decisions by consensus on major issues and principles, and that Council committee chairs should in future be routinely invited to speak to their reports at Council meetings. Council also decided that senior managers should feel free to speak at and participate fully in Council meetings.

Two **new Council members** were appointed – Ms Pamela Martin in March and Ms Christine Charles in July.

In September the University community was saddened by the **death of its former Chancellor**, Mr Bill Scammell CBE. Mr Scammell was appointed Chancellor in 1991 and was re-appointed for a second term in 1995. He retired from the position in 1998. During his two terms as Chancellor Mr Scammell played a major part in assisting the University to establish much closer links with the business community.



Council Members at 31 December 2001

Ex Officio Members

Planning, Restructuring, Management

The University community was surprised in August by the sudden **resignation of the Vice-Chancellor**, Professor Mary O'Kane. Within a week the University had appointed an interim Vice-Chancellor, Professor Cliff Blake AO, who had recently retired after 11 years as foundation Vice-Chancellor of Charles Sturt University in New South Wales. Professor Blake is a former president of the Australian Higher Education Industry Association, a former convenor of the NSW Vice-Chancellors' Conference, a former chairman of the National Conference on Open and Distance Education and a former board member of the Australian Vice-Chancellors' Committee. The University immediately embarked on an international search for a permanent Vice-Chancellor.

Early in his term the Vice-Chancellor identified a set of **strategic priorities** which he aimed to address, including: the restructuring of the central administration; the revitalisation of the Academic Board; the establishment of a dedicated Planning Office; an increased focus on research and graduate studies; and the development of a comprehensive International Office.

Then in November a series of **new management initiatives** was announced aimed at strengthening the University's performance in key areas and resolving major financial issues faced by the University. These measures included: a comprehensive budget strategy to restore the University's capital base; a stronger marketing effort to build on an increase in total student applications; a staff renewal strategy, incorporating a recruitment drive and a voluntary early retirement scheme to reinvigorate the academic staff profile; a new Graduate School for postgraduate research students; new budget control measures; a \$20 million capital works program; a new University Planning Office with responsibility for strategic planning, resource allocation and capital management; and more partnership arrangements with overseas institutions.

A **new Strategic Plan** covering 2001 – 2005 was approved by the Council in November. The University's new mission is to "contribute to the wealth and well-being of South Australia, Australia and the international community through education, research and community service of distinction".

Significant **changes to senior management** structures and personnel occurred during the year. In March two new Pro Vice-Chancellor positions were created. Professor Ian Young, Executive Dean of the Faculty of Engineering, Computer and Mathematical Sciences, was appointed also Pro Vice-Chancellor (International); and Professor Malcolm Gillies, Executive Dean of the Faculty of Humanities and Social Sciences, and of the Faculty of Performing Arts, Law, Architecture, Commerce and Economics (PALACE), was appointed also Pro Vice-Chancellor (Commercialisation). Professor Gillies resigned late in the year to take up a new appointment. The role and title of the Deputy Vice-Chancellor (Education), Professor Penny Boumelha, was extended. She became the Deputy Vice-Chancellor (Education) and Provost, with the Executive Deans of the faculties reporting to the Vice-Chancellor through her.

The Executive Director of Finance and Infrastructure, Mr Tony Siebert, and the Executive Director of Student and Staff Services, Mr Ian Creagh, both resigned during the year to take up **new appointments**. Mr Paul Duldig, formerly the Department of Treasury and Finance's General Manager (Finance) was appointed Executive Director, Finance and Infrastructure in November; and Ms Susan MacIntosh was appointed Executive Director, Student and Staff Services in September. She was formerly Executive Director, Corporate and Organisational Development at the Department of Premier and Cabinet.

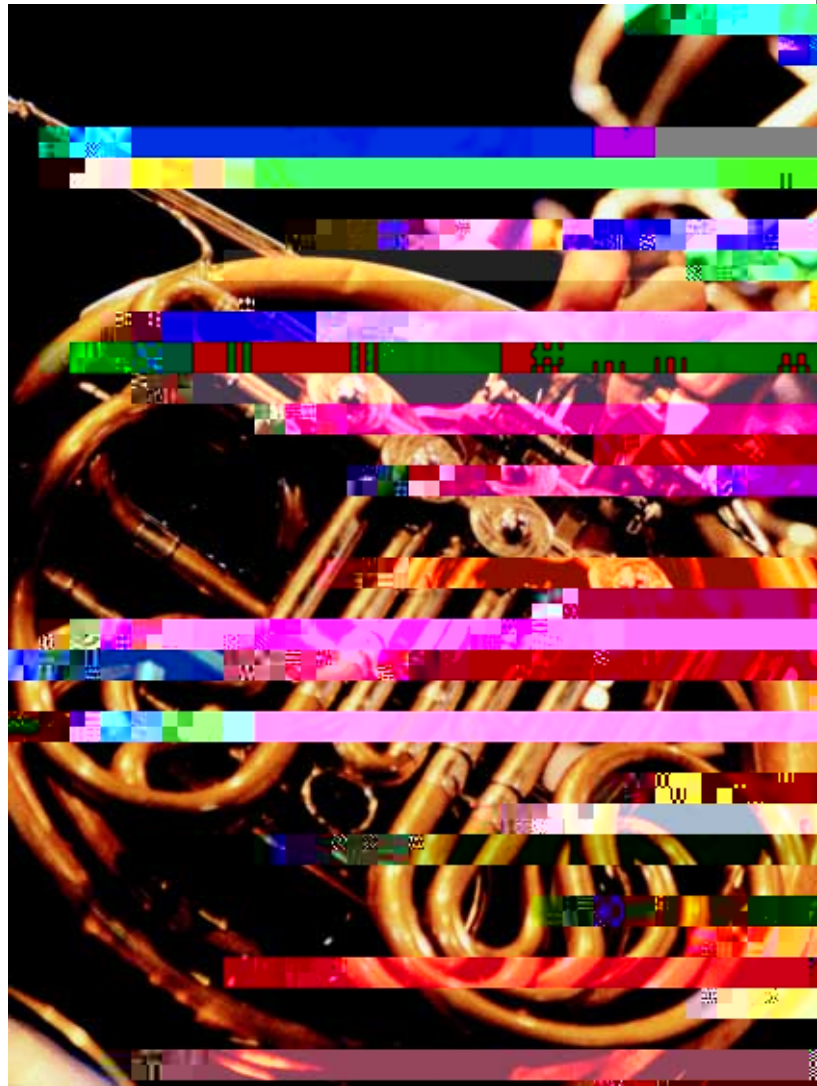
In July 2000 a working party was established to review **the University's academic structures** with a view to ensuring that they provide an optimal framework for the conduct of the institution's core activities of education and research. The final report of the working party recommended: the merger of the Faculty of Agricultural and Natural Resource Sciences and the Faculty of Science to create a new Faculty of Sciences; the establishment of a new Faculty of Professions; and the organisational relocation of some schools and departments. It also proposed the establishment of a limited number of short-term research institutes and the creation of a new graduate school. During 2001 a committee was formed to oversee the implementation of these structural changes which were approved by the Council in March. It was planned for the new arrangements to take effect in January 2002.

The 1999 Review of Tertiary Music Education in South Australia recommended the amalgamation of the University's Elder Conservatorium and the Flinders Street School of Music of the Adelaide Institute of TAFE. In 2001 a merger agreement was signed

by the University and the Department of Education, Training and Employment to create the **new Elder of School of Music**, from January 2002. Adelaide's Elder Chair of Music, Australia's oldest professorship of music, was filled after an 8 year vacancy. Professor Charles Bodman Rae took up the appointment in August, also assuming the roles of Dean of School and Director of the Conservatorium. He was formerly Director of Studies and Head of School at the Royal Northern College of Music in Manchester.

A **review of the University's Law School** was undertaken in 2000 with the report released in February 2001. The review contained a number of recommendations on how the Law School could enhance the quality of its teaching, research and professional outreach. In response, the University established an implementation committee to manage the introduction of a series of changes, particularly to aspects of admission policy, degree structures and teaching practices. The School worked to clarify its relations with professional bodies such as the Law Society, and sought to involve the profession more directly in the teaching of its programs. The University planned to invest \$2 million in the change process over the period 2001 – 2003.

The student



Learning and Teaching

In 2001 the University met, and slightly exceeded its **Commonwealth-funded load** targets for undergraduate and non-higher degree by research students, partly as a result of a vigorous advertising campaign which proved even more successful than anticipated. The University's own internal load target for higher degree by research students was also exceeded early in the year, as was the target for domestic fee-paying postgraduates. A significant contribution to this particular outcome was made by the Graduate School of Management, where fee-paying student enrolments have increased by over 20 per cent. The University offered limited mid-year entry to a number of specific undergraduate programs in the Faculties of Agricultural and Natural Resource Sciences, Engineering, Computer and Mathematical Sciences, and Science. Limited transfer opportunities for current undergraduates were also made available.

At the end of the year, **application figures** for entry in 2002 showed that the number of students who put the University of Adelaide as their first preference had increased by 14.4 per cent, while the total number of preferences for Adelaide rose by 29.5 per cent.

The **Australian Universities Quality Agency** (AUQA) will begin full audits of higher education institutions in 2002, with Adelaide selected as one of the first universities to undergo the process. The audits will be based on a self-assessment portfolio (in which institutions report on achievements and deficiencies against their mission and objectives), with the AUQA then seeking verification and evidence on the claims made. Reports resulting from audits will be public.

As part of its preparation for the 2002 audit, the university undertook a **pilot internal audit** in a number of selected areas, with the aim of sharpening its self-review and evaluation procedures. The Deputy Vice-Chancellor (Education) also established a new Quality Improvement Board to assist in the coordination and monitoring of quality assurance and improvement issues across the institution.

In August the University signed a joint venture agreement with Adelaide-based Bradford Education Pty Ltd to establish a new senior secondary school, **University Senior College**, at the North Terrace Campus. The new college will enrol Year 11 and 12 students – both local and international – and help prepare them for the transition to tertiary education. Students of the College will have access to some University facilities including the library and laboratories. However there will be no special admission considerations for students wanting to go on to study at the University; all students of the College will be required to meet standard entry criteria. The new College will charge relatively low fees – \$4,000 per year for Australian students. The University will receive no financial return from the joint venture.

Planning for the opening of the University's new **School of Petroleum Engineering and Management** continued through the year. Santos is providing \$25 million over ten years to establish the School; this includes funding for the new building, provision for scholarships, specialised teaching equipment and the appointment of a professorial chair. BHP Billiton has also committed \$100k to support research projects at the School over 2002–2003. In August Professor Peter Behrenbruch, who was formerly Chief Reservoir Engineer with BHP Billiton, was appointed Head of the School which will enrol its first students, in levels 1 and 2, in 2002.

In June the University received extensive publicity when it used a professional drilling rig to sink a **gas simulation well** on the North Terrace Campus. The 150 metre deep well is the first for an Australian university, and one of only a few purpose-built teaching wells anywhere in the world. Students who study petroleum engineering will be able to use the well for real-world experience, giving them valuable skill for the work-place.

In a significant development for health sciences, the University's new Department of Rural Health, based in Whyalla, is to be expanded to include a new rural clinical school. Funding of \$2.5 million per year for five years was secured from the Federal Government (Unie wiln, was a

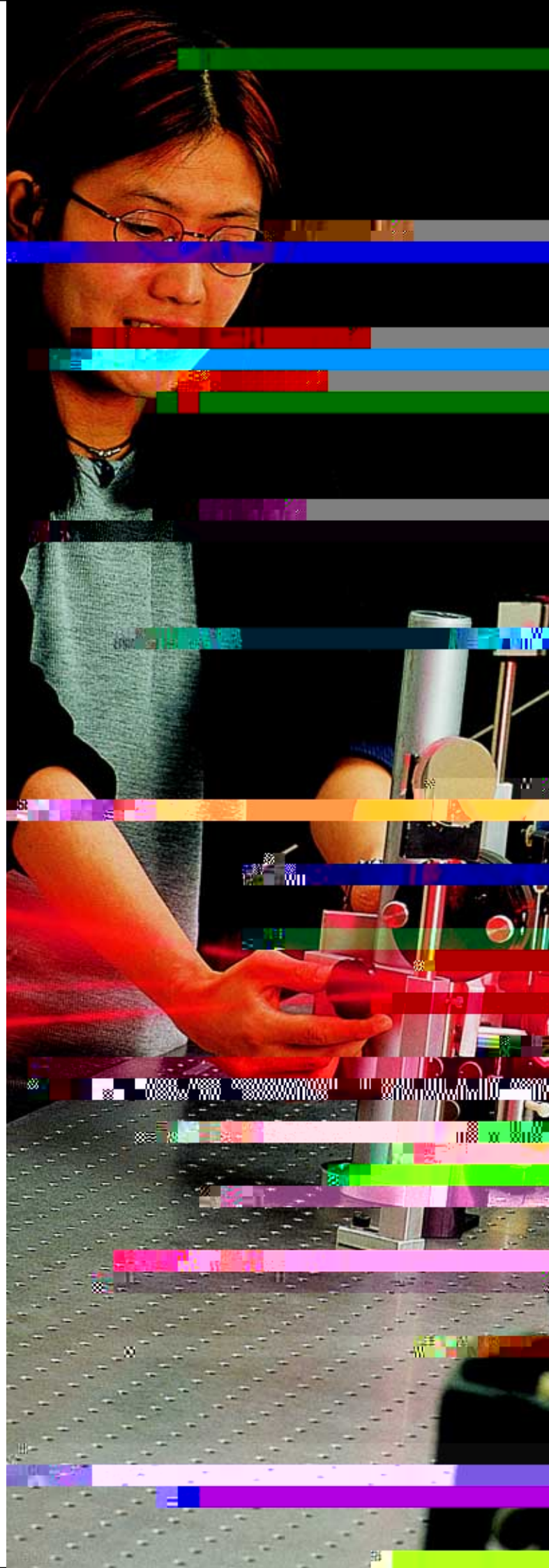
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Student Enrolment by Course Level

	2001	2000
Higher Degree Research	1,205	1,221

The University of Adelaide is recognised as one of Australia's leading research universities, one that undertakes pure and strategic research of the highest quality and impact. It attracts significant external support for its research activities and in 2001 over one half of research funding awarded to individual projects and fellowships was provided by three organisations – the Australian Research



University of Adelaide Total Research Funding 1997-2001

	1997	1998	1999	2000	2001
Category 1 – National Competitive Research Grants	\$26,082	\$28,293	\$29,760	\$36,013	\$37,174
Category 2 – Other Public Sector Research Funding	\$9,527	\$8,979	\$9,498	\$8,462	\$8,792
Category 3 – Industry and Other Research Funding	\$8,193	\$8,823	\$7,846	\$8,055	\$12,717
Category 4- CRC funding	-	-	-	\$4,414	\$3,604
Total	\$43,802	\$46,095	\$47,104	\$56,944	\$62,424

Source: University submission to the Higher Education Research Data Collection, Table 1. Research income does not include controlled entities. CRC funding prior to 2000 is not comparable.

2001 ARC Large Grants (Group of 8 and South Australian Universities)

University	2001 ARC Large Grants – Funding per FTE
Sydney	\$8,420
New South Wales	\$7,886
Melbourne	\$7,694
Adelaide	\$7,322
Queensland	\$7,260
Western Australia	\$6,349
Australia National University	\$5,807
Monash	\$4,895
Flinders	\$4,432
South Australia	\$965

Source: Staff data from *DEST Selected Higher Education Statistics: Staff 2001*. Full-time equivalent academic staff, lecturer B and above. Large grant data from *Higher Education Report for the 2001 to 2003 Triennium* table 5.15 and includes initial and continuing grants. Because of the Institute of Advanced Studies, the ANU cannot be compared easily with other universities on this measure.



Income from Main Federal Government Large Competitive Grant Programs and Other Research Support 2001

Australian Research Council Competitive Grant Funding

Large Grants	\$5,221,000
Strategic Partnerships with Industry – Research and Training grants	\$1,583,000
Research Fellowships	\$1,889,000
Special Research Centres and Key Centres for Teaching and Research	\$1,675,000
Research Infrastructure Equipment and Facilities Grants	\$2,218,000
International Researcher Exchange Program	\$291,000
Total Australian Research Council Competitive Grant Funding	\$12,877,000



In May the University announced its participation in the development of an advanced communications precinct to operate along North Terrace. The precinct, to be known as **mNet**, will enable IT companies to research and test the latest wireless internet applications. The University of Adelaide is one of the founding partners of the mNet project, along with the University of South Australia, Agile Pty Ltd, DSpace Pty Ltd, Playford Centre, Telstra and the City of Adelaide. The University is also a key participant in mNet Corporation, the consortium which will implement mNet along North Terrace. A regional component is planned for Whyalla so that mobile communications testing can be conducted in rural areas. The \$35m precinct received \$9.2m of federal Government funding.

Telstra awarded a new \$900k contract to **Adelaide's Teletraffic Research Centre** (TRC) to help in the design and building of Telstra's "new generation" internet-based network. A new software program called "DiaMond" will be developed by the TRC and Telstra to test and analyse the strengths and weaknesses of the network and predict future infrastructure requirements. This new 3-year contract continues a long and productive relationship between the TRC and Telstra.

The Singapore Government has announced its intention to develop an "Infocomm Masterplan" to establish Singapore as an information and communications capital with a thriving internet economy by the year 2010. Early in the year Adelaide's **Graduate School of Management** was invited to provide its Master of Business Administration degree in infocomm management (MBA [Infocomm Mgt]) to SingTel's (Singapore Telecommunications) senior managers. The curriculum of the MBA covers telecom industry analysis, marketing, finance, globalisation and management issues. The in-house program commenced in July with SingTel managers attending the company's academy in Singapore.

International Links

During 2001, the new position of Pro Vice-Chancellor (International) was developed. The role of the Pro Vice-Chancellor (International) is to provide strategic direction for the University in its internationalisation. In pursuing this, the Pro Vice-Chancellor (International) provides leadership and vision in achieving the university's strategic goals, particularly in relation to international policy across the University. Professor Ian Young was appointed as Pro Vice-Chancellor (International).

During 2001, the University continued to expand its articulation agreements in Asia for the transfer of students into programs within the University. In particular, the articulation agreement with INTI College Malaysia, signed in 1999, provided entry for 75 students. These included students entering both Engineering and Commerce. The agreement was also extended to allow Engineering students to articulate into Year 4.

New articulation agreements were also signed with the Ho Chi Minh City University of Technology, Vietnam and the Widya Mandala Catholic University, Surabaya, Indonesia.

As a component of the ongoing monitoring of the performance of international students at the University, the International Students' Centre undertook a major review of all international students. Students who appeared to be experiencing difficulties in their academic performance were invited for interview and remedial plans developed. This activity was conducted in close collaboration with the relevant faculties.

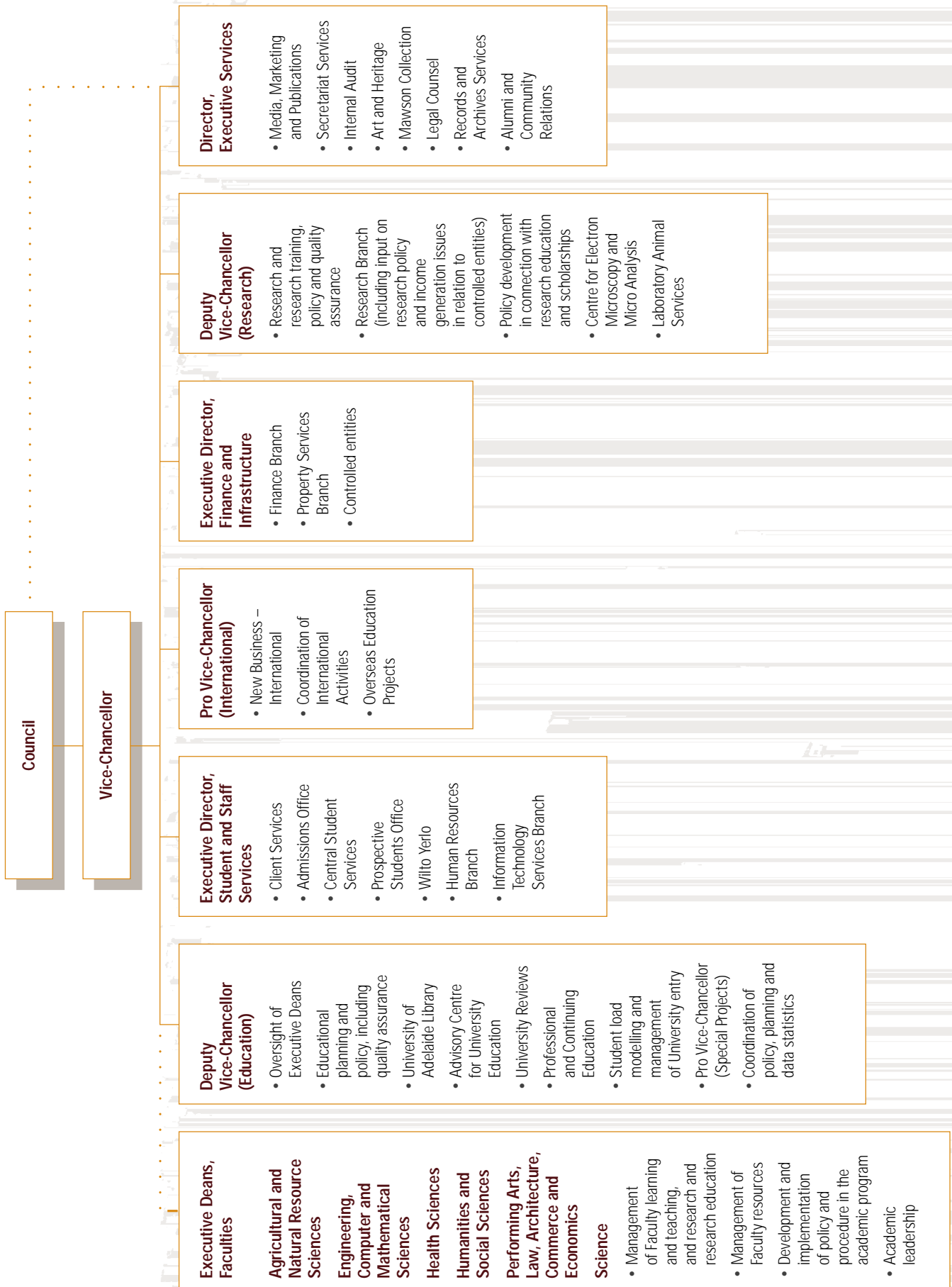


Trends in International Student Enrolments 1997–2001

	1997	1998	1999	2000	2001
Total International student load	1,130	1,257	1,363	1,418	1,413
Number of countries represented	67	74	64	64	66
Income from fees (m)	18.0	19.1	21.5	19.8	21.3

Source: Student data from the DEST Selected Higher Education Student submission. International student fees are from the University's audited financial statements.

Organisational Structure – December 2001



Sensory Garden has been improved with the addition of a large collection of salvias donated by the Herb Society of SA. The gardens were the venue for the annual SA Salvia Show.

The **Waite Arboretum** collection was expanded during the year

Professor Peter Cole (Electrical and Electronic Engineering): Radio frequency identification

Professor Graeme Dandy (Civil and Environmental Engineering): Optimising water supply systems: a pipe dream?

Professor Barry Egan (Biochemistry): Genetic intelligence of bacteriophage

Professor Richard Hillis (National Centre for Petroleum Geology and Geophysics): The future of fossil fuels: new-Malthusians, cornucopians, greenies and roughnecks

Professor Keith King

Staff and Students

Senior Staff Appointments

Senior management appointments

Mr Paul Duldig: Executive Director, Finance and Infrastructure

Professor Malcolm Gillies: Pro Vice-Chancellor
(Commercialisation)

Ms Susan MacIntosh: Executive Director, Student and
Staff Services

Professor Ian Young: Pro Vice-Chancellor (International)

Chairs

Professor Peter Behrenbruch: Santos Chair of Petroleum
Engineering

Professor Janet Hiller: Chair of Public Health

Professor Valerie Linton: CRC Chair of Welded Structures

Professor Ian Olver: the Anti-Cancer Foundation Chair
of Cancer Care

Professor Charles Bodman Rae: Elder Chair of Music

Professor Michael Sawyer: Chair of Child and Adolescent
Psychiatry

Professor Hock Lim Tan: Chair of Paediatric Surgery

Professor Wayne Tilley: Dame Roma Mitchell Chair of
Cancer Research

Professor Steve Tyerman: Wine Industry Chair of Viticulture

Affiliates

Professor Michel Eichelbaum: Adjunct Professor (Clinical
and Experimental Pharmacology)

Professor Robert Elliott: Adjunct Professor (Applied
Mathematics)

Professor Elizabeth Heij: Affiliate Professor (Faculty of
Agricultural and Natural Resource Sciences)

Professor Vaclav Klaus: Adjunct Professor (Economics)

Professor Geoffrey Lindell: Adjunct Professor (Law)

Professor Villis Marshall: Clinical Professor (Surgery – Royal
Adelaide Hospital)

Professor Keith Maskus: Adjunct Professor (Economics)

Professor Mike Moore: Adjunct Professor (Economics)

Professor Ronald Morrison: Adjunct Professor (Computer
Science)

Professor Avelino Nobay: Adjunct Professor (Economics)

Professor Ronald Radford (Art Gallery of South Australia):
Affiliate Professor

Professor Eibe Riedel: Adjunct Professor (Law)

Election to Learned Academies

Mr Ray Choate (University Library): Honorary Fellow, Australian
Academy of the Humanities

Professor Sally Smith (Soil and Water): Fellow, Australian
Academy of Sciences

Scholarly and Professional Societies

Professor Penny Boumelha (Deputy Vice-Chancellor, Education):
AVCC Standing Committee on Education and Students

Professor Michael Brooks (Computer Science): Australian
Research Council Expert Advisory Committee, Mathematics,
Information and Communication Sciences

Professor Edwina Cornish (Deputy Vice-Chancellor, Research):
Board Member, Australian Research Council

Dr Neville Hicks (Public Health): Appointed Member, Gene
Technology Ethics Committee

Professor Graeme Hugo (Geographical and Environmental
Studies): Australian Research Council Expert Advisory
Committee; Chair, Social, Behavioural and Economics Sciences

Associate Professor Peter Langridge (Plant Science): Australian
Research Council Expert Advisory Committee, Biological Science
and Biotechnology

Dr Margaret Lightbody (Commerce): Member, Academy of
Accounting Historians, US-based

Professor Doug McEachern (Politics): Australian Research
Council Programme Manager, Social, Behavioural and Economic
Sciences

Associate Professor Tony Rogers (Dentistry): Fellow, American
Academy of Microbiology

Ms Patricia Scott (Barr Smith Library): Kinetica Advisory
Committee

Professor Sally Smith (Soil and Water): Honorary Research
Professor, Chinese Academy's Research Centre for
Eco-Environmental Sciences

Dr Graham Strahle (Performing Arts, Elder Conservatorium):
Music Council of Australia

Dr John Wallace (Molecular Biosciences): Australian Research
Council Expert Advisory Committee, Biological Science and
Biotechnology

Public Appointments

Professor Penny Boumelha (Deputy Vice-Chancellor, Education):

Register of Australian Universities Quality Agency Auditors

Professor Judith Brine (Pro Vice-Chancellor, Special Projects):

Life Fellowship, Royal Australian Institute of Architects

Dr Felix Patrikeeff (Politics): Member, National Executive of the Australian Institute of International Affairs

Professor Andrew Smith (Soil and Water): Delegate, FEASTs, Canberra

Awards

Professor David Armstrong (Obstetrics and Gynaecology):

Society for the Study of Reproduction (USA), Carl G Hartman

Award 2001

Professor Russell Baudinette (Environmental Biology):

Sir Joseph Medal of the Royal Society of South Australia

Dr Nigel Bean (Applied Mathematics): Michell Medal

Dr Peter Bouwknecht (Pure Mathematics): Australian Mathematical Society Award

Dr Sheila Clark (General Practice): Farberow Award from the International Association for Suicide Prevention

Dr Ken Davey (Chemical Engineering): JR Vickery Award, International Institute of Refrigeration, Australian National Committee

Professor Derek Frewin (Health Sciences): Australian Medical Association (SA) Award

Professor Michael Horowitz (Medicine): Eric Susman Medal

Dr Simon Koblar (Molecular Biosciences): Sunderland Award

Dr Michael Lee (Environmental Biology): David Edgeworth Medal



The University of Adelaide

Financial Report 2001

2001

Statement by the Chancellor and the Vice-Chancellor

[REDACTED]

In our opinion:

(a) the Financial Statements of The University of Adelaide present fairly the financial transactions of

[REDACTED]

Statement of Financial Performance for the Year Ended 31 December 2001

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
OPERATING REVENUE FROM ORDINARY ACTIVITIES	5,6				
Received under Higher Education Funding Act					
Base operating grant		104,612	99,016	104,612	99,016
Other operating grants		2,496	2,357	2,496	2,357
Higher Education Contribution Scheme		38,533	36,990	38,533	36,990
		145,641	138,363	145,641	138,363

Statement of Financial Position as at 31 December 2001

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
CURRENT ASSETS					
Cash		14,181	14,405	5,578	9,483
Receivables	7	17,595	12,324	14,852	9,059
Investments	8	46,986	35,266	30,555	38,985
Inventories	9	3,969	3,112	1,646	1,679
Other	10	6,243	6,088	4,534	3,353
Total current assets		88,974	71,195	57,165	62,559
NON-CURRENT ASSETS					
Investments	8	66,869	82,132	111,230	75,878
Property, plant and equipment	11	494,425	483,213	472,264	461,154
Deferred government superannuation contribution	21(e)	33,700	31,900	33,700	31,900
Total non-current assets		594,994	597,245	617,194	568,932
Total assets		683,968	668,440	674,359	631,491
CURRENT LIABILITIES					
Creditors	12	16,782	21,178	12,052	15,498
Borrowings	13	23,582	4,732	22,121	7,011
Provisions	14	12,602	12,219	12,029	11,084
Deferred employee superannuation benefits	21(e)	2,400	2,100	2,400	2,100
Other	15	13,773	17,601	13,596	17,199
Total current liabilities		69,139	57,830	62,198	52,892
NON-CURRENT LIABILITIES					
Borrowings	13	293	17,288	95	17,281
Provisions	14	20,953	21,034	20,938	21,012
Deferred employee superannuation benefits	21(e)	31,300	29,800	31,300	29,800
Total non-current liabilities		52,546	68,122	52,333	68,093
Total liabilities		121,685	125,952	114,531	120,985
Net assets		562,283	542,488	559,828	510,506
EQUITY					
Capital reserves	16	383,626	371,329	393,350	350,850
Specific purpose reserves	16	108,076	98,836	108,076	98,836
Accumulated results - of operations		68,665	70,185	58,402	60,820
Total University interest		560,367	540,350	559,828	510,506
Accumulated results - outside equity interest		1,916	2,138	-	-
Total equity		562,283	542,488	559,828	510,506

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 December 2001

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Inflows:					
Grant Revenue					
Commonwealth Government general grants		110,976	103,900	110,976	103,900
Commonwealth Government research grants		54,736	51,669	54,736	51,361
State Government grants		8,420	6,776	8,200	6,639
Higher Education Contribution Scheme	33				
Student payments		6,063	5,571	6,063	5,571
Higher Education Trust Fund		33,100	30,897	33,100	30,897
Other research grants and fees		14,241	11,551	14,241	11,871
Student fees		29,436	29,488	29,436	29,488
Scholarships and prizes	5	998	1,237	998	1,237
Donations and bequests		5,533	2,055	5,533	2,755
Investment income received		5,413	6,483	5,271	6,166
Specialist services and produce trading		41,585	40,957	14,286	10,637
Fees and charges		8,458	10,016	9,526	8,096
Other		8,802	2,760	5,474	2,588
Total Inflows		327,761	303,360	297,840	271,206
Outflows:					
Salaries and related expenses		(185,390)	(176,111)	(175,314)	(165,097)
Student services		(15,440)	(15,958)	(15,440)	(15,958)
Goods and services		(111,054)	(90,626)	(96,102)	(66,791)
Interest paid		(1,560)	(1,817)	(1,557)	(1,775)
Total Outflows		(313,444)	(284,512)	(288,413)	(249,621)
Net cash provided by operating activities	17	14,317	18,848	9,427	21,585
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of property, plant and equipment		1,067	2,045	1,006	1,495
Proceeds from sale of investments		4,424	-	4,424	-
Repayment of loan		396	138	193	138
Total Inflows		5,887	2,183	5,623	1,633
Outflows:					
Payments for property, plant and equipment		(28,372)	(35,676)	(27,449)	(34,800)
Payments for interest in joint ventures		(101)	-	(101)	-
Payments for investments industry Composite Fund		-	(1,062)	-	(394)
Decrease in borrowings		(11)	(123)	(11)	(73)
Additional lending		-	(347)	-	(2,862)
Distribution to minority		-	(64)	-	-
Total Outflows		(28,484)	(37,272)	(27,561)	(38,129)
Net cash used in investing activities		(22,597)	(35,089)	(21,938)	(36,496)
Net increase/(decrease) in cash held		(8,280)	(16,241)	(12,511)	(14,911)
Cash at beginning of reporting period		48,402	64,643	44,030	58,941
Cash at end of reporting period	17	40,122	48,402	31,519	44,030

There were no cash flows from financing activities during the accounting period.
The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note	Contents
1	Basis of Preparation
2	Scope of Reporting
3	Statement of Significant Accounting Policies
4	ChangrAsDt Accounting P206(oliyn)]TJ0 -1.4533 TD-0.0182 Tw[54

Notes to and Forming Part of Financial Statements Year Ended 31 December 2001

1 Basis of Preparation

These notes, prepared in conjunction with the financial statements, provide an explanation of significant accounting policies and practices adopted in the preparation of the financial statements. The financial statements and notes collectively constitute a general purpose financial report prepared in accordance with applicable Australian Accounting Standards, unless otherwise disclosed in these notes. The report also conforms with the reporting requirements of the Commonwealth Department of Education, Science and Training (DEST).

2 Scope of Reporting

The financial statements and notes disclose the operating results and 2000 comparative results of The University of Adelaide as follows:

University - refers to all aspects of operation of The University of Adelaide only.

The operational aspects of The University of Adelaide also include the following activities:

- Australian Music Examinations Board
- Mawson Appeal
- The University of Adelaide Medical Foundation
- South Australian Foundation for Dental Education and Research Inc
- The Postgraduate Committee in Dentistry
- The University of Adelaide Foundation

Consolidated - refers to the financial results of The University of Adelaide together with financial results of its controlled entities. It includes accounts for the University's interests in associated entities and its joint venture operations.

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

- Lubims Pty Ltd
- ARI Pty Ltd (formerly Luminis Pty Ltd) as trustee for ARI Investment Trust (formerly Luminis Investment Trust)
- Australian Company Number 060 292 486 Pty Ltd formerly Camtech (SA) Pty Ltd as trustee for
 - Camtech Discretionary Trust
 - Camtech R&D Pty Ltd (Sold 10/1/01)
 - Camtech ASIA Sdn Bhd (Sold 10/1/01)
- Australian Company Number 49 089 171 719 Ltd formerly Camtech Corporation Ltd (deregistered 31/12/2001)
- Repromed Pty Ltd
- Disc Pty Ltd
- Martindale Holdings Pty Ltd as trustee for JS Davies Estate
- JAT Mortlock Trust

Refer to Note 26 Investments in Controlled Entities.

3 Statement of Significant Accounting Policies

(a) Basis of Accounting

The financial report has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity, and except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(b) Principles of Consolidation

The consolidated financial statements of the Consolidated Entity include the financial statements of the University being the parent entity, and its controlled entities ('the Consolidated Entity').

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

3 Statement of Significant Accounting Policies (cont'd)

(i) Investments

Funds are invested in the following categories under guidelines determined by the University. Details of these investments are disclosed in Note 8.

- **Cash on Deposit**

These are cash balances held in interest earning facilities with financial institutions.

- **Composite Fund**

The majority of specific purpose endowments received by the University to fund research activities, scholarships, prizes and lectures, are included in the Composite Fund. This Fund is invested in cash deposits and longer term investments managed by an independent portfolio manager. It includes a mix of Australian equities, overseas equities, fixed interest securities and property trusts. These investments are reported in the Statement of Financial Position at market values obtained from the portfolio manager. Unrealised gains or losses are recognised in the Statement of Financial Performance.

- **Recognition of Movements in Value**

The movement in value of investments held for trading at the financial year end, is brought to account as income. The movement in value of investments of a non trading nature is reflected in the asset revaluation reserve.

(j) Investments in Business Undertakings

- **Controlled Entities**

Investments in controlled entities are carried in the University's financial statements at fair value, refer Note 4(b). Previously, this had been at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the Statement of Financial Performance when they are declared by the controlled entities.

- **Associates**

An associate is an entity, other than a partnership, over which the Consolidated Entity exercises significant influence and where it is not a subsidiary. Investments in associates are carried in the University's financial statements at fair value, refer Note 4(b). Previously, this had been at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the Statement of Financial Performance when they are declared by the associates.

3 Statement of Significant Accounting Policies (cont'd)

- **Livestock**

The University breeds animals for teaching and research activities and not for profit. Consequently it does not attribute a value

3 Statement of Significant Accounting Policies (cont'd)

liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the Statement of Financial Performance. Also refer to Note 18 Future Expenditure Commitments.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term.

(m) Depreciation and Amortisation

Depreciation and amortisation are charged on a straight line basis using expected useful lives. The expected useful lives used for each class of asset are as follows:

	Range
• Buildings and leasehold improvements	10 - 80 years
• Library	5 - 50 years
• Plant and equipment including motor vehicles	5 - 10 years
• Software and implementation costs	3 - 5 years
• Leased plant and equipment	10 years

(n) Workers' Compensation

The University is responsible for payments of workers' compensation claims and is registered with Workcover as an exempt employer. Administrative arrangements with the associated entity Unisure Pty Ltd incorporate the management of claims and funds invested.

The provision for workers' compensation claims has been prepared by William M Mercer using the Claims Paid Development Method wherein all past claims are brought to current value with an allowance for late reporting of claims and administration costs.

(o) Salaries and Related Expenses

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
5 <u>Operating Revenue</u>					
Revenue from Operating Activities					
Bequests and donations received for:					
Research		1,404	1,478	1,404	1,478
Prizes and scholarships		998	1,237	998	1,237
General operational purposes and capital works		4,129	557	4,129	1,277
		6,531	3,292	6,531	3,992
Consultancy, contract and industry research income		27,825	17,412	12,738	11,643

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
6 Operating Surplus					
Operating surplus is arrived at after crediting and charging the following items:					
Credits					
Net foreign exchange gain		239	99	239	99
Net gain on disposal of property, plant and equipment		227	559	168	273
Net gain on disposal of investments		58	-	-	-
Bad debt recoveries		75	-	75	-
Charges					
Amortisation					
Leasehold improvements		20	20	20	20
Leased plant and equipment		-	12	-	12
Software and system development costs		2,918	1,939	2,918	1,852
		2,938	1,971	2,938	1,884
Bad and doubtful debts cost					
Student loans		14	20	14	20
Student tuition		144	9	144	9
Other debtors		8	996	(68)	906
		166	1,025	90	935
Depreciation					

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
7 Receivables	3(h)				
Student tuition fees		1,913	1,004	1,913	1,004
Less: provision for doubtful debts		(374)	(230)	(374)	(230)
		1,539	774	1,539	774
Sundry and trade debtors		17,014	12,697	13,638	9,186
Less: provision for doubtful debts		(1,141)	(1,305)	(500)	(1,059)
		15,873	11,392	13,138	8,127
Student loans		174	158	174	158
Other		9	-	1	-
Total Receivables		17,595	12,324	14,852	9,059

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
8 Investments					
Current					
Short-term investment portfolio					
Cash on deposit	3(i)	25,941	34,547	25,941	34,547
Other	29	20,500	121	-	121
		46,441	34,668	25,941	34,668
Loans					
Loans to controlled entities		-	-	4,069	3,719
Other loans		545	598	545	598
		545	598	4,614	4,317
		46,986	35,266	30,555	38,985
Non-Current					
Composite fund at fair value					
	3(i)				
Australian fixed interest securities		4,355	1,852	4,355	1,852
Australian equities		9,223	8,775	9,223	8,775
Overseas equities		11,342	10,992	11,342	10,992
Property trusts		2,178	2,551	2,178	2,551
Cash and liquid assets		27,286	32,426	27,286	32,426
		54,384	56,596	54,384	56,596
Managed investment held by Unisure Pty Ltd		8,311	8,942	8,311	8,942
Interest in business undertakings					
Controlled entities	26	-	-	45,398	2,898

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
9 Inventories	3(k)				
Consumable materials and trading stock		1,775	1,745	1,746	1,722
Livestock		2,294	1,410	-	-
Provision for obsolescence		(100)	(43)	(100)	(43)
		3,969	3,112	1,646	1,679
10 Other Assets					
Current					
Pre-payments		5,581	5,538	4,373	3,248
Accrued income		225	445	161	105
Other		437	105	-	-
		6,243	6,088	4,534	3,353

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
11 Property, Plant and Equipment	3(l)				
11.1 Summary					
Land					
Trust Land: At independent valuation 1998		32,539	32,539	32,539	32,539
Other Land: At independent valuation 1998		22,233	22,233	22,233	22,233
At Council valuation 2000		17,744	17,744	-	-
At Valuer-General's valuation 2001		3,300	-	3,300	-
		43,277	39,977	25,533	22,233
Total Land		75,816	72,516	58,072	54,772
Buildings					
Trust buildings: At independent valuation 1998		220,001	220,001	220,001	220,001
At cost		10,487	-	10,487	-
		230,488	220,001	230,488	220,001
Other buildings: At cost		44,098	16,533	41,942	14,537
At independent valuation 1998		57,871	59,688	57,871	59,688
At independent valuation 1999		581	581	-	-
At Council valuation 2000		155	155	-	-
		102,705	76,957	99,813	74,225
Capital work in progress – at cost		5,306	28,014	5,306	28,014
Total buildings		338,499	324,972	335,607	322,240
Provision for depreciation of buildings					
Trust buildings: At independent valuation 1998		(7,870)	(5,205)	(7,870)	(5,205)
Other buildings: At cost		(1,087)	(794)	(304)	(128)
At independent valuation 1998		(2,613)	(1,677)	(2,605)	(1,677)
At independent valuation 1999		(258)	(236)	-	-
At Council valuation 2000		(52)	(47)	-	-
		(4,010)	(2,754)	(2,909)	(1,805)
Total provision for depreciation		(11,880)	(7,959)	(10,779)	(7,010)
Total buildings net of depreciation		326,619	317,013	324,828	315,230
Leasehold improvements					
At cost		529	524	200	200
Provision for amortisation		(309)	(287)	(40)	(20)
		220	237	160	180
Library collection					
At cost		18,663	14,307	18,663	14,307
At Council valuation 1998		167,760	167,760	167,760	167,760
		186,423	182,067	186,423	182,067
Provision for depreciation		(133,738)	(127,792)	(133,738)	(127,792)
		52,685	54,275	52,685	54,275
Works of art					
At independent valuation 1999		2,790	2,790	2,790	2,790
Plant and equipment					
At cost		99,720	95,492	93,174	88,731
Provision for depreciation		(63,425)	(59,110)	(59,445)	(54,824)
		36,295	36,382	33,729	33,907
Total Property, Plant and Equipment		494,425	483,213	472,264	461,154

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000

11 Property, Plant and Equipment (cont'd)

11.2 Reconciliation

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Land \$000	Buildings Inc WIP \$000	Leasehold Improvement \$000	Library Collections \$000	Works of Art \$000	Plant and Equipment \$000	Total \$000
Consolidated							
Opening Balance	72,516	317,013	237	54,275	2,790	36,382	483,213
Additions	3,300	13,899	3	4,657	-	10,333	32,192
Disposals	-	(373)	-	(301)	-	(2,154)	(2,828)
Depreciation/amortisation	-	(3,920)	(20)	(5,946)	-	(8,266)	(18,152)
Closing Balance	75,816	326,619	220	52,685	2,790	36,295	494,425
Parent							
Opening Balance	54,772	315,230	180	54,275	2,790	33,907	461,154
Additions	3,300	13,740	-	4,657	-	9,052	30,749
Disposal	-	(352)	-	(301)	-	(1,561)	(2,214)
Depreciation/amortisation	-	(3,790)	(20)	(5,946)	-	(7,669)	(17,425)
Closing Balance	58,072	324,828	160	52,685	2,790	33,729	472,264

11.3 Glenthorne

In May 2001, the University was the recipient of a grant of a parcel of land known as Glenthorne previously owned by the CSIRO. This land is intended to be used by the University for research, teaching and agricultural based commercial enterprises.

The transaction involved three parties. The Government of South Australia had agreed to purchase Glenthorne from the CSIRO for \$7 million, which was the value of the land if it were to be developed for housing. The Government of South Australia was intending to retain the land as open space. However, after consultation with various interested parties, the Government of South Australia decided that the ongoing development and management of the property would best be undertaken by the University. As a result, the Government of South Australia made a \$7 million grant to the University to purchase Glenthorne from the CSIRO.

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
12	<u>Creditors – Current</u>				
	Trade creditors	13,823	15,569	10,316	11,930
	Accruals	2,959	5,609	1,736	3,568
		16,782	21,178	12,052	15,498
13	<u>Borrowings</u>				
	<u>Current</u>				
	Bank loans and commercial paper	23,539	3,413	20,038	2,863
	Lease liability	7	81	-	70

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
16 Reserves					
16.1 Summary					
<u>Capital reserves</u>					
Capital reserve		2,970	2,970	-	-
Capital profits reserve		1,036	865	-	-
Asset revaluation reserve		100,242	88,116	114,226	71,726
Initial asset recognition reserve		279,378	279,378	279,124	279,124
		383,626	371,329	393,350	350,850
<u>Specific purpose reserves</u>					
Special reserve		35,626	26,187	35,626	26,187
Bequests/donations unspent income reserve		10,087	9,547	10,087	9,547
Restricted purpose bequest capital reserve		47,880	47,583	47,880	47,583
Composite fund revaluation reserve		14,483	15,519	14,483	15,519
		108,076	98,836	108,076	98,836
16.2 Movements in reserves					
<u>Capital reserve</u>					
Opening balance		2,970	2,970	-	-
Current year movement		-	-	-	-
Closing balance		2,970	2,970	-	-
<u>Capital profits reserve</u>					
Opening balance		865	937	-	-
Current year movement		171	(72)	-	-
Closing balance		1,036	865	-	-
<u>Asset revaluation reserve</u>					
Opening balance		88,116	84,927	71,726	71,726
Add: revaluation increment on investments		12,126	3,189	42,500	-
Closing balance		100,242	88,116	114,226	71,726
<u>Initial asset recognition reserve</u>					
Opening balance		279,378	279,378	279,124	279,124
Current year movement		-	-	-	-
Closing balance		279,378	279,378	279,124	279,124
<u>Special reserve</u>					
Opening balance		26,187	21,667	26,187	21,667
Transfer (to) / from accumulated funds		9,439	4,520	9,439	4,520
Closing balance		35,626	26,187	35,626	26,187
<u>Bequests/donations unspent income reserve</u>					
Opening balance		9,547	8,717	9,547	8,717
Transfer (to) / from accumulated funds		540	830	540	830
Closing balance		10,087	9,547	10,087	9,547
<u>Bequests/donations capital reserve</u>					
Opening balance		47,583	46,902	47,583	46,901
Transfer (to) / from accumulated funds		297	681	297	682
Closing balance		47,880	47,583	47,880	47,583
<u>Composite fund revaluation reserve</u>					
Opening balance		15,519	16,903	15,519	16,903
Transfer (to) / from accumulated funds		(1,036)	(1,384)	(1,036)	(1,384)
Closing balance		14,483	15,519	14,483	15,519

Consolidated
2001 2000

University
2001 2000

19 Contingent Liabilities (cont'd)

(c) Insurance Claims

ARI Pty Ltd was named co-defendant in an action for loss and damages with respect to the Hindmarsh Island Bridge. The total claim is approximately \$20 million (2000 – \$20 million). The claim relates to alleged negligence in the employment of a consultant who assisted in making submissions to the Minister for Aboriginal Affairs. During the course of the year, judgment was made in favour of the co-defendants. This decision is currently being appealed by the litigator.

(d) Litigation

In the ordinary course of its operations, the University and its controlled entities become involved in legal disputes. At the date of adoption of these accounts, some matters remained outstanding. On legal advice, the University is of the opinion that no material losses are likely to arise. The University or its controlled entities will make a provision where a material loss is identified. No such provision is contained in the University's financial statements.

(e) Taxation claim involving R&D syndicate

In August 2000 Luminis was notified by the Australian Taxation Office that the Trust may be assessable to income tax in respect of certain income arising from the Transgenic Syndicated R&D Project in the 1991/1992 and following years. The ATO claimed that, on the information available to it, ARI had not distributed that income to the beneficiary The University of Adelaide. ARI has contested the ATO's view, and its legal advice strongly supports ARI's position that ARI is not properly liable for any tax. No assessment had been issued prior to the adoption of these accounts.

In addition to this claim, the company has received notification from the sponsor of the R&D Syndication that in the event that their defence of a claim placed upon them by the Australian Taxation office is unsuccessful, they will make a counter claim for the 2,967,000 BresaGen shares issued to ARI Investment Trust arising from the R&D syndication.

20 Event Subsequent to Balance Date

There were no other events which took place subsequent to balance date so as to have a material impact on the operating results or Statement of Financial Position of the University or the Consolidated Entity.

21 Superannuation Schemes

(a) The University contributes to a range of superannuation schemes, which are divided into the following categories:

(i) Those operative and open to membership:

- UniSuper Defined Benefit Plan or Investment Choice Plan – formerly Superannuation Scheme for Australian Universities (SSAU)
- UniSuper Award Plus Plan – formerly Tertiary Education Superannuation Scheme (TESS)

(ii) Those operative but closed to future membership:

- The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985)

(iii) State Government Schemes closed to future membership by University employees:

- State Pension Scheme
- State Lump Sum Scheme

(b) **UniSuper Defined Benefit Plan or Investment Choice Plan – formerly Superannuation Scheme for Australian Universities**

From 1984 the University became a participating institution in the Superannuation Scheme for Australian Universities (SSAU). The scheme is administered by UniSuper Management Pty Ltd and UniSuper Pty Ltd is the trustee. As at 1 July 1998, the rules governing the Fund were amended to allow employees the option to remain within the defined benefits arrangement or convert to an accumulation fund. The employer contribution rate throughout 2001 was 14 per cent of salaries. The employee contribution rate throughout 2001 was 7 per cent of their gross salaries. The Defined Benefits Scheme is fully funded.

An actuarial assessment, as at 31 December 1999, was completed on 18 May 2000. The assessment was carried out by Mr Grant Harslett (FIA, FIAA) of Towers Perrin. The actuary concluded that the assets of the fund were sufficient to meet all benefits payable in the event of the fund's termination, or the voluntary or compulsory termination of employment of each employee of the University.

On 1 October 2000, SSAU merged with TESS to form UniSuper. The scheme is known as UniSuper Defined Benefit Plan or UniSuper Investment Choice Plan depending on employee's choice.

As at 31 December 2001, vested and accrued benefits of staff members who are in the Defined Benefits Plan were valued at the greater of the present value of expected future payment of benefits or the vested benefit, as follows:

- (i) Estimated vested and accrued benefits at 30 June 2001 – \$172.0 million unaudited (2000 – \$163.6 million audited).

21 **Superannuation Schemes (cont'd)**

- (ii) Estimated net market value of assets for current members, at 30 June 2001 available to pay the superannuation liabilities of The University of Adelaide members was \$189.8 million unaudited (2000 – \$178.7 million audited).
- (iii) The difference between the estimated net market value of assets and accrued benefits at 30 June 2001 apportioned to The University of Adelaide was \$17.8 million unaudited (2000 – \$15.0 million audited).

(c) UniSuper Award Plus Plan – formerly Tertiary Education Superannuation Scheme

The University is a participating institution in Tertiary Education Superannuation Scheme (TESS); a non-contributory scheme for University employees. The fund is administered by UniSuper Management Pty Ltd and TESS Superannuation Ltd is the trustee. The

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
21 Superannuation Schemes (cont'd)					
Summary					
Deferred Government Superannuation Contribution					
Non-Current asset		33,700	31,900	33,700	31,900
Deferred Employee Superannuation Benefits					
Current liability		2,400	2,100	2,400	2,100
Non-Current liability		31,300	29,800	31,300	29,800
		33,700	31,900	33,700	31,900
The total employer contributions remitted by the University were:					
Superannuation Scheme for Australian Universities (SSAU)		14,961	12,675	14,961	12,675
Tertiary Education Superannuation Scheme (TESS)		6,600	5,367	6,600	5,367
State Superannuation Schemes (3%)		63	62	63	62
		21,624	18,104	21,624	18,104

22 Segment Information

The University predominantly operates in the field of higher education in Australia. Its primary activities are teaching and research. Income generated overseas from teaching and research activities are not significant so as to warrant segmentation reporting.

23 Auditors' Remuneration

Amounts paid or payable were:

South Australian Auditor- General	160	161	160	161
Other auditors of controlled entities	74	133	-	-
	234	294	160	161
Other	-	-	-	42
	234	294	160	203

24 Remuneration for University Senior Management

Amounts paid or payable to University Senior Management

		Number	Number
\$100,000 - \$109,999		-	1
\$130,000 - \$139,999		-	1
\$140,000 - \$149,999		-	1
\$150,000 - \$159,999		2	2
\$160,000 - \$169,999		1	1
\$170,000 - \$179,999		2	1
\$180,000 - \$189,999		1	1
\$200,000 - \$209,999		-	2
\$210,000 - \$219,999		1	1
\$220,000 - \$229,999		3	-
\$300,000 - \$309,999		1	-
\$540,000 - \$549,999		-	1

25 Additional Financial Instruments Disclosure (cont'd)

(b) Foreign Exchange Risk

The Consolidated Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into forward foreign currency exchange contracts to hedge overseas share trading and foreign currency cash exposures. The terms of the hedge contracts are usually less than three months.

(c) Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

(i) On Statement of Financial Position Financial Instruments

The credit risk on financial assets, excluding investments of the Consolidated Entity which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provisions for doubtful debts.

The Consolidated Entity's financial assets and liabilities are not materially exposed to any individual overseas country or individual customer.

(ii) Off Statement of Financial Position Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Statement of Financial Position Financial Instruments.

(d) Net Fair Values of Financial Asset and Liabilities

Net fair values of financial assets and liabilities are determined by the Consolidated Entity on the following basis:

(i) On Statement of Financial Position Financial Instruments

The Consolidated Entity has placed its investments in a portfolio managed by independent managers. Listed shares and equities included within these investments are traded in an organised financial market by the fund managers. The Consolidated Entity values these investments at current market value.

Monetary financial assets and financial liabilities not readily traded in an organised financial market, are determined by valuing them at amounts due from customers (reduced for expected credit losses) or due to suppliers.

The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

The net fair value of investments in unlisted shares in other corporations is determined by reference to underlying net assets of the respective corporations.

(ii) Off Statement of Financial Position Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Statement of Financial Position Financial Instruments.

26 Investments in Controlled Entities

Controlled entities and contribution to Operating result before elimination of consolidation items:

Controlled Entity	Investment at fair value		Investment at Cost		Contribution Operating Result	
	2001	2000	2001	2000	2001	2000
	\$000	\$000	\$000	\$000	\$000	\$000
ARI Investment Trust	21,228	2,898	2,898	2,898	(1,669)	(399)
Lubims Pty Ltd	789	-	-	-	112	79
Martindale Holdings Pty Ltd as trustee for						
• JS Davies Estate	11,663	-	-	-	1,331	972
• JAT Mortlock Trust	11,718	-	-	-	861	306
	45,398	2,898	2,898	2,898	635	958

JS Davies

The University holds a 5/6th interest in a joint venture named JS Davies Estate, the principle activity of which is farming. This

27 Investments in Associates

(a) Equity and Contribution to Results

Associate Entity	Principal Activity	Holding %	Consolidated Carrying Amount		Investment at at Cost	
			2001 \$000	2000 \$000	2001 \$000	2000 \$000
Held by the University						
AITEC Pty Ltd	Provides advanced information technology courses	25.0	55	140	-	-
Unisure Pty Ltd	Responsible for processing of Tertiary Institution Workers' Compensation Insurance	33.3	-	-	-	-
Ngee Ann Adelaide Education Centre Pte Ltd	Operates a graduate education centre in Singapore	50.0	278	22	298	197
			333	162	298	197

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
(b) Movements in Carrying Amounts of Investments in Associates					
At beginning of financial year		162	289	-	-
Share of operating profits/(losses)		171	(127)	-	-
		333	162	-	-
(c) Results Attributed to Associates					
Operating profits/(losses)		171	(127)	-	-
Retained profits attributable to associates at start of financial year		162	289	-	-
Retained profits attributable to associates at the end of the financial year		333	162	-	-

(d) Accounting for Associates

28 Interests in Joint Ventures

(a) **Groups**

The University participates in a number of joint ventures. These operations are not material to the University and there is no separate disclosure for 2001 in accordance with the Australian Accounting Standard AAS 19. For reporting purposes these have been segregated into two groups as follows: Refer accounting policy 3(j).

(i) **Cooperative Research Centres**

The University participated in a number of Cooperative Research Centres (CRCs) during 2001. These Centres have the characteristics of joint ventures and have been reported as such.

A CRC is a research initiative of the Australian Government established to pursue specific areas of research. One of the desired outcomes of a CRC is the creation of specific intellectual property with commercial value. The participants in a CRC are an amalgam of research institutions, eg CSIRO, universities and private enterprise. Direct participants in these schemes are vested with joint venture interest. The funding of the CRC is coordinated through a Centre Agent who is appointed generally from one of the participating entities.

Funding transfers between the CRC and the University are accounted for as general revenue and expenditure with the overall impact for the period being revenue neutral. Consequently, they are reported as part of the University's activity. At this stage, with the exception of GroPep Ltd (see below), there has been no intellectual property yet developed which is considered to have commercial value in either the ongoing or completed CRCs. Consequently at balance date, no value was ascribed to the intellectual property of the CRCs.

One successful example of a CRC achieving commercial value for the intellectual property created is GroPep Ltd, a company listed on the Australian Stock Exchange and one in which the University holds a significant interest. Refer Note 29.

			Participation
Australian Petroleum CRC	(U)	(C)	13%
CRC for Welded Structures	(I)	(C)	7%
CRC for Molecular Plant Breeding	(U)	-	17%
CRC for Clean Power from Lignite	(U)	(C)	10%
CRC for Sensor Signal and Information Processing	(U)	-	16%
CRC for Tissue Growth and Repair	(U)	(C)	16%
CRC for Viticulture	(U)	(C)	18%
CRC for Water Quality and Treatment	(U)	(C)	6%

28 Interests in Joint Ventures (cont'd)

ii) Other Unincorporated Joint Ventures

Name	Principal Activity		Participation
South Australian Regional Network Organisation (SAARDNet)	To provide high speed microwave networks to link areas of research concentration in South Australia	(U)	20%
Middleback Field Centre	To provide pastoral-zone courses and range land ecology research programmes.	(U)	33%
National Course in General Arbitration & Dispute Resolution	To develop and deliver tertiary courses in general arbitration and alternative dispute resolution	(U)	50%
South Australian Centre for Economic Studies	To obtain quality research regarding regional Economic development with particular application to South Australia	(U)	50%
South Australian Tertiary Admissions Centre	Established as the agent for tertiary institutions in Adelaide for the purpose of receiving and processing applications from	(U)	25%

28 Interests in Joint Ventures (cont'd)

(e) Accounting for Joint Ventures

(i) Capital and other expenditure commitments

There are no material capital expenditure commitments relating to joint ventures.

(ii) Contingent Liabilities

There are no material contingent liabilities relating to joint ventures.

(iii) After Balance Date Events

There are no material after balance date events to report for joint ventures.

(iv) Assets, Revenue and Expenditure

Since the above activities do not materially effect the University group figures, assets, revenue and expenditure have been reported as net amounts.

(v) Off Statement of Financial Position Financial Instruments

Neither the reporting entity, nor any of its joint ventures, have any Off Statement of Financial Position Financial Instruments.

29 Other Investments

The University holds investments in the following business undertakings.

University	
2001	2000
\$000	\$000

32 Commonwealth Government Grants

33 Accittal of Commonwealth Government Grants

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

TEACHING AND LEARNING PARENT ENTITY (UNIVERSITY) ONLY

	Operating Financial Assistance Excluding HECS		HECS		Teaching Hospitals		Capital Development Pool	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Grants in advance (received in the previous reporting period)	-	8,030	-	2,486	-	40	-	-
Plus Grants received during reporting period	109,151	102,850	33,100	30,897	518	507	-	-
Plus Contributions actually received from students	-	-	6,063	5,571	-	-	-	-
Less Grants in advance (received in the reporting period for the next reporting period)	(5,000)	(9,969)	-	(2,594)	-	(41)	-	-
Accrual Adjustments	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	104,151	100,911	39,163	36,360	518	506	-	-
Plus Surplus Prior Year	1,260	987	-	-	-	497	-	-
Funds available for the reporting period	105,411	101,898	39,163	36,360	518	1,003	-	-
Less Expenses for current period	(105,411)	(100,638)	(39,163)	(36,360)	(518)	(1,003)	-	-
Surplus/Deficit for reporting period	-	1,260	-	-	-	-	-	-

34 Acquittal of Commonwealth Government Grants – Research

34 Accrual of Commonwealth Government Grants – Research (cont'd)

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

AUSTRALIAN RESEARCH COUNCIL (cont'd) PARENT ENTITY (UNIVERSITY) ONLY

	Research Infrastructure Equipment & Facilities		Indigenous Researchers' Development		Special Research Initiatives		Learned Academics Special Projects	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Grants in advance (received in the previous reporting period)	-	-	-	-	-	-	-	-
Plus Grants received during reporting period	2,218	1,938	-	-	-	-	-	-
Less Grants in advance (received in the reporting period for the next reporting period)	-	-	-	-	-	-	-	-
Accrual Adjustments	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	2,218	1,938	-	-	-	-	-	-
Plus Surplus Prior Year	403	4	-	-	-	2	-	-
Funds available for the current period	2,621	1,942	-	-	-	2	-	-
Less Expenses for current period	(1,318)	(1,539)	-	-	-	(2)	-	-
Surplus/Deficit for current period	1,303	403	-	-	-	-	-	-

34 Accittal of Commonwealth Government Grants – Research (cont'd)

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

DEST RESEARCH GRANTS

PARENT ENTITY (UNIVERSITY) ONLY

Small Research	Infrastructure Block	Australian Postgraduate Awards	International Postgraduate Research Scholarships
2001 2000	2001 2000	2001 2000	2001 2000

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
36 Fees and Charges					
Fees and charges were collected from the following sources during the reporting period:					
Student fee income	5	30,347	28,100	30,347	28,100
Library charges and fines		1,299	1,034	1,299	1,034
Application management and late fees		561	248	561	248
Parking fees		818	845	818	845
Rental charges/accommodation fees		3,347	3,098	3,347	3,098
Recharge of costs to other organisations		2,157	2,994	2,157	2,994
Other		7,340	6,084	4,264	3,908
Total		45,869	42,403	42,793	40,227

37 Expenses Attributed to Functions

Academic activities

Academic staff salaries		70,869	65,396	70,869	65,396
Academic staff salary related expenses		17,996	15,435	17,996	15,435
Non-academic staff salaries		28,290	26,850	28,290	26,850
Non-academic staff salary related expenses		8,842	9,637	8,842	9,637
Depreciation expense					
Plant, equipment and motor vehicles		2,853	3,352	2,853	3,352

Note	Consolidated		University	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
37 Expenses Attributed to Functions (cont'd)				
Student services				
Academic staff salaries	645	668	645	668
Academic staff salary related expenses	140	124	140	124
Non-academic staff salaries	2,671	2,550	2,671	2,550
Non-academic staff salary related expenses	851	815	851	815
Depreciation expense				
Plant, equipment and motor vehicles	10	10	10	10
Buildings	-	-	-	-
Other expenses	16,900	17,535	16,900	17,535
Total student services	21,217	21,702	21,217	21,702
Public services				
Academic staff salaries	239	207	239	207
Academic staff salary related expenses	30	26	30	26
Non-academic staff salaries	975	840	975	840
Non-academic staff salary related expenses	262	224	262	224
Depreciation expense				
Plant, equipment and motor vehicles	13	24	13	24
Buildings	-	-	-	-
Other expenses	678	784	678	784
Total public services	2,197	2,105	2,197	2,105
Buildings and grounds				
Academic staff salaries	-	-	-	-
Academic staff salary related expenses	-	-	-	-
Non-academic staff salaries	1,417	1,949	1,417	1,949
Non-academic staff salary related expenses	338	526	338	526
Depreciation and amortisation expense				
Plant, equipment and motor vehicles	71	87	71	87
Buildings and leasehold improvements	3,774	3,869	3,775	3,694
Other expenses	14,592	12,305	14,591	12,376
Total buildings and grounds	20,192	18,736	20,192	18,632
Administration and other general institutional services				
Academic staff salaries	2,077	610	2,077	610
Academic staff salary related expenses	225	298	225	298
Non-academic staff salaries	18,395	16,668	11,478	11,176
Non-academic staff salary related expenses	4,944	5,449	4,628	4,003
Depreciation and amortisation expense				
Plant, equipment and motor vehicles	1,261	1,546	664	775
Buildings	144	-	13	-
Software and system development costs	2,918	1,939	2,918	1,852
Other expenses	39,316	40,139	19,969	16,368
Total administration and other general institutional services	69,280	66,649	41,972	35,082

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
37 Expenses Attributed to Functions (cont'd)					
Total					
Academic staff salaries		75,193	67,787	75,193	67,787
Academic staff salary related expenses		18,717	16,125	18,717	16,125
Non-academic staff salaries		65,432	60,906	58,515	55,414
Non-academic staff salary related expenses		19,764	20,596	19,448	19,150
Depreciation and amortisation expense					
Library		5,946	5,814	5,946	5,814
Plant, equipment and motor vehicles		5,348	5,517	4,751	4,746
Buildings and leasehold improvements		3,940	3,869	3,810	3,694
Software and system development costs		2,918	1,939	2,918	1,852
Sub-total depreciation expense		18,152	17,139	17,425	16,106



INDEPENDENT AUDIT REPORT

TO THE CHANCELLOR
SCOPE

As required by section 24 of the Public Finance and Audit Act 1997 and section 25(2) of the University of

[REDACTED]

Adelaide Act 1971, I have audited the financial report of the University of Adelaide for the financial year ended 31 December 2001. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- Notes to and forming part of the Financial Statements;
- A Certificate by the Chancellor and the Vice-Chancellor.

The financial report includes the consolidated financial statements of the consolidated entity, comprising the University of Adelaide and the entities it controlled at year's end or from time to time during the financial year.

The members of the Council of the University of Adelaide are responsible for the financial report. I have

[REDACTED]