

Flinders University

Financial report
for the year ended
31 December 2018



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**To the Chancellor
Flinders University**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 25(2) of the *Flinders University Act 1966*, I have audited the financial report of the Flinders University and the consolidated entity comprising Flinders University and its controlled entities for the financial year ended 31 December 2018.

Opinion

In my opinion, the accompanying financial report has been prepared in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, the *Higher Education Support Act 2003* and Australian Accounting Standards including:

- a) giving a true and fair view of the financial position of Flinders University as at 31 December 2018, its financial performance and its cash flows for the year then ended, and
- b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2018
- a Statement of Financial Position as at 31 December 2018
- a Statement of Changes in Equity for the year ended 31 December 2018
- a Statement of Cash Flows for the year ended 31 December 2018
- notes, comprising significant accounting policies and other explanatory information.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Flinders University and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of 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 the 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 issued under the provisions of the *Public Finance and Audit Act 1987*, *Australian Charities and Not-for-profits Commission Act 2012* and the *Higher Education Support Act 2003* and the Australian Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Council is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial report

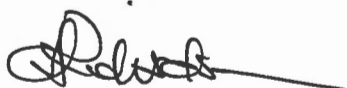
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- 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 those charged with governance and the Vice-Chancellor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal stroke extending to the right.

Andrew Richardson

Auditor-General

6 June 2019

Income Statement

For the Year Ended 31 December 2018

	Note	Consolidated		The University	
		2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	232,618	228,019	232,618	228,019
HELP - Australian Government payments	3	104,378	101,502	104,378	101,502
State and local government financial assistance	4	7,743	7,637	7,826	7,637
HECS-HELP - Student payments		7,278	6,901	7,278	6,901
Fees and charges	5	120,725	102,641	120,583	102,601
Investment revenue	6	8,283	7,082	8,148	6,934
Royalties, trademarks and licences	7	645	727	644	790
Consultancy and contracts	8	15,628	14,748	14,020	13,296
Other revenue	9	16,381	25,084	10,733	11,536
Gains/(losses) on disposal of assets		290	(60)	228	59
Share of profit or loss on investments accounted for using the equity method	21	1,156	(509)	-	-
Other investment gains	6	-	3,768	-	3,768
Total income from continuing operations		515,125	497,540	506,456	483,043
Expenses from continuing operations					
Employee related expenses	10	322,173	309,958	317,220	300,143
Depreciation and amortisation	11	38,124	35,244	37,940	34,951
Repairs and maintenance	12	12,947	11,834	12,837	11,637
Borrowing costs	13	69	176	69	176
Impairment of assets	14	4,227	3,022	398	4,490
Other investment losses	6	3,483	97	3,483	97
Other expenses	15	114,933	110,839	113,438	106,786
Total expenses from continuing operations		495,956	471,170	485,385	458,280
Net result from continuing operations		19,169	26,370	21,071	24,763
Net result attributable to:					
University		19,532	26,370	21,071	24,763
Non-controlling interest	35	(363)	-	-	-
Total		19,169	26,370	21,071	24,763

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

Flinders University

Statement of Comprehensive Income

For the Year Ended 31 December 2018

	Consolidated		The University		
	2018	2017	2018	2017	
	000's	000's	000's	000's	
Note	\$	\$	\$	\$	
Net result for the period	19,169	26,370	21,071	24,763	
Items that will be reclassified to profit or loss					
Gain/(loss) on financial assets designated at fair value through other comprehensive income	29	8,621	5,143	9,984	4,200
Total		8,621	5,143	9,984	4,200
Items that will not be reclassified to profit or loss					
Gain / (loss) on revaluations	29	483	-	483	-
Total		483	-	483	-
Total other comprehensive income		9,104	5,143	10,467	4,200
Total comprehensive income		28,273	31,513	31,538	28,963
Total comprehensive income attributable to:					
University		28,636	31,513	31,538	28,963
Non-controlling interest		(363)	-	-	-
Total		28,273	31,513	31,538	28,963

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

Statement of Financial Position

As At 31 December 2018

	Note	Consolidated		The University	
		2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Assets					
Current assets					
Cash and cash equivalents	16	39,456	42,998	38,462	42,040
Receivables	17	17,253	15,946	14,925	14,122
Inventories	18	196	198	194	195
Other financial assets	19	53,092	54,896	53,092	54,896
Other non-financial assets	20	5,786	4,933	5,719	4,860
Total current assets		115,783	118,971	112,392	116,113
Non-current assets					
Receivables	17	46,778	45,855	46,778	45,855
Investments accounted for using the equity method	21	1,919	2,402	-	-
Other financial assets	19	105,337	84,903	106,905	84,885
Property, plant and equipment	23	607,224	599,963	605,720	598,390
Investment properties	22	8,404	8,703	8,404	8,703
Intangible assets	24	36,016	24,250	35,852	23,978
Other non-financial assets	20	3,164	3,612	3,164	3,612
Total non-current assets		808,842	769,688	806,823	765,423
Total assets		924,625	888,659	919,215	881,536
Liabilities					
Current liabilities					
Trade and other payables	25	52,035	44,360	48,777	42,784
Borrowings	26	1,239	1,850	1,239	1,850
Provisions	27	22,789	22,482	22,412	22,114
Other liabilities	28	14,014	17,223	14,279	17,349
Total current liabilities		90,077	85,915	86,707	84,097
Non-current liabilities					
Trade and other payables	25	3,334	3,324	3,334	3,324
Borrowings	26	2,400	-	2,400	-
Provisions	27	70,046	68,925	70,046	68,925
Total non-current liabilities		75,780	72,249	75,780	72,249
Total liabilities		165,857	158,164	162,487	156,346
Net assets		758,768	730,495	756,728	725,190
Equity					
University interest:					
Reserves	29	177,027	167,923	180,780	170,313
Retained earnings	29	581,267	561,957	575,948	554,877
University interest		758,294	729,880	756,728	725,190
Non-controlling interest	35	474	615	-	-
Total equity		758,768	730,495	756,728	725,190

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

Flinders University

Statement of Changes in Equity

For the Year Ended 31 December 2018

	Consolidated					The University		
	Reserves	Retained Earnings	University Interest	Non-controlling Interest	Total	Reserves	Retained Earnings	Total
	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 January 2017	162,780	535,144	697,924	67	697,991	166,113	530,114	696,227
Net result	-	26,370	26,370	-	26,370	-	24,763	24,763
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	5,143	-	5,143	-	5,143	4,200	-	4,200
Prior period adjustment	-	443	443	-	443	-	-	-
Total comprehensive income	5,143	26,813	31,956	-	31,956	4,200	24,763	28,963
Recognition of non-controlling interest	-	-	-	548	548	-	-	-
Balance at 31 December 2017	167,923	561,957	729,880	615	730,495	170,313	554,877	725,190
Balance at 1 January 2018	167,923	561,957	729,880	615	730,495	170,313	554,877	725,190
Net result	-	19,532	19,532	(363)	19,169	-	21,071	21,071
Gain on revaluation	483	-	483	-	483	483	-	483
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	8,621	-	8,621	-	8,621	9,984	-	9,984
Prior period adjustment	-	(222)	(222)	222	-	-	-	-
Total comprehensive income	9,104	19,310	28,414	(141)	28,273	10,467	21,071	31,538
Recognition of non-controlling interest	-	-	-	-	-	-	-	-
Balance at 31 December 2018	177,027	581,267	758,294	474	758,768	180,780	575,948	756,728

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

Statement of Cash Flows
For the Year Ended 31 December 2018

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
Note	\$	\$	\$	\$
Cash flows from operating activities				
Australian Government Grants	336,517	329,981	336,517	329,981
OS-HELP (net)	1,083	842	1,083	842
Superannuation Supplementation	4,061	2,701	4,061	2,701
State Government Grants	7,652	7,557	7,652	7,557
Local Government Grants received	173	80	173	80
HECS-HELP - Student payments	7,278	6,901	7,278	6,901
Receipts from student fees and other customers	149,540	150,898	143,286	134,123
Dividends received	2,069	1,246	2,069	1,125
Interest received	3,542	2,760	3,542	2,733
Other investment income	2,537	3,076	2,537	3,076
GST recovered/paid	8,691	6,530	8,691	6,530
Payments to suppliers and employees (inclusive of GST)	(461,673)	(435,738)	(455,508)	(419,979)
Interest and other costs of finance	(69)	(176)	(69)	(176)
Net cash provided by/(used in) operating activities	39	61,401	76,658	61,312
				75,494
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	493	975	493	975
Proceeds from sale of investment	4,370	3,607	4,370	3,607
Other investing outflows	(310)	(614)	(310)	(614)
Purchase of property, plant and equipment	(49,724)	(35,731)	(49,671)	(35,999)
Payments for financial assets	(17,922)	(55,696)	(17,922)	(54,683)
Net cash provided by/(used in) investing activities	(63,093)	(87,459)	(63,040)	(86,714)
Cash flows from financing activities				
Proceeds from borrowings	-	(600)	-	-
Payment of finance lease liabilities	(1,850)	(1,743)	(1,850)	(1,743)
Net cash provided by/(used in) financing activities	(1,850)	(2,343)	(1,850)	(1,743)
Net increase/(decrease) in cash and cash equivalents	(3,542)	(13,144)	(3,578)	(12,963)
Cash and cash equivalents at beginning of year	42,998	56,142	42,040	55,003
Cash and cash equivalents at end of financial year	16	39,456	42,998	38,462
Financing arrangements	26			42,040
Non-cash financing and investing activities	40			

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

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Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

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

The principal address of Flinders University is:

Sturt Road
Bedford Park
South Australia 5042

(a) Basis of Preparation

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

Flinders University applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines);
- *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 (Cwth)*;
- Relevant provisions of the Treasurer's Instructions pursuant to the *Public Finance and Audit Act 1987*.

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

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

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of Flinders University on 23 May 2019.

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The main areas involving a high degree of judgement where assumptions and estimates are significant to the financial statements are superannuation receivable and provision, valuation of property, plant and equipment, long service leave liability and depreciation.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies (continued)

(b) Comparative Amounts

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

(c) Income Tax Status

The University does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997*.

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

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

(d) Goods and Services Tax (GST)

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

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

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

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

(e) Impairment of non-financial assets

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

(f) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(g) Rounding of amounts

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies (continued)

(h) Current and non-current classification

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

(i) Web site costs

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

(j) Initial application of New Accounting Standards

Adoption of AASB 9 is made in accordance with the transitional provisions. The nature and effect of the changes as a result of adoption of these new accounting standards and interpretations are described below.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The University has applied AASB 9 retrospectively, with the exception of hedge accounting, with an initial application date of 1 January 2018. The University has not restated the comparative information, which continues to be reported under AASB 139. There are no material differences as a result of the adoption of AASB 9.

The nature of the changes as a result of adoption of AASB 9 are described as follows:

(i) Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the University's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the University's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the University. The University continued measuring at fair value all financial assets previously held at fair value under AASB 139.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies (continued)

(j) Initial application of New Accounting Standards (continued)

The following are the changes in the classification of the University's financial assets:

- Trade receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.
- Equity investments in non-listed companies classified as AFS financial assets as at 31 December 2017 are classified and measured as Equity instruments designated at fair value through OCI beginning 1 January 2018. The University elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.
- Listed equity investments classified as fair value through profit or loss as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.

There are no changes in value as a result of these reclassifications. The University has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the University's financial liabilities. There are no material adjustments for impairments of trade receivables.

In summary, upon the adoption of AASB 9, the University had the following required or elected reclassifications as at 1 January 2018:

	AASB 9 measurement category			
	Total \$ '000's	Fair value through profit or loss \$ '000's	Amortised cost \$ '000's	Fair value through OCI \$ '000's
AASB 139 measurement category				
Trade receivables	61,801	-	61,801	-
Other financial assets - current	54,896	-	54,896	-
Other financial assets - non-current	19,232	-	-	19,232
Fair value through profit or loss	65,671	65,671	-	-
	201,600	65,671	116,697	19,232

(ii) Impairment

The adoption of AASB 9 has fundamentally changed the University's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

AASB 9 requires the University to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies (continued)

(k) New Accounting Standards and Interpretations

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

The following standards have been issued but are not mandatory for 31 December 2018 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:

Standard	Application date	Summary	Implications
AASB 15 <i>Revenue from Contracts with Customers</i>	1 Jan 2019	Requires the recognition of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to exchange for the provision of those goods and services. Revenue will only be recognised when control over the goods or services is transferred to the customer, either over time or at a point of time.	<p>The adoption of AASB 15 and AASB 1058 will impact the amount and timing of revenue recognised by the University. The University will adopt these standards using a modified retrospective method whereby comparatives are not adjusted and the cumulative effect of initially applying the standards will be recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019.</p> <p>In order to estimate the impact of applying AASB15 and AASB1058 the University has examined the 2018 revenue accounts. If the requirements of the new standards were applied to 2018 revenue, an amount of between \$9.2 million to \$10.3 million would have been deferred. Approximately 90% of this adjustment arises due to the change in revenue recognition of income from research. The estimated impact is based on assessments of revenue recorded in 2018. The actual impact of adopting the standard may change as the University refines its interpretations and classification of contracts and revenue recorded for those contracts in previous years.</p>
AASB 1058 <i>Income of Not-for-profit Entities</i>	1 Jan 2019	<p>This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.</p> <p>AASB 15 and AASB 1058 supersede the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004.</p> <p>The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners related to an asset received by the entity.</p> <p>AASB 1058 applies when a not-for-profit entity enters into transactions where the consideration to acquire an asset is considerably less than the fair value of the asset, principally to enable to entity to further its objectives.</p>	<p>Upon adoption of AASB 15 and 1058, amounts received which are required to be applied as cash payments to third parties, including scholarships and payments to other institutions, are required to be recognised as financial liabilities under AASB 9 and will no longer be recorded as revenue. If this change applied to 2018, scholarship revenue would be reduced by approximately \$0.6 million. The adoption of AASB15 and AASB1058 on 2019 and future years is dependent on the level of grant and other revenue received and the completion of performance obligations (expenditure incurred against these revenues).</p>

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies (continued)

(k) New Accounting Standards and Interpretations (continued)

Standard	Application date	Summary	Implications
AASB 16 <i>Leases</i>	1 Jan 2019	Requires a lessee to recognise assets and liabilities for leases of greater than 12 months duration unless the asset is of low value.	The University will adopt a modified retrospective approach in 2019 and the impact on the Statement of Comprehensive Income for the 2019 Annual Financial Statements is estimated to be immaterial. There is an estimated increase in Right of use assets and Lease liabilities of around \$11.5 million. There will be no impact on Retained Earnings. When assessing the impact of AASB 16 the University has applied a materiality limit of \$10 thousand, which is consistent with the materiality limit used to recognise Property, Plant and Equipment. The University will adopt the temporary option to not fair value right-of-use assets arising from leases that have significantly below market terms. This estimate may change as the University refines its approach and revises the contracts affected by this standard change. The actual impact in 2019 will vary due to any changes in the lease terms and any new leases commencing.
AASB 1059 <i>Service Concession Arrangements Grantors</i>	1 Jan 2020	This new standard applies to concession arrangements where the operator provides public services related to a service concession asset on behalf of a grantor. Where the grantor controls a service concession asset it must therefore recognise the asset in its financial statements.	The University does not believe that the adoption of this standard will have a material impact.

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

Amendments to References to the Conceptual Framework in IFRS Standards – 1 January 2020.

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

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

(a) Commonwealth Grants Scheme and Other Grants

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
Note	\$	\$	\$	\$
Commonwealth Grants Scheme ¹	148,913	148,782	148,913	148,782
Indigenous Student Success Program	1,299	1,274	1,299	1,274
Higher Education Participation Program ²	3,170	3,074	3,170	3,074
Disability Support Program	248	338	248	338
Promotion of Excellence in Learning and Teaching	-	10	-	10
Total Commonwealth Grants Scheme and Other Grants	44(a) 153,630	153,478	153,630	153,478

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.

(b) Higher Education Loan Programs

HECS - HELP	92,033	89,938	92,033	89,938
FEE - HELP ¹	10,382	9,719	10,382	9,719
SA-HELP payments	1,963	1,845	1,963	1,845
Total Higher Education Loan Programs	44(b) 104,378	101,502	104,378	101,502

¹ Program is in respect of FEE-HELP for Higher Education only.

(c) Scholarships

Research Training Program	15,622	15,599	15,622	15,599
Total Scholarships	44(c) 15,622	15,599	15,622	15,599

(d) Education Research

Research Support Program	12,271	12,394	12,271	12,394
Total EDUCATION Research Grants	44(c) 12,271	12,394	12,271	12,394

(e) Australian Research Council

Discovery ¹	4,846	5,402	4,846	5,402
Linkages	1,397	1,289	1,397	1,289
Networks and Centres - Research networks	292	321	292	321
Special Research Initiatives	-	30	-	30
Total Australian Research Council	44(e) 6,535	7,042	6,535	7,042

¹ Includes Early Career Researcher Award

Notes to the Financial Statements

For the Year Ended 31 December 2018

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

(f) Other Australian Government financial assistance

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Non-capital				
National Health and Medical Research Council	11,650	7,027	11,650	7,027
Other Research	11,283	12,640	11,283	12,640
Other Non-Research	21,494	19,523	21,494	19,523
Commonwealth Scholarships	133	316	133	316
Total other Australian Government financial assistance	44,560	39,506	44,560	39,506
Total Australian Government financial assistance	336,996	329,521	336,996	329,521
Reconciliation				
Australian Government Grants	232,618	228,019	232,618	228,019
Higher Education Loan Programs	104,378	101,502	104,378	101,502
Total Australian Government financial assistance	336,996	329,521	336,996	329,521

(g) Australian Government grants received - cash basis

CGS and other EDUCATION grants	44(a)	153,576	153,770	153,576	153,770
Higher Education Loan Programs	44(b)	104,247	101,692	104,247	101,692
Scholarships	44(c)	15,622	15,599	15,622	15,599
EDUCATION research	44(c)	12,271	12,394	12,271	12,394
ARC grants - discovery	44(e)	5,132	5,585	5,132	5,585
ARC grants - linkages	44(e)	1,110	1,425	1,110	1,425
Other Australian Government grants		44,559	39,516	44,559	39,516
Total Australian Government grants received - cash basis		336,517	329,981	336,517	329,981
OS-HELP (Net)	44(f)	1,083	841	1,083	841
Superannuation supplement	44(g)	4,061	2,701	4,061	2,701
Total Australian Government funding received - cash basis		341,661	333,523	341,661	333,523

Notes to the Financial Statements

For the Year Ended 31 December 2018

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

Accounting Policy

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.

Government grants 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.

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

4 State and Local Government financial assistance

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Non-capital				
South Australian State Government financial assistance	5,787	6,370	5,870	6,370
South Australian local Government financial assistance	174	80	174	80
Other State/ Territory Government financial assistance	1,782	1,187	1,782	1,187
Total State and Local Government financial assistance	7,743	7,637	7,826	7,637

Accounting Policy

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

Notes to the Financial Statements
For the Year Ended 31 December 2018

5 Fees and charges

	Note	Consolidated		The University	
		2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Course fees and charges					
Fee-paying onshore overseas students		88,030	71,009	88,030	71,009
Fee-paying offshore overseas students		5,693	4,737	5,693	4,737
Fee-paying domestic postgraduate students		3,531	3,740	3,531	3,740
Fee-paying domestic undergraduate students		4,991	5,380	4,991	5,380
Fee-paying domestic non-award students		152	102	152	102
Other domestic course fees and charges		2,945	3,019	2,945	3,019
Total course fees and charges		105,342	87,987	105,342	87,987
Other non-course fees and charges					
Student Services and Amenities Fees from students	44(h)	2,590	2,539	2,590	2,539
Student accommodation		7,062	6,560	7,062	6,560
Rental charges		1,569	1,253	1,427	1,213
Other student charges		535	538	535	538
Other hire fees		136	178	136	178
Parking fees		2,485	2,469	2,485	2,469
Other fees and charges		1,006	1,117	1,006	1,117
Total other fees and charges		15,383	14,654	15,241	14,614
Total fees and charges		120,725	102,641	120,583	102,601

Accounting Policy

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

6 Investment revenue and other investment income

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Investment revenue				
Dividends from equity investments:				
Other entities	2,190	1,246	2,069	1,125
Total dividends	2,190	1,246	2,069	1,125
Interest Income	3,556	2,760	3,542	2,733
Managed fund distribution	1,240	1,641	1,240	1,641
Investment property rental revenue	1,297	1,435	1,297	1,435
Total investment revenue	8,283	7,082	8,148	6,934
Other investment gains/(losses)				
Net gain arising on financial assets designated at fair value through profit or loss	-	3,649	-	3,649
Realised gain on disposal of investments	-	119	-	119
Movements in fair value of investment properties	(299)	(97)	(299)	(97)
Net loss arising on financial assets designated at fair value through profit or loss	(3,060)	-	(3,060)	-
Realised loss on disposal of investments	(124)	-	(124)	-
Total other investment gains/(losses)	(3,483)	3,671	(3,483)	3,671
Investment income gains/(losses)	4,800	10,753	4,665	10,605

Accounting Policy

(a) Investment property rental revenue

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

(b) Interest

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

7 Royalties, trademarks and licences

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Royalty income	645	727	644	790
Total royalties, trademarks and licences	645	727	644	790

Accounting Policy

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

8 Consultancy and contracts

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Consultancy	3,392	3,755	1,781	1,630
Contract research	12,236	10,993	12,239	11,666
Total consultancy and contracts	15,628	14,748	14,020	13,296

Accounting Policy

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.

9 Other revenue and income

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Other revenue				
Donations and bequests	437	1,047	437	1,047
Scholarships and prizes	749	572	749	572
Non-government grants	4,272	4,338	4,238	4,225
Contributions of assets	99	317	99	317
Reimbursements	2,339	2,005	2,588	2,089
Sales and other charges	6,436	10,509	1,789	1,674
Other revenue	2,049	6,296	833	1,612
Total other revenue	16,381	25,084	10,733	11,536

Notes to the Financial Statements

For the Year Ended 31 December 2018

9 Other revenue and income (continued)

Accounting Policy

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

10 Employee related expenses

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Academic				
Salaries	130,870	124,243	130,870	124,243
Contributions to superannuation and pension schemes:				
Contributions to funded schemes	18,651	17,550	18,651	17,550
Contributions to unfunded schemes	46	46	46	46
Payroll tax	7,791	7,287	7,791	7,287
Workers' compensation	589	96	589	96
Long service leave expense	2,884	2,684	2,884	2,684
Annual leave	8,805	8,417	8,805	8,417
Redundancy expenses	9,293	186	9,293	186
Total academic	178,929	160,509	178,929	160,509
Non-academic				
Salaries	110,115	110,279	105,542	101,704
Contributions to superannuation and pension schemes:				
Contributions to funded schemes	15,690	15,892	15,277	15,070
Contributions to unfunded schemes	11	12	11	12
Payroll tax	6,119	6,057	6,114	5,951
Workers' compensation	373	20	411	1
Long service leave expense	2,595	1,624	2,595	1,650
Annual leave	7,440	7,223	7,440	7,123
Redundancy expenses	901	8,342	901	8,123
Total non-academic	143,244	149,449	138,291	139,634
Total employee related expenses	322,173	309,958	317,220	300,143

Accounting Policy

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

Notes to the Financial Statements
For the Year Ended 31 December 2018

11 Depreciation and amortisation

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Depreciation				
Buildings	17,017	16,827	17,017	16,827
Infrastructure	1,582	1,369	1,582	1,369
Plant and equipment	6,742	6,441	6,575	6,172
Leased Equipment	1,649	1,649	1,649	1,649
Library	3,968	3,830	3,968	3,830
Total depreciation	30,958	30,116	30,791	29,847
Amortisation				
Computer software, other	6,481	4,443	6,464	4,419
Leasehold improvements	685	685	685	685
Total amortisation	7,166	5,128	7,149	5,104
Total depreciation and amortisation	38,124	35,244	37,940	34,951

Accounting Policy

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

Item	Percentage
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
Library collection	10.0
Amortisation:	
Computer software	20.0
Leasehold equipment	20.0
Leasehold improvements	5.0-20.0

Leased assets and leasehold improvements are depreciated over the shorter of the lease term and the useful life of the asset.

Notes to the Financial Statements

For the Year Ended 31 December 2018

12 Repairs and maintenance

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Buildings and grounds	7,961	7,351	7,863	7,211
Minor works	483	1,297	483	1,280
Equipment and artwork	4,503	3,186	4,491	3,146
Total repairs and maintenance	12,947	11,834	12,837	11,637

Accounting Policy

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

13 Borrowing costs

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Finance charges in respect of finance leases	69	176	69	176
Total borrowing costs expensed	69	176	69	176

Accounting Policy

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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

14 Impairment of assets

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Impairment losses - Financial assets				
Impairment of receivables	959	2,732	398	4,490
Impairment of assets	1,368	290	-	-
Impairment of investments accounted for using the equity method	1,900	-	-	-
Total impairment of assets	4,227	3,022	398	4,490

Accounting Policy

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

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

15 Other expenses

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Scholarships, grants and prizes	13,821	14,664	13,821	14,665
Non-capitalised equipment	7,459	7,001	7,458	6,946
Advertising, marketing and promotional expenses	5,507	5,174	5,453	5,156
Administration and management fees	13,708	12,579	13,812	12,044
Consulting and professional fees	5,426	3,201	4,047	3,055
Consumables	9,242	7,794	9,205	7,320
Printing & photocopying	1,469	1,358	1,465	1,340
Operating lease rental expenses	4,258	4,002	4,226	3,964
Telephone and fax	3,873	4,972	3,809	4,921
Travel, staff development and entertainment	15,269	14,009	15,253	13,896
Utilities	6,257	6,933	6,185	6,719
Student placement and practicum expenses	11,603	10,373	11,968	10,691
Library	2,506	2,680	2,506	2,684
Software expenses	9,765	8,354	9,707	8,224
Freight and cartage	805	810	798	797
Insurance	1,439	1,317	1,368	1,216
Miscellaneous	2,526	5,618	2,357	3,148
Total other expenses	114,933	110,839	113,438	106,786

Notes to the Financial Statements
For the Year Ended 31 December 2018

16 Cash and cash equivalents

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Cash at bank and on hand	39,456	42,998	38,462	42,040
Total cash and cash equivalents	39,456	42,998	38,462	42,040

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

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

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Balances as above	39,456	42,998	38,462	42,040
Balance per Statement of Cash Flows	39,456	42,998	38,462	42,040

(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 1.90% (2017:1.25% and 1.90%).

Accounting Policy

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

Notes to the Financial Statements
For the Year Ended 31 December 2018

17 Trade and other receivables

	Note	Consolidated		The University	
		2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Current					
Student fees		1,287	1,417	1,287	1,417
Less: Provision for impaired receivables		(310)	(302)	(310)	(302)
		977	1,115	977	1,115
Trade receivables		10,775	9,172	9,090	7,686
Less: Provision for impaired receivables		(371)	(34)	(371)	(34)
		10,404	9,138	8,719	7,652
Subsidiary and associate debtors		-	-	2,885	5,183
Less: Provision for impaired receivables		-	-	(2,885)	(5,183)
		-	-	-	-
Sub total		11,381	10,253	9,696	8,767
Accrued income		1,902	2,780	1,259	2,442
Deferred government benefit for superannuation	43	2,969	2,913	2,969	2,913
Other receivables		1,001	-	1,001	-
Total current receivables		17,253	15,946	14,925	14,122
Non-current					
Deferred government benefit for superannuation	43	46,778	45,855	46,778	45,855
Total non-current receivables		46,778	45,855	46,778	45,855
Total receivables		64,031	61,801	61,703	59,977

Accounting Policy

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.

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

Classification and measurement

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are due for

Notes to the Financial Statements

For the Year Ended 31 December 2018

17 Trade and other receivables (continued)

Accounting Policy (continued)

settlement no more than 30 days from the date of recognition.

Impairment

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

Deferred Government Benefit for Superannuation

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

18 Inventories

Current

At cost:

Raw materials and consumables

Total current inventories

Consolidated		The University	
2018	2017	2018	2017
000's	000's	000's	000's
\$	\$	\$	\$
196	198	194	195
196	198	194	195

Accounting Policy

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

19 Other financial assets

Current

Other financial assets at amortised cost

Term deposits greater than 90 days

Held to maturity

Term deposits greater than 90 days

Total current other financial assets

Consolidated		The University	
2018	2017	2018	2017
000's	000's	000's	000's
\$	\$	\$	\$
53,092	-	53,092	-
-	54,896	-	54,896
53,092	54,896	53,092	54,896

Notes to the Financial Statements

For the Year Ended 31 December 2018

19 Other financial assets (continued)

	Note	Consolidated		The University	
		2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Non-current					
Investments in equity instruments designated at fair value through other comprehensive income					
Interest in business undertakings:					
Subsidiaries at Council valuation	35	-	-	4,331	-
Other entities ²		24,866	-	24,866	-
Total investments in equity instruments designated at fair value through other comprehensive income					
		24,866	-	29,197	-
Available for sale					
Interest in business undertakings:					
Subsidiaries at Council valuation	35	-	-	-	2,969
Other entities ²		-	16,245	-	16,245
Australian equities		-	2,987	-	-
Total available for sale					
		-	19,232	-	19,214
Other financial assets designated at fair value through profit or loss¹					
Debt Securities		34,912	-	34,912	-
Equity Securities					
Australian equities		35,133	-	32,370	-
International equities		10,426	-	10,426	-
Total other financial assets designated at fair value through profit or loss					
		80,471	-	77,708	-
Other financial assets at fair value through profit or loss					
Debt Securities		-	18,950	-	18,950
Equity Securities					
Australian equities		-	35,912	-	35,912
International equities		-	10,809	-	10,809
Total investments in financial assets at fair value through profit or loss					
		-	65,671	-	65,671
Total non-current other financial assets					
		105,337	84,903	106,905	84,885
Total other financial assets					
		158,429	139,799	159,997	139,781

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

2 Education Australia has been revalued to \$24.866 million (2017: \$16.245 million).

Notes to the Financial Statements

For the Year Ended 31 December 2018

19 Other financial assets (continued)

Accounting Policy

Financial assets

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

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Consolidated Entity's financial assets at amortised cost includes trade receivables, and loan to related parties.

Notes to the Financial Statements

For the Year Ended 31 December 2018

19 Other financial assets (continued)

Accounting Policy (continued)

Financial assets at fair value through other comprehensive income

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

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

The Consolidated Entity's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

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

Upon initial recognition, the Consolidated Entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

The Consolidated Entity elected to classify irrevocably its non-listed share investments under this category.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

19 Other financial assets (continued)

Accounting Policy (continued)

Derecognition

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

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

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

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

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

Offsetting

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

Impairment of debt instruments other than receivables

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

19 Other financial assets (continued)

Accounting Policy (continued)

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

20 Other non-financial assets

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Current				
Prepayments	5,786	4,933	5,719	4,860
Non-current				
Prepayments	3,164	3,612	3,164	3,612
Total other non-financial assets	8,950	8,545	8,883	8,472

21 Investments accounted for using the equity method

Investments in Associates

Name of Associate	Principal activities	Country of incorporation	Reporting date	Ownership Interest %	
				2018	2017
Flinders Reproductive Medicine (FRM) ^{1,2}	FRM provides a high quality comprehensive infertility investigatory and treatment service.	Australia		50.0	50.0
GPEX Ltd ¹	GPEX Ltd was formed in 2015 to develop and deliver quality education and training services to general practice registrars.	Australia		50.0	50.0
Re-Time Pty Ltd ³	Re-Time was formed in 2010 to help people re-time their body clocks and improve their sleep.	Australia		34.7	34.7
Clevertar Pty Ltd ⁴	Clevertar was formed in 2008 and is a health software development company.	Australia		29.6	33.1
SABRENet Ltd ⁵	Delivers high capacity broadband network services to the education and research sector.	Australia		25.0	25.0

¹ Investment in associate held by The University and accounted for using the equity method by the Consolidated Entity.

² Flinders Reproductive Medicine 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 2018 financial year due to the Trust incurring a loss for the financial year ended 31 December 2018.

³ Investment in associate held by Flinders Partners Pty Ltd and accounted for using the equity method by the Consolidated Entity.

⁴ Investment in associate held by Flinders Partners Pty Ltd and accounted for using the equity method by the Consolidated Entity in 2017. Investment was impaired and written down to nil in 2018.

⁵ SABRENet Ltd was established to be a non-profit institution to further use of advanced data networking for the conduct of research and education in South Australia. The founding members are the three South Australian universities and the South Australian Government. The Defence Science and Technology Organisation (DSTO) is a contractual partner. The University's interests in SABRENet Ltd is not considered to be material to the University's core activities and consequently are not incorporated in the financial statements. The University has no rights to the residual assets of SABRENet Ltd.

Notes to the Financial Statements

For the Year Ended 31 December 2018

21 Investments accounted for using the equity method (continued)

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

	FRM		GPEX		Re-Time		Clevartar	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Position								
Current assets	2,467	3,287	10,248	7,852	564	686	611	98
Non-current assets	1,768	2,535	-	-	382	268	255	250
Total assets	4,235	5,822	10,248	7,852	946	954	866	348
Current liabilities	6,731	6,823	6,451	5,808	556	588	65	221
Non-current liabilities	243	289	92	90	200	-	1,157	1,060
Total liabilities	6,974	7,112	6,543	5,898	756	588	1,222	1,281
Net assets	(2,739)	(1,290)	3,705	1,954	190	366	(356)	(933)
Share of associates' net assets	-	(645)	1,853	977	66	127	-	-
Reconciliation of carrying amounts								
Balance at 1 January	-	210	977	801	127	163	1,900	-
Share of profit/(loss) for year	-	(645)	876	407	(61)	(78)	-	-
Prior period adjustment to result	-	-	-	(231)	-	-	-	-
Distributions to the beneficiary	-	(210)	-	-	-	42	-	-
Impairment	-	-	-	-	-	-	(1,900)	-
Fair value on deconsolidation	-	-	-	-	-	-	-	1,900
Balance at 31 December	-	(645)	1,853	977	66	127	-	1,900
Financial Performance								
Income	-	4,978	17,934	16,585	351	382	448	-
Expenses	-	(6,268)	(16,182)	(15,772)	(527)	(607)	(1,260)	-
Profit/(loss)	-	(1,290)	1,752	813	(176)	(225)	(812)	-
Share of associates' profit/(loss)	-	(645)	876	407	(61)	(78)	-	-

Flinders Partners Pty Ltd's investment in Clevartar Pty Ltd was accounted for using the equity method in 2017 by the Consolidated Entity. During 2018, the carrying value of the investment was fully impaired (refer Note 14), and the Consolidated Entity ceased to account for the investment using the equity method. The Consolidated Entity has no obligation in respect of the losses incurred by the associate.

Notes to the Financial Statements

For the Year Ended 31 December 2018

21 Investments accounted for using the equity method (continued)

Investments in Joint Ventures

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

Name of joint venture	Principal activities	Status of incorporation	Principal place of business	Ownership interest %	
				2018	2017
eResearch SA Ltd (eRSA) ^{1,2}	eRSA is a collaborative joint venture between Flinders University, the University of Adelaide and the University of South Australia. eRSA is the South Australian provider of high-performance computing, data management and storage, research collaboration and visualisation services for researchers in SA and Australia.	Incorporated	South Australia	33.0	\$ 33.0
South Australian Tertiary Admission Centre (SATAC) ²	SATAC is a joint venture between the three South Australian public universities, Charles Darwin University and the Minister of Higher Education and Skills. SATAC receives and processes undergraduate and postgraduate applications for admission to TAFE SA, Charles Darwin University and the three public universities in South Australia.	Unincorporated	South Australia	20.0	\$ 20.0

1 eResearch will be wound up during 2019. The University is not expected to make any capital contributions.

2 There are no material capital expenditure commitments nor material contingent liabilities.

Accounting Policy

(a) *Associates*

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

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

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

(b) *Joint ventures*

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

22 Investment properties

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
At Fair Value				
Opening balance at 1 January	8,703	8,800	8,703	8,800
Net gain/(loss) from fair value adjustments	(299)	(97)	(299)	(97)
Closing balance at 31 December	8,404	8,703	8,404	8,703
Total closing balance at 31 December	8,404	8,703	8,404	8,703

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

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

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Rental income	1,297	1,435	1,297	1,435
Direct operating expenses (rent generating properties)	(428)	(456)	(428)	(456)
Other direct operating expenses	(192)	(101)	(192)	(101)
Total recognised in profit or loss	677	878	677	878

(b) *Valuation basis*

The investment property is valued at fair value being the estimated price that would be received to sell the property in an orderly transaction between market participants at the valuation date. The investment property was independently valued at fair value as at 31 December 2018 by Richard Wood AAPI CPV, B.App.Sc (Val) of Opteon Pty Ltd.

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

No non-current assets have been pledged.

(d) *Contractual obligations*

There are no capital commitments for the investment property.

Notes to the Financial Statements
For the Year Ended 31 December 2018

22 Investment properties (continued)

(e) *Leasing arrangements*

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

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Not later than one year	182	328	182	328
Later than one year and not later than five years	379	530	379	530
Later than five years	16	260	16	260
Total lease commitments as lessor	577	1,118	577	1,118

In 2000 the University purchased the Mark Oliphant building in Science Park as an investment property. As at 31 December 2018, 95% (2017: 95%) of the building is leased or available for lease to entities outside the Consolidated Entity. During 2018, there were no leases of the investment property to entities within the Consolidated entity (2017: nil).

Accounting Policy

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

23 Property, plant and equipment

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Land, buildings and infrastructure				
Land:				
Crown land:				
At independent valuation - 2016	31,040	31,040	31,040	31,040
Freehold land:				
At independent valuation - 2016	7,412	7,412	7,412	7,412
Total Land	38,452	38,452	38,452	38,452
Buildings:				
At independent valuation - 2016	459,242	459,242	459,242	459,242
At cost	13,602	8,938	13,243	8,580
Total buildings	472,844	468,180	472,485	467,822
Infrastructure:				
At independent valuation	35,554	35,554	35,554	35,554
At cost	20,675	8,306	20,675	8,306
Total Infrastructure	56,229	43,860	56,229	43,860
Total buildings and infrastructure	529,073	512,040	528,714	511,682
Accumulated depreciation	(36,773)	(18,174)	(36,778)	(18,179)
Total buildings and infrastructure - net book amount	492,300	493,866	491,936	493,503
Leasehold Improvements:				
At cost	5,886	5,886	5,886	5,886
Accumulated amortisation	(2,953)	(2,268)	(2,953)	(2,268)
Total leasehold improvements - net book amount	2,933	3,618	2,933	3,618
Construction in progress:				
At cost	10,101	6,134	10,101	6,134
Total land, building and infrastructure - net book amount	543,786	542,070	543,422	541,707
Library Collections:				
At independent valuation	44,764	40,601	44,764	40,601
Accumulated depreciation	(20,651)	(18,840)	(20,651)	(18,840)
Total library collections - net book amount	24,113	21,761	24,113	21,761
Equipment:				
At cost deemed at fair value	84,213	77,586	81,719	75,080
Accumulated depreciation	(55,382)	(49,460)	(54,028)	(48,164)
Total plant and equipment	28,831	28,126	27,691	26,916

Notes to the Financial Statements
For the Year Ended 31 December 2018

23 Property, plant and equipment (continued)

Leased equipment:

At cost	11,884	8,245	11,884	8,245
Accumulated depreciation	(8,245)	(6,596)	(8,245)	(6,596)
Total leased equipment	<u>3,639</u>	<u>1,649</u>	<u>3,639</u>	<u>1,649</u>

Works of art:

At independent valuation - 2018 (2017: 2013)	6,855	5,654	6,855	5,654
At Council valuation	-	703	-	703
Total works of art - net book amount	<u>6,855</u>	<u>6,357</u>	<u>6,855</u>	<u>6,357</u>
Total property, plant and equipment	<u>607,224</u>	<u>599,963</u>	<u>605,720</u>	<u>598,390</u>

Notes to the Financial Statements
For the Year Ended 31 December 2018

23 Property, plant and equipment (continued)

Reconciliations

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

	Land 000's \$	Buildings 000's \$	Infrastructure 000's \$	Capital Works in Progress 000's \$	Leasehold Improvements 000's \$	Library Collections 000's \$	Plant and Equipment 000's \$	Leased equipment 000's \$	Works of Art 000's \$	Total 000's \$
Consolidated										
Year ended 31 December 2017										
Opening net book amount	37,915	460,777	35,568	5,733	4,302	19,901	28,414	3,298	6,185	602,093
Additions	-	359	13	16,921	1	5,690	6,432	-	172	29,588
Disposals - written down value	(295)	(318)	(25)	-	-	-	(279)	-	-	(917)
Capitalisation	832	7,372	8,316	(16,520)	-	-	-	-	-	-
Depreciation charge	-	(16,827)	(1,369)	-	(685)	(3,830)	(6,441)	(1,473)	-	(30,625)
Other changes	-	-	-	-	-	-	-	(176)	-	(176)
Closing net book amount	38,452	451,363	42,503	6,134	3,618	21,761	28,126	1,649	6,357	599,963
Year ended 31 December 2018										
Opening net book amount	38,452	451,363	42,503	6,134	3,618	21,761	28,126	1,649	6,357	599,963
Additions	-	-	-	21,000	-	6,320	7,580	3,639	15	38,554
Disposals - written down value	-	-	-	-	-	-	(133)	-	-	(133)
Capitalisation	-	4,663	12,370	(17,033)	-	-	-	-	-	-
Revaluation increase recognised in equity	-	-	-	-	-	-	-	-	483	483
Depreciation charge	-	(17,017)	(1,582)	-	(685)	(3,968)	(6,742)	(1,649)	-	(31,643)
Closing net book amount	38,452	439,009	53,291	10,101	2,933	24,113	28,831	3,639	6,855	607,224

Notes to the Financial Statements
For the Year Ended 31 December 2018

23 Property, plant and equipment (continued)

	Land 000's	Buildings 000's	Infrastructure 000's	Capital Works in Progress 000's	Leasehold Improvements 000's	Library Collections 000's	Plant and Equipment 000's	Leased equipment 000's	Works of Art 000's	Total 000's
The University	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2017										
Opening net book amount	37,915	460,420	35,568	5,733	4,302	19,901	27,059	3,298	6,185	600,381
Additions	-	358	13	16,917	-	5,690	6,307	-	172	29,457
Disposals - written down value	(295)	(318)	(25)	-	-	-	(278)	-	-	(916)
Capitalisation	832	7,379	8,305	(16,516)	-	-	-	-	-	-
Depreciation charge	-	(16,828)	(1,369)	-	(684)	(3,830)	(6,172)	(1,473)	-	(30,356)
Other changes	-	-	-	-	-	-	-	(176)	-	(176)
Closing net book amount	38,452	451,011	42,492	6,134	3,618	21,761	26,916	1,649	6,357	598,390
Year ended 31 December 2018										
Opening net book amount	38,452	451,011	42,492	6,134	3,618	21,761	26,916	1,649	6,357	598,390
Additions	-	-	-	20,999	-	6,320	7,483	3,639	15	38,456
Disposals - written down value	-	-	-	-	-	-	(133)	-	-	(133)
Capitalisation	-	4,663	12,369	(17,032)	-	-	-	-	-	-
Revaluation increase recognised in equity	-	-	-	-	-	-	-	-	483	483
Depreciation charge	-	(17,017)	(1,582)	-	(685)	(3,968)	(6,575)	(1,649)	-	(31,476)
Closing net book amount	38,452	438,657	53,279	10,101	2,933	24,113	27,691	3,639	6,855	605,720

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. These properties have a value of \$16.853 million (2017: \$16.853 million) Opteon Valuation 2016 .

Notes to the Financial Statements

For the Year Ended 31 December 2018

23 Property, plant and equipment (continued)

Valuations

Land and buildings

Land, buildings and infrastructure were revalued as at 31 December 2016 by Richard Wood B.App.Sc (Val) AAPI CPV, of Opteon Pty Ltd. The basis of the valuation was written down current value (existing use). The basis of valuation of land, buildings and infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

Works of Art

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

Accounting Policy

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

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

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

(a) *Land*

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

(b) *Buildings*

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

(c) *Leased Buildings*

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

The University initially recognises a lease asset as the value of its contribution to construction costs plus any future amounts payable under the lease agreement and revalue 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.

Notes to the Financial Statements
For the Year Ended 31 December 2018

23 Property, plant and equipment (continued)

Accounting Policy (continued)

(d) *Leasehold Improvements*

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

(e) *Library Collection*

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

(f) *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.

(g) *Works of Art*

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

24 Intangible Assets

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Software cost	54,193	32,874	54,193	32,874
Accumulated amortisation and impairment	(26,873)	(20,425)	(26,873)	(20,425)
	27,320	12,449	27,320	12,449
IT development in progress cost	8,532	11,529	8,532	11,529
Project costs carried forward (development costs)	164	272	-	-
Total Intangibles	36,016	24,250	35,852	23,978

Notes to the Financial Statements

For the Year Ended 31 December 2018

24 Intangible Assets (continued)

Reconciliation

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

	Software costs 000's \$	IT development in progress 000's \$	Project costs carried forward 000's \$	Total 000's \$
Consolidated				
At 1 January 2017				
Cost	30,220	4,017	1,816	36,053
Accumulated amortisation and impairment	(16,006)	-	(832)	(16,838)
Net book amount	14,214	4,017	984	19,215
Year ended 31 December 2017				
Opening net book amount	14,214	4,017	984	19,215
Additions	2,678	11,623	94	14,395
Disposals	-	-	(806)	(806)
Capitalisation	-	(4,111)	-	(4,111)
Amortisation charge	(4,443)	-	-	(4,443)
Closing net book amount	12,449	11,529	272	24,250
At 31 December 2017				
Cost	32,874	11,529	1,104	45,507
Accumulated amortisation and impairment	(20,425)	-	(832)	(21,257)
Net book amount	12,449	11,529	272	24,250
Year ended 31 December 2018				
Opening net book amount	12,449	11,529	272	24,250
Additions	-	19,676	-	19,676
Disposals	-	-	(108)	(108)
Capitalisation	21,335	(22,673)	-	(1,338)
Amortisation charge	(6,464)	-	-	(6,464)
Closing net book amount	27,320	8,532	164	36,016
At 31 December 2018				
Cost	54,193	8,532	164	62,889
Accumulated amortisation and impairment	(26,873)	-	-	(26,873)
Net book amount	27,320	8,532	164	36,016

Notes to the Financial Statements

For the Year Ended 31 December 2018

24 Intangible Assets (continued)

The University	Software costs 000's \$	IT development in progress 000's \$	Total 000's \$
At 1 January 2017			
Cost	30,220	4,017	34,237
Accumulated amortisation and impairment	(16,006)	-	(16,006)
Net book amount	14,214	4,017	18,231
Year ended 31 December 2017			
Opening net book amount	14,214	4,017	18,231
Additions	2,654	11,623	14,277
Capitalisation	-	(4,111)	(4,111)
Amortisation charge	(4,419)	-	(4,419)
Closing net book amount	12,449	11,529	23,978
At 31 December 2017			
Cost	32,874	11,529	44,403
Accumulated amortisation and impairment	(20,425)	-	(20,425)
Closing net book amount	12,449	11,529	23,978
Year ended 31 December 2018			
Opening net book amount	12,449	11,529	23,978
Additions	-	19,676	19,676
Capitalisation	21,335	(22,673)	(1,338)
Amortisation charge	(6,464)	-	(6,464)
Closing net book amount	27,320	8,532	35,852
At 31 December 2018			
Cost	54,193	8,532	62,725
Accumulated amortisation and impairment	(26,873)	-	(26,873)
Net book amount	27,320	8,532	35,852

Accounting Policy

(a) Research and development

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

24 Intangible Assets (continued)

Accounting Policy (continued)

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.

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

(b) Software costs

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

Alternately, intangible assets are carried at a revalued amount after initial recognition and are revalued by reference to an active market on a regular basis, so that the carrying amount of the asset does not differ materially from its fair value at reporting date.

25 Trade and other payables

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Current				
Creditors	20,623	15,347	18,816	13,941
OS-HELP liability to Australian Government	3,711	2,628	3,711	2,628
Accrued expenses	7,714	15,578	6,264	15,409
Annual leave on costs	3,006	3,044	3,006	3,044
Long service leave on costs	662	674	662	674
Accrued salary expenses	16,319	7,089	16,318	7,088
Total current trade and other payables	52,035	44,360	48,777	42,784
Non-current				
Long service leave on costs	3,334	3,324	3,334	3,324
Total non-current trade and other payables	3,334	3,324	3,334	3,324
Total trade and other payables	55,369	47,684	52,111	46,108

Notes to the Financial Statements

For the Year Ended 31 December 2018

25 Trade and other payables (continued)

Accounting Policy

(a) *Trade creditors and sundry payables*

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

(b) *Redundancy benefits*

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

(c) *Termination benefits*

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

(d) *Employee benefits and oncosts*

Liabilities for short-term employee benefits including salaries, non-monetary benefits and bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled.

Oncosts on the leave liabilities accruing to employees are recognised as provisions and on costs not accruing to employees are classed as payables. 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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

26 Borrowings

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Current				
Finance lease liabilities	1,239	1,850	1,239	1,850
Total current borrowings	1,239	1,850	1,239	1,850
Non-Current				
Finance lease liabilities	2,400	-	2,400	-
Total non-current borrowings	2,400	-	2,400	-
Total borrowings	3,639	1,850	3,639	1,850

The finance lease liability is for network equipment over three years ending December 2021 (2017: five years ending January 2019). 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 Consolidated Entity has the following arrangements in place:

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Credit standby arrangements				
Total facilities				
Overdraft facility ¹	500	500	500	500
Credit card facility ¹	2,000	1,160	2,000	1,100
Total credit standby arrangements	2,500	1,660	2,500	1,600
Used at balance date				
Credit card facility	641	578	641	578
Unused at reporting date				
Overdraft facility	500	500	500	500
Credit card facility	1,359	582	1,359	522
Total unused at balance date	1,859	1,082	1,859	1,022

¹ These facilities are unsecured.

Notes to the Financial Statements

For the Year Ended 31 December 2018

26 Borrowings (continued)

Accounting Policy

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.

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

27 Provisions

	Note	Consolidated		The University	
		2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Current provisions expected to be settled within 12 months					
Annual leave		10,527	10,577	10,356	10,395
Long service leave		4,016	3,855	3,942	3,781
Defined benefit obligation	43	2,969	2,913	2,969	2,913
Severance (contract employees)		900	803	769	691
Workers' compensation		431	283	430	283
		18,843	18,431	18,466	18,063
Current provisions expected to be settled after more than 12 months					
Annual leave		3,946	4,051	3,946	4,051
Total current provisions		22,789	22,482	22,412	22,114
Non-current provisions					
Long service leave		22,407	22,691	22,407	22,691
Defined benefit obligation	43	46,778	45,855	46,778	45,855
Severance (contract employees)		319	214	319	214
Workers' compensation		542	165	542	165
Total non-current provisions		70,046	68,925	70,046	68,925
Total provisions		92,835	91,407	92,458	91,039

Accounting Policy

(a) Employee benefits and provisions

Employee expenses expected to be settled within one year have been recognised at their nominal amount. These liabilities are measured at the amounts expected to be paid when the liability is settled. Oncosts on the leave liabilities accruing to employees are recognised as provisions and on costs not accruing to employees are classed as payables. 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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

27 Provisions (continued)

Accounting Policy (continued)

(i) Short-term obligations

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

(ii) Annual leave

The calculation to measure the value of annual leave has assumed a 2.0% 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.

(iii) Sick leave

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

(iv) Long service leave

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

The long service leave liability is independently actuarially estimated each year in accordance with AASB 119 Employee Benefits. The last update was performed at 31 December 2018 by Guy Holley, FIAA, of Mercer (Australia) Pty Ltd. The assumptions used by the actuary include:

- investment earnings rate of 2.1% pa (2017: 2.4%) pa. salary inflation rate of 2.5% pa (2017: 2.5%);
- on costs have been applied at the rate of 16.4% (2017: 16.4%);
- the proportion of leave taken in service is 65% (2017: 65%), the balance at termination of service.

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

(b) Workers' compensation

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

The provision for workers' compensation liability is actuarially determined each year. The valuation as at 31 December 2018 was performed by Brett & Watson PTY LTD. 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.

Notes to the Financial Statements

For the Year Ended 31 December 2018

27 Provisions (continued)

Accounting Policy (continued)

(c) *Severance*

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

(d) *Superannuation*

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

Unfunded superannuation - State Superannuation Scheme

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

28 Other liabilities

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Current				
Non-interest-bearing liabilities:				
Income received in advance:				
Fees and charges	13,375	16,283	13,375	16,283
Other	394	416	332	176
Total income received in advance	13,769	16,699	13,707	16,459
Funds held on behalf of external entities	-	8	-	8
Total current unsecured non-interest-bearing liabilities	13,769	16,707	13,707	16,467
Interest-bearing liabilities:				
Interest-bearing funds held on behalf of external parties:				
Student entities	14	11	341	377
Other entities	231	505	231	505
Total current unsecured interest-bearing liabilities	245	516	572	882
Total current other liabilities	14,014	17,223	14,279	17,349
Total other liabilities	14,014	17,223	14,279	17,349

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

Accounting Policy

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

Fees and charges represent student fees received in advance when students pay all or part of their fees in advance of service being delivered.

Notes to the Financial Statements

For the Year Ended 31 December 2018

29 Reserves and retained earnings

(a) Reserves

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
Note	\$	\$	\$	\$
Property, plant and equipment revaluation surplus	152,797	152,314	153,316	152,833
Financial assets reserve	24,230	15,609	27,464	17,480
Total reserves	177,027	167,923	180,780	170,313

(b) Movements in reserves

Property, plant and equipment revaluation surplus

Balance at 1 January	152,314	152,314	152,833	152,833
Increment/(decrement) on revaluation of property, plant and equipment	23 483	-	483	-
Balance 31 December	152,797	152,314	153,316	152,833

Financial assets reserve

Balance 1 January	15,609	10,466	17,480	13,280
Increment/(decrement) on revaluation	8,621	5,143	9,984	4,200
Balance 31 December	24,230	15,609	27,464	17,480
Total reserves	177,027	167,923	180,780	170,313

(c) Movements in retained earnings

Balance at 1 January	561,957	535,144	554,877	530,114
Net result for the period	19,532	26,370	21,071	24,763
Prior period adjustment	(222)	443	-	-
Balance at 31 December	581,267	561,957	575,948	554,877

(d) Nature and purpose of reserves

Property, plant and equipment revaluation surplus

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

Financial assets reserve

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

30 Key Management Personnel Disclosures

(a) *Responsible persons*

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

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

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

COUNCIL MEMBERS IN 2018

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

Members ex officio

Chancellor

Mr Stephen Gerlach AM

Vice-Chancellor

Professor Colin Stirling*

Presiding member of the Academic Senate

Professor John Roddick*

Members appointed by the Council

Mrs Leonie Clyne OAM

Mr Douglas Gautier AM

Ms Kathryn Gramp

Mr Stephen Hains

Dr Amanda Muller

Ms Elizabeth Perry

Mr Austin Taylor

Professor Brenda Wilson

Mrs Christine Zeitz

Member co-opted and appointed by the Council

Mr John Hood

Members elected by the academic staff

Associate Professor Nik Taylor* (to 26/05/18)

Dr Amanda Muller* (from 26/05/18)

Members elected by the non-academic staff

Ms Natalie Hills*

Ms Sally Wheldrake*

Student Members elected by students

Miss Olivia Hanna

Ms Ashley Sutherland

UNIVERSITY SENIOR MANAGEMENT IN 2018

Professor John Beynon (to 30/6/18)

Professor Jonathon Craig (from 30/4/18)

Mr Mark Gregory

Professor Alison Kitson

Professor Michael Kyrios (from 5/2/18)

Professor Vanessa Lemm (from 22/1/18)

Professor Ian Menz (from 1/7/18)

Professor Clare Pollock

Mr Richard Porter

Mr Sebastian Raneskold

Professor Robert Saint

Professor Colin Stirling

Professor Phyllis Tharenou

Ms Callista Thillou

* Council member is a University employee.

Notes to the Financial Statements

For the Year Ended 31 December 2018

30 Key Management Personnel Disclosures (continued)

(c) *Remuneration of Council Members and Executives*

Remuneration of Council Members

Total remuneration paid to members of Council by the University or any of its subsidiaries for the financial year, in their role as Councillor or Director, is shown below in the relevant bands. Remuneration for Executive Officers who are also Council members is shown as zero in this table, with their total remuneration shown under Remuneration of University senior management. Some members of Council are employees of the University and they receive no additional remuneration above their normal entitlements for being a Council member.

	Consolidated		The University	
	2018	2017	2018	2017
	Number	Number	Number	Number
Nil - \$14,999	14	21	14	21
\$15,000 - \$29,999	2	-	2	-
\$30,000 - \$44,999	2	-	2	-
	18	21	18	21
Aggregate remuneration of Council members (\$'000)	95	-	95	-

Remuneration of University Senior Management

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

	Consolidated		The University	
	2018	2017	2018	2017
	Number	Number	Number	Number
\$140,000 - \$149,999	1	1	1	1
\$200,000 - \$209,999	-	1	-	1
\$210,000 - \$219,999	1	-	1	-
\$280,000 - \$289,999	1	1	1	1
\$300,000 - \$309,999	-	1	-	1
\$320,000 - \$329,999	1	1	1	1
\$330,000 - \$339,999	1	-	1	-
\$340,000 - \$349,999	1	-	1	-
\$360,000 - \$369,999	1	-	1	-
\$370,000 - \$379,999	1	-	1	-
\$400,000 - \$409,999	-	1	-	1
\$420,000 - \$429,999	-	1	-	1
\$430,000 - \$439,999	-	1	-	1
\$440,000 - \$449,999	3	-	3	-
\$470,000 - \$479,999	1	1	1	1
\$480,000 - \$489,999	-	1	-	1
\$490,000 - \$499,999	1	-	1	-
\$1,070,000 - \$1,079,999	-	1	-	1

Notes to the Financial Statements

For the Year Ended 31 December 2018

30 Key Management Personnel Disclosures (continued)

(c) *Remuneration of Council Members and Executives (continued)*

	Consolidated		The University	
	2018	2017	2018	2017
	Number	Number	Number	Number
\$1,170,000 - \$1,179,999	1	-	1	-
Total number of executive officers¹	14	11	14	11
Aggregate remuneration of Executives (\$'000)	5,969	4,548	5,969	4,548

¹ The increase in the number of Executives of three from 2017 is attributed to the filling of executive positions vacant at the end of 2017 and the timing of staff movements occurring part way through the year.

(d) *Key management personnel compensation*

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Short-term employee benefits	5,181	3,947	5,181	3,947
Post-employment benefits	788	587	788	587
Other long-term benefits	-	14	-	14
Total key management personnel compensation	5,969	4,548	5,969	4,548

The Department of Education and Training Guidelines specify that: "For the purposes of AASB 124, key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the University, directly or indirectly, including any director (whether executive or otherwise) of the University". The Department of Education guidelines provide further guidance on the definition of key management personnel applicable to Universities by stating that "such persons should have authority and responsibility for planning, directing and controlling the activities of the whole University, and not just a faculty".

(e) *Related party transactions*

Certain Council Members and University Senior Management hold positions and interests in entities that provide goods and services to the University. The provision of these goods and services is on a normal commercial basis.

In 2018 the following transactions occurred between the University and entities in which Council members and University Senior Management have declared an interest:

Entity	Nature of goods/service	Council member and Senior Management interest	Value \$'000
Bedford Phoenix Group	Grounds maintenance	Director	43
ACH Group	Health related	Director	24
RAA Group	Security services	Director	12
FMC Foundation Incorporated	Charitable foundation	Director	509
Board of the Adelaide Community Health Care Alliances Inc	Health related	Director	280
SAHMRI	Health related	Director	2,277
2D Fluidics PTY Ltd	Technology solutions	Director	53
AusSMC	Media Company	Director	35

Notes to the Financial Statements
For the Year Ended 31 December 2018

30 Key Management Personnel Disclosures (continued)

(e) *Related party transactions (continued)*

Entity	Nature of goods/service	Council member and Senior Management interest	Value \$'000
eResearch SA Ltd	Technology solutions	Director	658
NALHN	Health related	Director	126
Silver Chain Group Ltd	Health related	Director	745
IDP Education	Education	Director	579

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

31 Remuneration of Auditors

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

	Consolidated		The University	
	2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Audit the Financial Statements				
Fees paid to the South Australian Auditor-General's Department	296	308	296	308
Nexia Edwards Marshall	40	18	-	-
Total paid for audit	336	326	296	308
Other audit and assurance services				
Fees paid to KPMG	233	239	233	239
Fees paid to others	64	112	39	112
Total paid for audit and assurance	297	351	272	351
Total remuneration for audit services	633	677	568	659

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

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

32 Contingencies

Contingent assets

There are no contingent assets.

Contingent liabilities

The University is an exempt employer for ReturnToWorkSA purposes. The University is required by ReturnToWorkSA to have a bank guarantee in place for the purposes of covering workers' compensation liabilities in the event that the University was unable to pay them. As at 31 December 2018 the University had a bank guarantee facility of \$1.169 million in place (2017: \$1.136 million).

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

There are no contingent liabilities.

Notes to the Financial Statements
For the Year Ended 31 December 2018

33 Commitments

(a) *Capital commitments*

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

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Property, plant and equipment				
Within one year	5,142	7,660	5,142	7,660
Between one year and five years	-	160	-	160
Total property, plant and equipment commitments	5,142	7,820	5,142	7,820
Intangibles				
Within one year	4,366	1,317	4,366	1,317
Between one year and five years	70	-	70	-
Total intangible asset commitments	4,436	1,317	4,436	1,317
Total capital commitments	9,578	9,137	9,578	9,137

(b) *Lease commitments*

(i) *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:

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Total lease payments as an expense during the reporting period	4,258	4,002	4,226	3,964
Commitments in relation to leases contracted for as the reporting date but not recognised as liabilities are payable as follows:				
Within one year	2,420	494	2,420	422
Between one year and five years	9,876	4,124	9,876	3,917
Later than five years	9,344	8,892	9,344	8,892
Total future minimum lease payments	21,640	13,510	21,640	13,231

Notes to the Financial Statements
For the Year Ended 31 December 2018

33 Commitments (continued)

(b) *Lease commitments (continued)*

University as Lessor:

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

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	1,010	943	1,010	943
Between one year and five years	2,027	1,543	2,027	1,543
Later than five years	347	324	347	324
Total lease commitments as lessor	3,384	2,810	3,384	2,810

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

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

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

(ii) *Finance Leases*

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

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	1,302	1,919	1,302	1,919
Between one year and five years	2,604	-	2,604	-
Total future minimum lease payments	3,906	1,919	3,906	1,919
Future finance charges	267	69	267	69
Finance lease liabilities	3,639	1,850	3,639	1,850

Notes to the Financial Statements
For the Year Ended 31 December 2018

33 Commitments (continued)

(c) *Other expenditure commitments*

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

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	15,897	19,546	15,897	19,515
Between one year and five years	8,897	5,743	8,897	9,997
Later than five years	-	276	-	276
Total	24,794	25,565	24,794	29,788

Accounting Policy

(a) *University as lessee*

(i) *Operating leases*

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the Consolidated Entity are classified as operating leases. Payments made under an operating lease are expensed in the period to which the payment relates.

(ii) *Finance leases*

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 inception of the lease at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are classified as borrowings 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 (refer Note 23) is depreciated over the shorter of the asset's useful life and the lease term.

(b) *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.

34 Related Parties

(a) *Parent entities*

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

(b) *Subsidiaries, joint operations and associates*

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

34 Related Parties (continued)

(c) *Council members and senior management*

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

(d) *Students at the Flinders University*

From time to time, Council members will have members of their immediate family who are students at the University. Such students are subject to the same fee structure and scholarships as any other students. This also applies to members of Council who are enrolled as students.

(e) *Loans to/from subsidiaries*

	The University	
	2018	2017
	000's	000's
	\$	\$
Loans to subsidiaries		
Beginning of the year	2,324	530
Loans advanced	-	1,794
Loans written off	(2,324)	-
End of year	<u>-</u>	<u>2,324</u>

The \$2.324 million loan was to Flinders Partners, a 100% owned subsidiary, whose principal purpose is to provide financial benefit to the University through the commercial exploitation of the University's intellectual property.

An assessment of Flinders Partners financial assets and their anticipated future income concluded it is highly unlikely they will be able to repay the loan to the University in the medium to long term. On this basis the loan has been written off. The loan was fully provisioned against in the 2017 financial year.

(f) *Outstanding balances*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated		The University	
	2018	2017	2018	2017
	000's	000's	000's	000's
	\$	\$	\$	\$
Current receivables (sale of goods and services)				
Subsidiaries	-	-	-	2,324
Total current receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,324</u>

Notes to the Financial Statements

For the Year Ended 31 December 2018

35 Subsidiaries

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

Name of subsidiary	Principal activities	Principal place of business	Ownership interest %	
			2018	2017
Flinders Bioremediation Pty. Ltd. ¹	Develop and extend commercial activities of the University in the areas of soil bioremediation, organic waste management and related technologies.	Australia	100.0	100.0
Flinders Campus Community Services Inc.	Provides on-campus services and support for students	Australia	100.0	100.0
Flinders Partners Pty. Ltd.	Commercialisation of University sourced intellectual property and conduct of commercial consultancies	Australia	100.0	100.0
<i>Subsidiaries of Flinders Partners Pty. Ltd.:</i>				
Strategiize Pty. Ltd.	Software development company.	Australia	100.0	100.0
InRemedy Pty. Ltd. ²	Healthcare consultancy	Australia	100.0	100.0
unIPartners Ltd.	Creates new growth companies from University research in South Australia.	Australia	62.0	62.0
FCD Health ³	Operate the Palmerston GP Super Clinic providing placements for medical students in NT.	Australia	50.0	50.0
Lung Health Diagnostics Pty. Ltd.	Biotech development company.	Australia	60.0	60.0

¹ Placed in liquidation in 2019.

² InRemedy Pty Ltd was deregistered on 13 January, 2019.

³ FCD Health cannot pay dividends and on wind-up, the assets cannot be distributed to the University.

Accounting Policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2018 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 Consolidated Entity.

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

36 Joint Operations

Name of joint operation	Nature of relationship	Principal place of business	Ownership interest/ voting rights held %	
			2018	2017
Rubuntja, Building, Alice Springs Hospital	Education and research services providing health services to local and remote indigenous populations.	Northern Territory	41.0	41.0
Universities Research Repositories of South Australia	Provision of storage areas for library materials from three South Australian universities.	South Australia	28.0	28.0

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

	Consolidated		The University	
	2018 000's	2017 000's	2018 000's	2017 000's
	\$	\$	\$	\$
Property, plant and equipment:				
Rubuntja, Building, Alice Springs Hospital	875	929	875	929
Universities Research Repositories of South Australia	1,447	1,489	1,447	1,489
Total	2,322	2,418	2,322	2,418

The University's joint operations have no contingent liabilities as at 31 December 2018 (2017: \$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 revenues and expenses are included in the income statement.

Accounting Policy

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

37 Interests in Co-operative Research Centres

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

Name of Entity	Principal Activity
Alertness CRC Ltd	To promote the prevention and control of sleep loss and sleep disorders and to develop new tools and products for individuals and organisations to improve alertness, productivity and safety.
Innovative Manufacturing CRC	To lead Australia's transition into high value, high knowledge based manufacturing through support and facilitation of innovative manufacturing organisations.
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.
Defend Tex PTY LTD	To provide defence technology to military and law enforcement to communities around the world.
The CRC for Remote Economic Participation	To deliver solutions to the economic challenges that affect remote Australia.
The Lowitja Institute	To provide a cross cultural framework for strategic research leading to evidence based improvements in education and health practice.

38 Events Occurring After the Reporting Date

The University has long term investments in Australian and International equities managed by professional fund managers. The value of these investments fluctuates broadly in line with indicators of equity market movements and any adjustments to these values are taken up as unrealised gains or losses in the Income Statement. Note 19 has information about the value of these investments at 31 December 2018.

Notes to the Financial Statements

For the Year Ended 31 December 2018

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

	Note	Consolidated		The University	
		2018 000's	2017 000's	2018 000's	2017 000's
		\$	\$	\$	\$
Net result for the period		19,169	26,370	21,071	24,763
Non-cash items:					
Depreciation and amortisation		38,124	35,244	37,940	34,951
Net (gain) / loss on sale of non-current assets		(167)	60	(104)	(59)
Net contribution of assets	9	(99)	(317)	(99)	(317)
Fair value gains on other financial assets at fair value through profit or loss	6	3,060	(3,649)	3,060	(3,649)
Distribution		-	509	-	-
Impairment of assets		4,227	2,561	398	4,490
Investment expense paid direct from funds		136	116	136	35
Other		(1,117)	626	298	21
Total non-cash items		44,164	35,150	41,629	35,472
Change in operating assets and liabilities:					
(Increase) / decrease in receivables		(2,629)	1,738	(2,126)	287
(Increase) / decrease in inventories		2	141	2	-
(Increase) / decrease in other operating assets		(2,004)	4,441	(412)	4,408
Increase / (decrease) in payables		4,169	6,650	2,488	8,053
Increase / (decrease) in other provisions		1,428	(3,148)	1,419	(2,602)
Increase / (decrease) in other operating liabilities		(2,898)	5,316	(2,759)	5,113
Net cash provided by / (used in) operating activities		61,401	76,658	61,312	75,494

Cash balances not available for use

All cash balances are available for use (2017: all available).

Tax status

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

40 Non-cash investing and financing activities

	Consolidated		The University	
	2018 000's	2017 000's	2018 000's	2017 000's
	\$	\$	\$	\$
Acquisition of plant and equipment by means of finance leases	3,639	-	3,639	-
Acquisition of works of art and library materials through donations	99	300	99	300
	3,738	300	3,738	300

Notes to the Financial Statements

For the Year Ended 31 December 2018

41 Financial Risk Management

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

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

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

(a) *Market risk*

(i) *Foreign exchange risk*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Consolidated Entity's exposure to foreign exchange risk includes its investments in international equities of \$10.426 million in 2018 (2017: 10.809 million), foreign currency cash holdings of \$590 thousand in AUD equivalent (2017: \$11 thousand) and there is the equivalent of AUD \$790 thousand (2017: \$243 thousand) denoted in foreign currency receivables. There are \$1.1 million (2017: \$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 2018 was (\$83 thousand) (2017: loss \$117 thousand).

(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 \$57.203 million in 2018 (2017: \$52.157 million).

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

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity has a finance lease with a fixed implicit interest rate with no other borrowings and therefore its interest rate risk exposure relates to income only. As at 31 December 2018 the Consolidated Entity held \$53.092 million (2016: \$54.896 million) in term deposits and short-term deposits earning interest at market rates. Refer Note 16 and Note 19. The Consolidated Entity also held \$33.450 million (2017: \$12.229 million) in fixed interest managed funds. Refer Note 19.

Notes to the Financial Statements
For the Year Ended 31 December 2018

41 Financial Risk Management (continued)

(a) *Market risk (continued)*

(iv) *Summarised sensitivity analysis*

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

31 December 2018

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets													
Cash and Cash Equivalents - at bank	39,456	(389)	(389)	389	389	(10)	(10)	10	10	-	-	-	-
Trade and other receivables	64,031	-	-	-	-	(8)	(8)	8	8	-	-	-	-
Other financial assets	158,428	(861)	(861)	861	861	(104)	(104)	104	104	(677)	(677)	677	677
Financial liabilities													
Payables	(55,369)	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	(245)	(2)	(2)	2	2	-	-	-	-	-	-	-	-
Total increase/(decrease)	206,301	(1,252)	(1,252)	1,252	1,252	(122)	(122)	122	122	(677)	(677)	677	677

Notes to the Financial Statements
For the Year Ended 31 December 2018

41 Financial Risk Management (continued)

(a) *Market risk (continued)*

31 December 2017

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-1%		+1%	
		Result 000's	Equity 000's	Result 000's	Equity 000's	Result 000's	Equity 000's	Result 000's	Equity 000's	Result 000's	Equity 000's	Result 000's	Equity 000's
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Financial assets													
Cash and Cash Equivalents - at bank	42,998	(430)	(430)	430	430	-	-	-	-	-	-	-	-
Receivables	61,801	-	-	-	-	(2)	(2)	2	2	-	-	-	-
Other financial assets	139,799	(738)	(738)	738	738	(108)	(108)	108	108	(630)	(630)	630	630
Financial liabilities													
Payables	(47,683)	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	(524)	(5)	(5)	5	5	-	-	-	-	-	-	-	-
Total increase/(decrease)	196,391	(1,173)	(1,173)	1,173	1,173	(110)	(110)	110	110	(630)	(630)	630	630

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 \$104 thousand (2017: \$108 thousand) and receivables by \$8 thousand (2017: \$2 thousand).

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

Notes to the Financial Statements

For the Year Ended 31 December 2018

41 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 \$49.747 million (2017: \$48.768 million).

(c) *Liquidity risk*

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

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

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

	Average Interest rate		Less than 1 year		1 to 5 years		5+ years		Non-Interest Bearing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
Financial Assets:												
Cash and cash equivalents	1.88	1.87	38,857	42,973	-	-	-	-	599	25	39,456	42,998
Receivables	-	-	-	-	-	-	-	-	64,031	61,801	64,031	61,801
Other financial assets	2.66	2.64	53,092	62,178	21,695	2,864	11,362	8,804	72,280	65,953	158,429	139,799
Total Financial Assets			91,949	105,151	21,695	2,864	11,362	8,804	136,910	127,779	261,916	244,598
Financial Liabilities:												
Payables	-	-	-	-	-	-	-	-	55,369	47,683	55,369	47,683
Amounts payable to related parties	2.66	2.17	245	516	-	-	-	-	-	8	245	524
Total Financial Liabilities			245	516	-	-	-	-	55,369	47,691	55,614	48,207
			91,704	104,635	21,695	2,864	11,362	8,804	81,541	80,088	206,302	196,391

Notes to the Financial Statements

For the Year Ended 31 December 2018

42 Fair Value Measurement

(a) *Fair value measurements*

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

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

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

Consolidated	Note	Carrying Amount		Fair Value	
		2018 000's \$	2017 000's \$	2018 000's \$	2017 000's \$
Financial assets					
Cash and cash equivalents	16	39,456	42,998	39,456	42,998
Trade and other receivables	17	64,031	61,801	64,031	61,801
Investments using the equity method	21	1,919	2,402	1,919	2,402
Other financial assets:	19				
At amortised cost	19	53,092	-	53,092	-
Held to maturity	19	-	54,896	-	54,896
Designated at fair value through other comprehensive income	19	24,866	-	27,866	-
Available for sale	19	-	19,232	-	19,232
Designated at fair value through profit or loss	19	80,471	-	80,471	-
At fair value through profit or loss	19	-	65,671	-	65,671
Total financial assets		263,835	247,000	266,835	247,000
Non-financial assets					
Other non-financial assets	20	8,950	8,545	8,950	8,545
Total non-financial assets		8,950	8,545	8,950	8,545
Financial Liabilities					
Payables	25	55,369	47,684	55,369	47,684
Borrowings	26	3,639	1,850	3,639	1,850
Other financial liabilities	28	245	516	245	516
Total financial liabilities		59,253	50,050	59,253	50,050

The Consolidated Entity measures and recognises the following assets and liabilities at fair value on a recurring basis:

- financial assets designated at fair value through profit or loss;
- other assets designated at fair value through other comprehensive income;
- land, buildings and infrastructure
- investment properties

Notes to the Financial Statements

For the Year Ended 31 December 2018

42 Fair Value Measurement (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.

Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2018.

Fair value measurements at 31 December 2018

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

Notes to the Financial Statements
For the Year Ended 31 December 2018

42 Fair Value Measurement (continued)

(b) *Fair value hierarchy (continued)*

Fair value measurements at 31 December 2017

Consolidated	Note	2017 000's \$	Level 1 000's \$	Level 2 000's \$	Level 3 000's \$
Recurring fair value measurements					
Financial assets					
Designated at fair value through profit or loss					
Equity instruments	19	49,708	1,838	44,883	2,987
Debt securities	19	18,950	-	18,950	-
Available for sale					
Other securities	19	16,245	-	-	16,245
Investments using the equity method	21	2,402	-	-	2,402
Total financial assets		87,305	1,838	63,833	21,634
Non-financial assets					
Investments properties	22	8,703	-	-	8,703
Land, buildings and infrastructure	23	535,936	-	-	535,936
Library	23	21,761	-	-	21,761
Works of art	23	6,357	-	-	6,357
Total non-financial assets		572,757	-	-	572,757
Financial liabilities					
Derivatives used for hedging		117	-	117	-
Total liabilities		117	-	117	-

Notes to the Financial Statements

For the Year Ended 31 December 2018

42 Fair Value Measurement (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 summarised the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. Refer (c) above for the valuation techniques adopted.

Consolidated	Fair value	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Description	000's \$			
31 December 2018				
Unlisted equity securities	27,909	Earnings growth factor	Net asset position and future earnings	Increase in net assets and increase in future earnings would result in higher fair value. Decrease in net assets and decrease in future earnings would result in lower fair value

Notes to the Financial Statements

For the Year Ended 31 December 2018

42 Fair Value Measurement (continued)

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

The following table is a reconciliation of level 3 items for the periods ending 31 December 2018 and 2017:

Consolidated

	Unlisted securities 000's \$	Land, buildings and infrastructure 000's \$	Library 000's \$	Works of art 000's \$	Investment properties 000's \$	Other financial assets 000's \$	Total 000's \$
Level 3 Fair Value Measurement 2018							
Opening balance	19,232	535,936	21,761	6,357	8,703	1,652.0	593,641.0
Gains/(losses) in profit or loss:							
Additions	-	17,033	6,320	15	-	976.0	24,344.0
Disposals/distributions	-	-	-	-	-	(300.0)	(300.0)
Depreciation recognised in net result	-	(19,284)	(3,968)	-	-	-	(23,252.0)
Total gains/(losses) in profit or loss	-	(2,251)	2,352	15	-	676.0	792.0
Gains/(losses) in other comprehensive income:							
Gain/(loss) in other comprehensive income	8,621	-	-	-	-	-	8,621.0
Revaluation increments/(decrements)	56	-	-	483	(299)	-	240.0
Total gains/(losses) in other comprehensive income	8,677	-	-	483	(299)	-	8,861.0
Closing balance	27,909	533,685	24,113	6,855	8,404	2,328.0	603,294.0

Notes to the Financial Statements
For the Year Ended 31 December 2018

42 Fair Value Measurement (continued)

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

Consolidated

	Unlisted securities 000's \$	Land buildings and infrastructure 000's \$	Library 000's \$	Works of art 000's \$	Investment properties 000's \$	Other financial assets 000's \$	Total 000's \$
Level 3 Fair Value Measurement 2017							
Opening balance	14,826	538,562	19,901	6,185	8,800	976	589,250
Gains/(losses) in profit or loss:							
Additions	-	16,893	5,690	172	-	976	23,731
Disposals/distributions	-	(638)	-	-	-	(300)	(938)
Depreciation recognised in net result	-	(18,881)	(3,830)	-	-	-	(22,711)
Total gains/(losses) in profit or loss	-	(2,626)	1,860	172	-	676	82
Gains/losses in comprehensive income:							
Gains/(losses) in other comprehensive income	5,143	-	-	-	-	-	5,143
Revaluation increment/(decrement)	(737)	-	-	-	(97)	-	(834)
Total gains/(losses) in other comprehensive income	4,406	-	-	-	(97)	-	4,309
Closing balance	19,232	535,936	21,761	6,357	8,703	1,652	593,641

Notes to the Financial Statements

For the Year Ended 31 December 2018

42 Fair Value Measurement (continued)

Accounting Policy

Fair value

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

The Flinders University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and equity investments) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Flinders University is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Flinders University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3), such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Flinders University considers market participants use of, or purchase of, the asset to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Notes to the Financial Statements

For the Year Ended 31 December 2018

43 Superannuation Plans

The University contributes to the following employee superannuation funds:

(a) *UniSuper Limited Superannuation Schemes*

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

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

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

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

As set out under paragraph 28 of AASB 119 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 2018 the assets of the Defined Benefit Division (DBD) in aggregate were estimated to be \$3,785 million (June 2017: \$2,797 million) above vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- \$5,477 million (June 2017: \$4,258 million) above accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2018. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
	%	%
Gross of tax investment return:		
- Defined Benefit Division pensions	5.3	6.6
- Commercial rate indexed pensions	2.9	2.9
Net of tax investment return - non pensioner members	4.7	5.8
Consumer Price Index	2.0	2.0
Inflationary salary increases long term	3.0	3.0

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

At 1 July 2018 the Vested Benefit Index (VBI) was 118.5% (2017: 114.5%) and the Accrued Benefit Index (ABI) was 129.1% (2017: 123.9%). As a result of the VBI being greater than 100% at this date, the monitoring period and process set out in Clause 34 of the Trust Deed has not been instigated.

Notes to the Financial Statements

For the Year Ended 31 December 2018

43 Superannuation Plans (continued)

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

(ii) *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

(b) *South Australian Superannuation Scheme*

(i) *Fund specific disclosure*

The University has 66 (2017: 66) present and former employees who are members of closed State Government Pension and Lump Sum superannuation schemes. Under the schemes, defined benefits are paid as a lump sum or continuing pension on the termination of the employees' service, based on contributions made by the employee and the employees' final salary. Employee contributions and certain employer contributions are paid to the South Australian Superannuation Board (the Board) which is responsible for administering the schemes. Under current arrangements, the Board pays the benefits and is reimbursed by the University for the shortfall in the employer's contribution. The Commonwealth Government funds the University on an emerging cost basis and recovers the State's share of the cost directly from the State Government.

The University's superannuation liability with respect to future benefits for current employees and pensioners was assessed as at 31 December 2018. This assessment was performed by Brett & Watson PTY LTD Consulting Actuaries on information that was provided by the Director Superannuation, South Australian Department of Treasury and Finance. The University's superannuation liability was assessed as being \$49.7 million (2017: \$48.8 million). The net unfunded amount has been recognised in the accounts of the University as a liability with a corresponding receivable from the Commonwealth government (see Note 17). Recognition of the receivable from the Commonwealth is in accordance with Department of Education and Training Guidelines and reflects an assessment that while there is no specific legislated requirement, the Commonwealth has committed to funding the University's emerging costs.

The University expects to make a contribution of \$3.0 million (2017: \$2.9 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 12.97 years (2017: 13.45 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$
Defined benefit obligations					
- 31 December 2018	2,957	3,036	9,473	57,901	73,367
Defined benefit obligations					
- 31 December 2017	2,901	2,971	9,299	60,743	75,914

Notes to the Financial Statements

For the Year Ended 31 December 2018

43 Superannuation Plans (continued)

(c) *Categories of plan assets*

	2018 (%)		2017 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	0.9	-	1.3	-
Equity instruments	53.6	-	52.3	-
Property	2.4	13.9	2.2	13.0
Diversified strategies growth	0.7	13.2	1.0	10.8
Diversified strategies income	14.4	-	15.2	-
Inflation linked securities	0.7	0.2	3.2	1.0
Total	72.7	27.3	75.2	24.8

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

	2018	2017
	%	%
Discount rate(s)	2.4	2.8
Expected rate(s) of salary increase	4.0	4.0
Long term CPI Increases	2.5	2.5

(d) *Actuarial assumptions and sensitivity*

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

	Increase in assumption	Impact on DBO liability	Decrease in assumption	Impact on DBO liability
	%	%	%	%
Discount rate	0.5	(5.2)	(0.5)	5.7
Expected rate of salary increase	0.5	0.1	(0.5)	(0.1)

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

Notes to the Financial Statements
For the Year Ended 31 December 2018

43 Superannuation Plans (continued)

(e) *Statement of financial position amounts*

	2018 000's \$	2017 000's \$
Present value of defined benefit obligation		
Opening defined benefit obligation	53,291	54,826
Current service cost	25	335
Interest expense	1,452	1,643
	<u>54,768</u>	<u>56,804</u>
Actuarial losses/(gains):		
Impact of changes in demographic assumptions	-	(515)
Impact of changes in financial assumptions	2,280	1,706
Experience items	80	(95)
Total actuarial losses/(gains)	<u>2,360</u>	<u>1,096</u>
Benefits paid	<u>(2,812)</u>	<u>(4,609)</u>
Closing defined benefit obligation	<u>54,316</u>	<u>53,291</u>
Net liability reconciliation		
Defined benefit obligation	54,316	53,291
Fair value of plan assets	<u>(4,569)</u>	<u>(4,523)</u>
Net liability	<u>49,747</u>	<u>48,768</u>
Total net liability/(asset)	<u>49,747</u>	<u>48,768</u>
Present value of obligation		
Opening defined benefit obligation	48,768	50,612
Current service cost	1,344	1,862
Remeasurements	2,451	908
Employer contributions	<u>(2,816)</u>	<u>(4,614)</u>
Total net liability/(asset) in balance sheet	<u>49,747</u>	<u>48,768</u>

Note

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Notes to the Financial Statements
For the Year Ended 31 December 2018

44 Acquittal of Australian Government Financial Assistance

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

	Note	Commonwealth Grants Scheme ¹		Disability Performance Funding ²		Promotion of Excellence in Learning and Teaching		Higher Education Participation Funding		Indigenous Student Success Program ³		Total	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Parent Entity (University) Only													
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		148,737	149,063	248	338	-	10	3,170	3,070	1,421	1,289	153,576	153,770
Net accrual adjustments		176	(281)	-	-	-	-	-	4	(122)	(15)	54	(292)
Revenue for the period	3(a)	148,913	148,782	248	338	-	10	3,170	3,074	1,299	1,274	153,630	153,478
Surplus/(deficit) from the previous year		-	-	-	-	294	366	8	640	53	75	355	1,081
Total revenue including accrued revenue		148,913	148,782	248	338	294	376	3,178	3,714	1,352	1,349	153,985	154,559
Less expenses including accrued expenses		(148,913)	(148,782)	(248)	(338)	(92)	(82)	(3,221)	(3,706)	(1,214)	(1,296)	(153,688)	(154,204)
Surplus/(deficit) for reporting period		-	-	-	-	202	294	(43)	8	138	53	297	355

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

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

3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2018. Prior year programs should be combined and reported in Indigenous Student Success Program for 2017.

Notes to the Financial Statements

For the Year Ended 31 December 2018

44 Acquittal of Australian Government Financial Assistance (continued)

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

	Note	HECS-HELP (Australian Government payments only) ¹		FEE-HELP ²		SA-HELP ³		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
		000's	000's	000's	000's	000's	000's	000's	000's
Parent Entity (University) Only		\$	\$	\$	\$	\$	\$	\$	\$
Cash payable/(receivable) at the beginning of the year		1,736	1,809	264	204	(5)	(208)	1,995	1,805
Financial assistance received in cash during the reporting period		91,839	89,865	10,439	9,779	1,969	2,048	104,247	101,692
Cash available for period		93,575	91,674	10,703	9,983	1,964	1,840	106,242	103,497
Revenue earned	3(b)	92,033	89,938	10,382	9,719	1,963	1,845	104,378	101,502
Cash payable/(receivable) at end of year		1,542	1,736	321	264	1	(5)	1,864	1,995

1 HECS-HELP \$1,542 thousand to be returned to the Department.

2 Program is in respect of FEE-HELP for Higher Education only. This includes \$321 thousand to be returned to the Department.

3 SA-HELP - \$1 thousand to be returned to the Department.

Notes to the Financial Statements

For the Year Ended 31 December 2018

44 Acquittal of Australian Government Financial Assistance (continued)

(c) Department of Education and Training Research

	Note	Research Training Program		Research Support Program		Total	
		2018 000's	2017 000's	2018 000's	2017 000's	2018 000's	2017 000's
Parent Entity (University) Only		\$	\$	\$	\$	\$	\$
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		15,622	15,599	12,271	12,394	27,893	27,993
Revenue for the period	3(c),(d)	15,622	15,599	12,271	12,394	27,893	27,993
Surplus/(deficit) from the previous year		657	896	-	33	657	929
Total revenue including accrued revenue		16,279	16,495	12,271	12,427	28,550	28,922
Less expenses including accrued expenses		(15,519)	(15,838)	(12,271)	(12,427)	(27,790)	(28,265)
Surplus/(deficit) for reporting period		760	657	-	-	760	657

The reported surpluses for Research Training Program of \$760 thousand for 2018 are expected to be rolled over for future use by University.

(d) Total Higher Education Provider Research Training Program expenditure

	Total domestic students 000's	Total overseas students 000's
	\$	\$
Research Training Program Fees offsets	10,271	489
Research Training Program Stipends	4,232	463
Research Training Program Allowances	9	55
Total for all types of support	14,512	1,007

Flinders University

Notes to the Financial Statements

For the Year Ended 31 December 2018

44 Acquittal of Australian Government Financial Assistance (continued)

(e) Australian Research Council Grants

	Discovery		Linkages		Networks and Centres		Special Research Initiatives		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
Parent Entity (University) Only										
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	5,132	5,585	1,110	1,425	-	-	-	-	6,242	7,010
Net accrual adjustments	(287)	(184)	287	(137)	292	321	-	30	292	30
Revenue for the period	4,845	5,401	1,397	1,288	292	321	-	30	6,534	7,040
Surplus/(deficit) from the previous year	4,047	4,651	1,247	1,486	203	80	188	362	5,685	6,579
Total revenue including accrued revenue	8,892	10,052	2,644	2,774	495	401	188	392	12,219	13,619
Less expenses including accrued expenses	(5,180)	(6,005)	(1,310)	(1,527)	(236)	(198)	(15)	(204)	(6,741)	(7,934)
Surplus/(deficit) for reporting period	3,712	4,047	1,334	1,247	259	203	173	188	5,478	5,685

Note

3(e)

Notes to the Financial Statements

For the Year Ended 31 December 2018

44 Acquittal of Australian Government Financial Assistance (continued)

(f) OS-HELP

	2018	2017
	000's	000's
Note	\$	\$
Parent Entity (University) Only		
Cash received during the reporting period	3,528	3,296
Cash spent during the reporting period	(2,445)	(2,455)
Net cash received	1,083	841
Cash surplus/(deficit) from the previous period	2,628	1,787
Cash surplus/(deficit) for reporting period	25 3,711	2,628

(g) Higher Education Superannuation Program

	2018	2017
	000's	000's
Note	\$	\$
Parent Entity (University) Only		
Cash received during the reporting period	4,061	2,701
University contribution in respect of current employees	57	57
Cash available	4,118	2,758
Cash surplus / (deficit) from the previous period	(1,015)	230
Cash available for current period	3,103	2,988
Contributions to specified defined benefit funds	17,43 (3,292)	(4,003)
Cash surplus/(deficit) this period	(189)	(1,015)

(h) Student Services and Amenities Fee

	2018	2017
	000's	000's
Note	\$	\$
Parent Entity (University) Only		
Unspent/(overspent) revenue from previous period	3,285	3,695
SA-HELP revenue earned	3(b) 1,963	1,845
Student Services and Amenities Fees direct from students	5 2,590	2,539
Total revenue expendable in period	7,838	8,079
Student services expenses during period	(5,115)	(4,794)
Unspent/(overspent) student services revenue	2,723	3,285

Notes to the Financial Statements

For the Year Ended 31 December 2018

45 Acronyms and Abbreviations

AASB	Australian Accounting Standards Board
ARC	Australian Research Council
ATO	Australian Taxation Office
CGS	Commonwealth Grant Scheme
CPI	Consumer Price Index
CRC	Cooperative Research Centre
EDUCATION	Australian Government Department of Education and Training
FEE-HELP	Fee Higher Education Loan Program (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	Students Amenities Fee - Higher Education Loan Program

Flinders University

Statement by the Chancellor, Vice Chancellor and Chief Financial Officer

To the best of our knowledge and belief

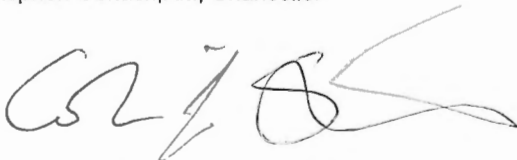
- the attached General Purpose Financial Report for Flinders University presents a true and fair view, in accordance with the Treasurer's Instructions issued under Section 41 of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and to conform to the Department of Education and Training Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period, the financial position of Flinders University as at 31 December 2018, the results of its operations and its cash flows for the financial year;
- the attached financial statements are in accordance with the accounts and records of the University;
- internal controls over financial reporting and the general purpose financial report have been effective throughout the reporting period;
- at the time of signing of this statement, there are reasonable grounds to believe that the University will be able to pay its debts as and when they become due and payable;
- the amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended; and
- Flinders University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
- Flinders University charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Signed in accordance with a resolution of the Council



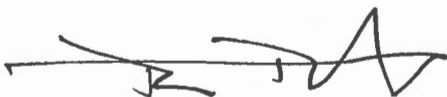
Mr Stephen Gerlach, AM, Chancellor

23 May 2019



Professor Colin Stirling, Vice-Chancellor

23 May 2019



Mr Richard Porter, Chief Financial Officer

23 May 2019