

Auditor-General's Report 4 of 2026

## Agency audit outcomes



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# Agency audit outcomes

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First Session, Fifty-Sixth Parliament

By authority: T. Foresto, Government Printer, South Australia

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*The Audit Office of South Australia acknowledges and respects  
Aboriginal people as the State's first people and nations, and  
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24 June 2026

President  
Legislative Council  
Parliament House  
ADELAIDE SA 5000

Speaker  
House of Assembly  
Parliament House  
ADELAIDE SA 5000

Dear President and Speaker

### **Report of the Auditor-General: Report 4 of 2026 *Agency audit outcomes***

As required by the *Public Finance and Audit Act 1987*, I present this report to you. In September 2026 I will issue my annual report for the year ended 30 June 2026. Some agencies I audit have a financial year that ended before 30 June 2026. To improve the timeliness of reporting on their activities, I have prepared this report to Parliament rather than waiting to include them in my annual report.

This report summarises the audit outcomes for the following agencies:

- Adelaide Oval SMA Limited
- Adelaide University
- Construction Industry Training Board
- Flinders University
- SACE Board of South Australia
- University of Adelaide
- University of South Australia.

I have published the financial statements of these agencies on our website – [www.audit.sa.gov.au](http://www.audit.sa.gov.au).

### **Acknowledgements**

I would like to thank my staff for their work in finalising these audits. The high standard of their work throughout the year is evidenced in the timely production and quality content of this and other reports we prepare.

I also thank the audit service providers we engaged to help us with this year's audit program, and all public sector agencies for the cooperation they gave to my staff.

Yours sincerely

Andrew Blaskett  
**Auditor-General**



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# Adelaide Oval SMA Limited (AOSMA)

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## Financial report opinion

**Unmodified**

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## Audit findings

Financial controls should be strengthened.

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## Financial statistics

<b>\$</b> \$109 million Total income	<b>\$</b> \$113 million Total expenditure	<b>\$</b> \$3 million Total comprehensive result and total profit
<b>\$</b> \$7 million Net contributions from the SANFL and SACA	<b>\$</b> \$27 million Money collected as agent on behalf of the SANFL and SACA	<b>\$</b> \$26 million Net assets

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## Significant events and transactions

AOSMA transferred the Adelaide Oval Turf Solutions (a business unit) to the Commercial Operations Trust for \$300,000 on 1 November 2024.

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## Audit findings

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We communicated our audit findings in a management letter to AOSMA's Chief Executive Officer. The main findings and AOSMA's responses are discussed below.

### Opportunities to strengthen financial controls were identified

We found opportunities to strengthen AOSMA's financial controls, including:

- segregating general ledger journal processing from the journal approval process
- regularly reviewing user access to the general ledger
- documenting revenue recognition procedures
- reviewing monthly reconciliations between the general ledger and revenue subsidiary systems.

AOSMA responded positively to these findings and outlined actions to address these risks.

## Interpretation and analysis of the financial report

### Highlights of the financial report\*

	2025 \$million	2024 \$million
Income	109	99
Expenses	113	104
<b>Loss prior to stakeholder contributions</b>	<b>(4)</b>	<b>(5)</b>
<b>Stakeholder contributions</b>		
Contributions from the SANFL and SACA**	21	16
Contributions to the SANFL and SACA	(14)	(10)
<b>Net stakeholder contributions</b>	<b>7</b>	<b>6</b>
<b>Total profit</b>	<b>3</b>	<b>1</b>
<b>Total comprehensive result</b>	<b>3</b>	<b>1</b>
<b>Assets</b>		
Current assets	33	23
Non-current assets	103	103
<b>Total assets</b>	<b>136</b>	<b>126</b>
<b>Liabilities</b>		
Current liabilities	28	22
Non-current liabilities	82	80
<b>Total liabilities</b>	<b>110</b>	<b>103</b>
<b>Total equity</b>	<b>26</b>	<b>23</b>

\* Table may not add due to rounding.

\*\* South Australian National Football League (SANFL) and South Australian Cricket Association (SACA)

### Statement of Comprehensive Income

Revenue from sales attributable to AOSMA and raw materials and consumables expense

AOSMA reported a \$13 million (23%) increase in revenue from food and beverage sales in 2025, as more Australian Football League (AFL) games were held at the Adelaide Oval and cricket test match sales increased. In line with this, raw materials and consumables expenses increased by \$4 million (21%).

Employee benefit expense

Employee costs increased by \$6 million (13%) in 2025, mainly due to increases in casual staff costs and wages for permanent staff.

### Statement of Financial Position

Receivables

Trade and other receivables increased by \$7 million, mainly due to an increase in payments outstanding from the South Australian Cricket Association (SACA) and the South Australian National Football League (SANFL), relating to working capital, loan repayments and capital contributions at year end.

## Payables

Trade and other payables increased by \$6 million, largely reflecting the timing of major events held at the Adelaide Oval close to year end, including two AFL finals and the Metallica concert. This included a \$1 million increase in income received on behalf of SACA and the SANFL not yet distributed at year end.

## Further commentary on operations

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### State legislative requirements

AOSMA's operations are subject to the requirements of the *Adelaide Oval Redevelopment and Management Act 2011* (AORM Act), which specifies:

- leasing and licensing requirements for the management of the Adelaide Oval. These requirements involve the Corporation of the City of Adelaide (Adelaide City Council), the responsible Minister, SANFL, SACA and AOSMA
- AOSMA's financial reporting and audit requirements and the redevelopment in general, including that the Auditor-General audits AOSMA's accounts each year
- the establishment of a sinking fund to be managed by AOSMA to pay for non-recurrent expenditure of the Adelaide Oval in the years after its completion. After consulting AOSMA, the Treasurer must determine annually the amount payable by AOSMA into the sinking fund. A report on money paid into and out of the fund must be provided to the Minister by 1 September each year.

### Adelaide Oval sinking fund

The AORM Act requires AOSMA to establish a sinking fund. This is the pool of money that AOSMA is required to set aside, into which money is paid as approved or determined under the AORM Act, and out of which non-recurrent expenditure associated with AOSMA's sublease may be paid.

AOSMA has established two bank accounts to hold sinking fund money. The balance of the sinking fund at 31 October 2025 was \$11.4 million (\$9.5 million). AOSMA contributed \$3.8 million to it in 2025, offset by \$2.2 million of capital replacement expenditure that was paid out of it. Interest income of \$340,000 was earned during the year.

We reviewed the accounts of the sinking fund for the period to 30 June 2025, including the contributions into the fund and the money paid from the fund. There were no findings resulting from this review.

### Leasing and licensing arrangements

AOSMA subleases the Adelaide Oval Core Area, which includes the stadium, from the Minister for Transport and Infrastructure. The Adelaide Oval asset is recognised in the financial statements of the Department of Infrastructure and Transport.

The rent payable by AOSMA to the SA Government over the 80-year lease term is expected to be \$74.4 million before indexation. It is increased annually for CPI. AOSMA is required to pay the annual sublease fee by 31 July each year. The land situated in the Adelaide Oval Core Area is leased by the SA Government from the Adelaide City Council for an equal term at \$1 per annum.

The Minister has licensed to the SANFL the exclusive right to play football at the Adelaide Oval during the football season from 15 March to 7 October for a term of 20 years, with a right of renewal for three further 20-year terms. The licence enables the SANFL to enter into arrangements with the AFL and football clubs for the use of the Oval. Likewise, the Minister has licensed to SACA the exclusive right to play cricket at the Oval during the cricket season from 8 October to 14 March for a term of 80 years. The licence enables SACA to enter into arrangements with Cricket Australia for the use of the Oval. These licences preserve AOSMA's right to hold ad hoc events, like concerts, at the Oval at any time as long as enough notice is given to the SANFL and SACA.

The Adelaide City Council has also licensed the SA Government to use the area closely surrounding the stadium for a 20-year term for no fee, with a right of renewal for three further 20-year terms. The SA Government has sublicensed the use of this area to the SANFL, SACA and AOSMA for an equivalent term for a fee of \$10 each per annum.

### **Adelaide Oval Hotel**

The Adelaide Oval Hotel is managed by the trustee of the Adelaide Oval Hotel Trust (AOHT) under a sub-sublease and licence agreement with AOSMA. The AOHT is a jointly controlled entity of the SANFL and SACA. It pays AOSMA an annual lease fee of \$600,000, adjusted annually for CPI. As required by Australian Accounting Standards, amounts owing under this arrangement are recognised in the Statement of Financial Position as finance lease receivables and measured at the present value of outstanding lease payments. At 31 October 2025 these finance lease receivables were valued at \$17 million.

To finance the hotel build, AOSMA entered into a facility agreement with the Treasurer in August 2019 for \$42.6 million, with AOSMA on-lending these funds to the AOHT. The loan is receivable in quarterly instalments, with the last instalment receivable on 30 September 2030 to include a final balloon payment. As at 31 October 2025, \$39 million remains owing to the Treasurer.

AOSMA is contracted under an operations and services agreement to provide services to the AOHT to operate the hotel as needed. The agreement provides that the AOHT will reimburse AOSMA for the cost of providing these services without mark-up, which will be determined by AOSMA. This includes the provision of staffing services to the AOHT.

### **Commercial Operations Trust**

The trustee for the Commercial Operations Trust (COT) is a jointly controlled entity of the SANFL and SACA established in 2015-16 and appointed to operate the Adelaide Oval roof climb in the Adelaide Oval Core Area. AOSMA licensed COT to operate the roof climb from July 2016 to November 2031, as approved by the Minister.

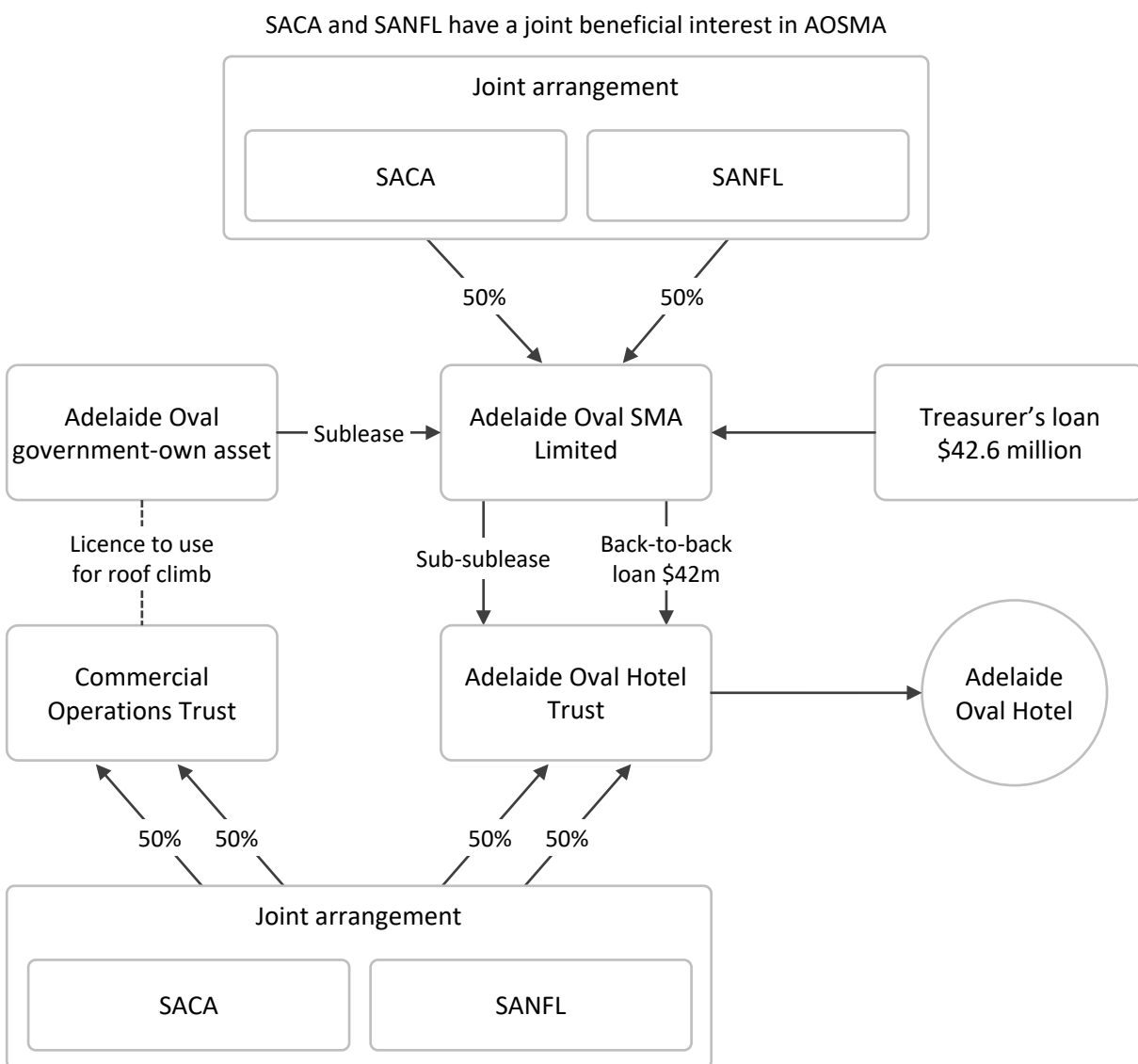
COT is also responsible for operating:

- the Taphouse bar and restaurant at the Adelaide Festival Centre
- catering services at Monarto Zoo
- Adelaide Oval Turf Solutions (since 1 November 2024).

AOSMA is contracted under an operations and services agreement to provide management and staff services to COT for these operations.

AOSMA recognises the licence and management fees outlined in these agreements under other revenue in its financial report. All AOSMA costs for providing services, including costs for labour hire, are reimbursed by COT.

The diagram below summarises the Adelaide Oval stakeholder relationships.



SACA and SANFL have a joint beneficial interest in AOHT and COT

## Functional responsibility

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AOSMA was established in December 2009 as a not-for-profit public company limited by guarantee. Its directors are appointed equally by the SANFL and SACA. AOSMA is not a public authority.

AOSMA manages, operates and maintains the Adelaide Oval stadium owned by the SA Government and the area closely surrounding it (the precinct). Under the *Adelaide Oval Redevelopment and Management Act 2011*, the Adelaide Oval Core Area is leased to the Minister for Infrastructure and Transport (the Minister) by the Adelaide City Council. The Minister has subleased this area to AOSMA until 2091.

AOSMA also provides various services as agent on behalf of the SANFL, SACA, COT, AOHT and other promoters in return for a fee.

## Scope of the audit

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The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report and internal controls. Areas of audit attention for the year ended 31 October 2025 included:

- governance
- revenue, including fees and charges and sales attributable to AOSMA
- expenses, including raw materials, consumables, supplies and services
- employee benefit expenses and liabilities
- cash
- leases
- loans and borrowings
- plant, equipment and computer software
- stakeholder contributions
- related party transactions.

# Construction Industry Training Board

The Construction Industry Training Board (the Board) is established under the *Construction Industry Training Fund Act 1993*. Its main function is to administer the Construction Industry Training Fund. This involves collecting levies on the value of building and construction works and applying them towards training programs across the housing, commercial and civil sectors of the South Australian building and construction industry.

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## Financial report opinion

## Unmodified

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### Financial statistics

	18 months ended 31/12/2025 \$million	12 months ended 30/06/2024 \$million
Income:		
Total income	80.6	32.7
Industry levies	75.9	30.3
Investment Income	4.7	2.3
Expenses:		
Total expenses	52.5	34.9
Training claims	39.8	29.0
Net result	28.1	(2.2)
Net assets	59.0	30.9
Cash and financial assets	59.5	30.5

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## Significant events and transactions

The *Construction Industry Training Fund Act 1993* was amended by the *Construction Industry Training Fund (Miscellaneous) Amendment Act 2024* in October 2024. The Amendment Act changed the Board's reporting period from a financial year end to a calendar year end, and required the Board's annual report for the calendar year ended 31 December 2025 to cover the period 1 July 2024 to 31 December 2025. The Board prepared financial statements for this 18-month transitional reporting period.

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## Interpretation and analysis of financial performance

Comparative figures represent audited financial statements for the 12 months ended 30 June 2024 and are not directly comparable with the current 18-month reporting period.

# SACE Board of South Australia (SACE Board)

The SACE Board is established under the *SACE Board of South Australia Act 1983*. Its functions include:

- establishing a qualification, called the South Australian Certificate of Education (SACE), awarded by the SACE Board
- determining requirements for achieving the SACE
- commissioning the development and review of courses and subjects
- accrediting subjects and courses recognised by the SACE Board as being suitable for the purposes of the SACE
- assessing the satisfactory completion of subjects, courses and other requirements.

Financial report opinion	Unmodified		
<b>Financial statistics*</b>		2025	2024
		\$million	\$million
	Total income	25.5	25.1
	Total expenses	25.2	25.3
	Net result	0.3	(0.3)
	Net assets	22.3	22.1

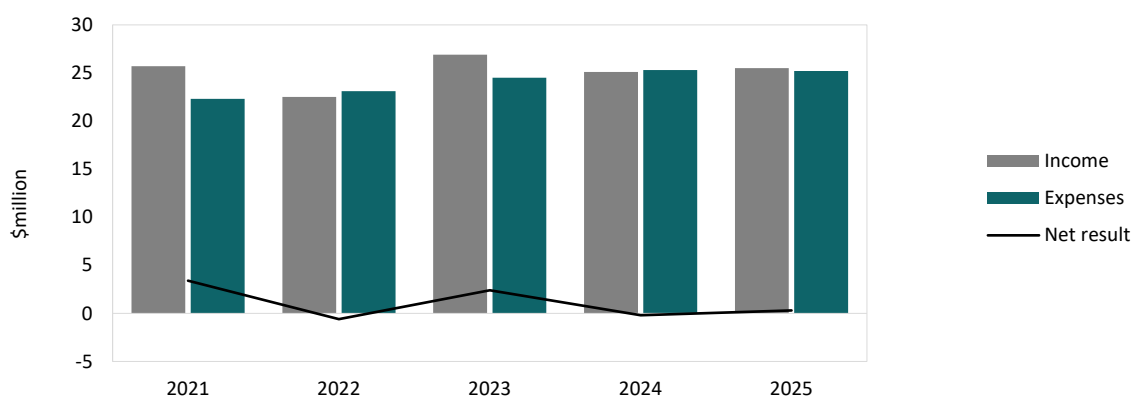
\* Table may not add due to rounding.

## Significant events and transactions

17,243 students completed their SACE in 2025, an increase of 1,157 students from 2024. This data was obtained from the SACE Board's 2025 annual report and is unaudited.

## Interpretation and analysis of financial performance

The following chart shows the SACE Board's income, expenses and net result for the five years to 2025.



Expenditure has remained relatively consistent over the period. Revenue decreased in 2024 mainly due to the timing of the SA Government grants received the previous year.

# University sector overview

## Overview

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The Auditor-General is the appointed external auditor for the State's four public universities:

- Adelaide University
- University of Adelaide (ceased operating on 31 March 2026)
- University of South Australia (ceased operating on 31 March 2026)
- Flinders University.

These universities advance learning and knowledge by providing higher education and conducting research activities.

## Sector summary

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### Financial statistics

The following table shows the main financial statistics for the four universities combined.

	2025 \$million	2024 \$million
Australian Government financial assistance	1,857	1,717
Fees and charges revenue	802	736
Employee-related expenses	1,770	1,589
Assets	7,114	6,639
Liabilities	2,308	1,970
Staff (FTEs)	9,992	9,198
Students (EFTSLs)	66,472	63,835

## Financial report opinions

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We issued unmodified audit opinions for each university's financial report.

## Controls opinion

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As I reported in my annual report to Parliament last year, the universities are no longer included in the work we perform to support our controls opinion. However, we applied a similar controls opinion criteria described in my annual report to Parliament to identify areas of review, and then assessed selected controls over:

- payroll and buildings and improvements for the University of Adelaide
- buildings and improvements for the University of South Australia
- buildings and improvements for Flinders University.

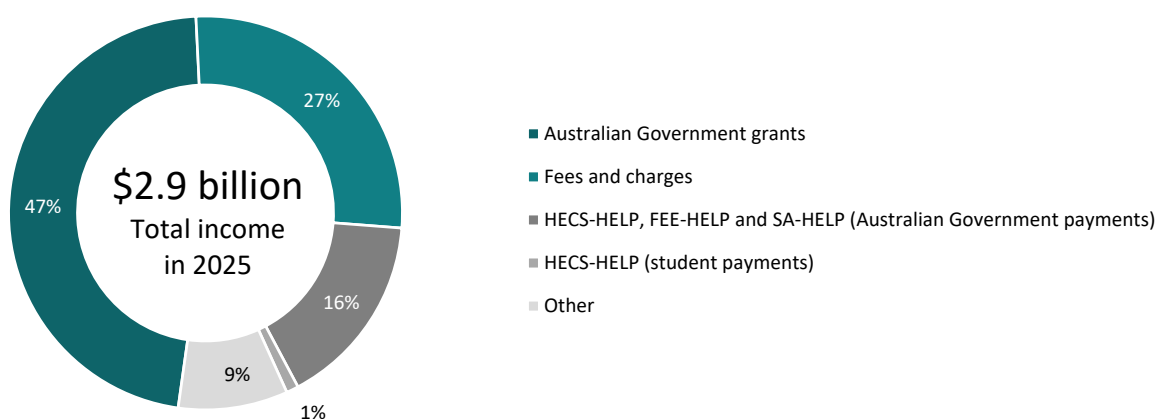
## Other matters

Our financial statement audits reviewed the control environments for all significant university sector balances. Our findings from these reviews are discussed in each university’s commentary under ‘Communicating our audit findings’.

## Key financial statistics

### Income

Total income for the four universities was \$4.2 billion in 2025, or \$2.9 billion excluding \$1.3 billion received by Adelaide University from the University of Adelaide and University of South Australia for establishment and integration activities. The sources are shown in the following chart.



Income in 2025, less Adelaide University transition income, increased by 3.5% for the university sector.

### Australian Government grants and payments

The universities are operationally dependent on Australian Government financial assistance, which was 47% of their total income in 2025. It comprises the Commonwealth Grants Scheme, Higher Education Loan Program (HELP) income, research grants and other funding. More information is provided in the commentary for each university under ‘Statement of Comprehensive Income’.

### Fees and charges

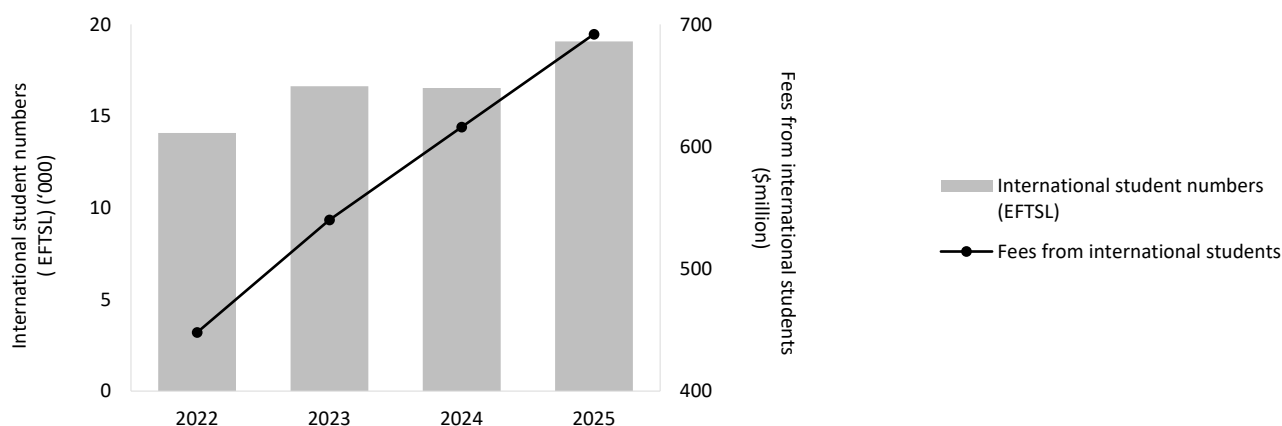
University sector fees and charges have steadily increased since 2023. International student numbers in 2023 returned to levels before the COVID-19 pandemic. Income increased by 49.3% over four years to \$802 million in 2025.

The table below shows total student numbers increasing by 6.5% since 2022. In 2025 71% of students were domestic (72%) and 29% were international (28%).

	2022 Number	2023 Number	2024 Number	2025 Number
Domestic students	48,317	46,241	46,159	47,401
International students	14,079	16,532	17,676	19,071
Total students	62,396	62,773	63,835	66,472

Source: Student numbers, which are based on equivalent full-time student load (EFTSL), were obtained from data provided by the four universities and are unaudited.

The following chart shows that revenue from fees and charges from international students increased by \$244 million since 2022, in line with the 35% increase in international students.

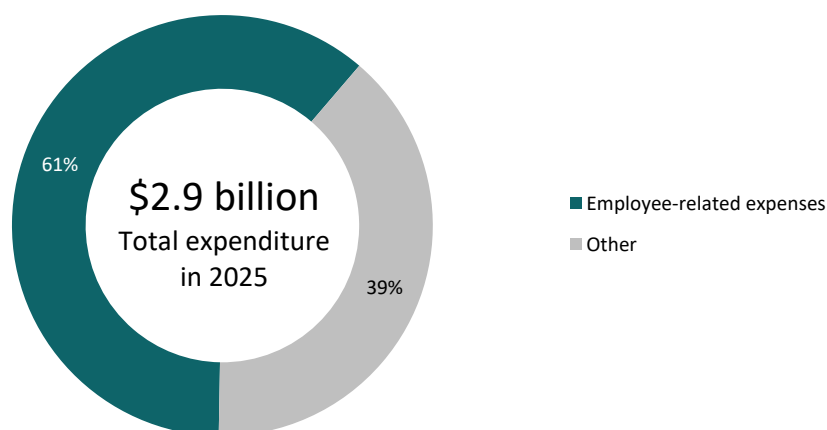


Source: Student numbers, which are based on EFTSL, were obtained from data provided by the four universities and are unaudited.

These increases reflect the return of international students to study in South Australia after the COVID-19 pandemic. These students come from a range of countries. While the proportion from each country differs for each university, the main two countries of origin are China and India.

## Expenditure

Total expenditure for the four universities was \$4.2 billion in 2025, or \$2.9 billion excluding \$1.3 billion recognised by Adelaide University but paid by the University of Adelaide and University of South Australia for establishment and integration activities, as shown in the following chart.



### Employee-related expenses

Employee-related expenses across the universities increased by 38% over the past five years, from \$1.3 billion in 2021 to \$1.8 billion in 2025. This reflects a 23% growth in FTEs, along with salary increases. The increase in FTEs from 2024 to 2025 includes factors related to the establishment of Adelaide University, such as additional staff for the Integration Management Office and curriculum development.

The table below shows total FTE staff numbers for all four universities.

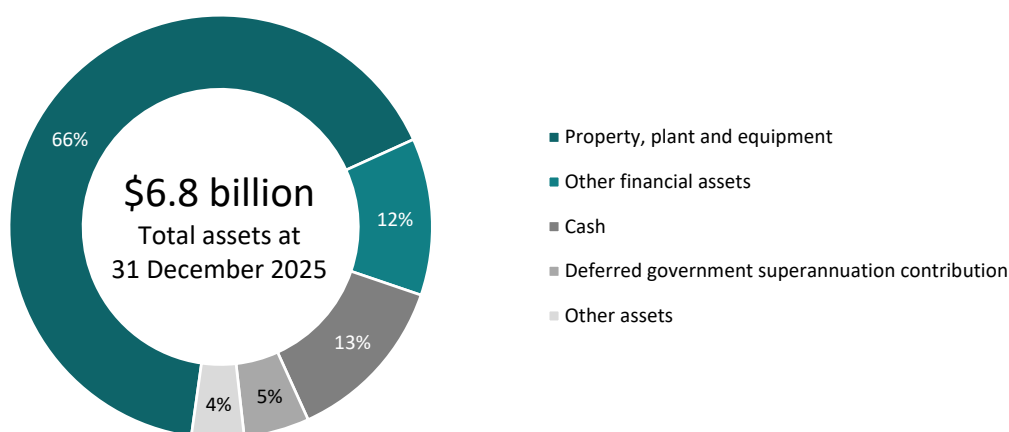
	2021 Number	2022 Number	2023 Number	2024 Number	2025 Number
Academic	3,709	3,838	3,986	4,125	4,432
Non-academic	4,446	4,482	4,779	5,073	5,559
<b>Total FTEs</b>	<b>8,155</b>	<b>8,320</b>	<b>8,765</b>	<b>9,198</b>	<b>9,991</b>
Percentage of academic staff	45%	46%	45%	45%	44%

Source: Staff numbers, which are based on FTEs, were obtained from data provided by the four universities and are unaudited.

## Assets

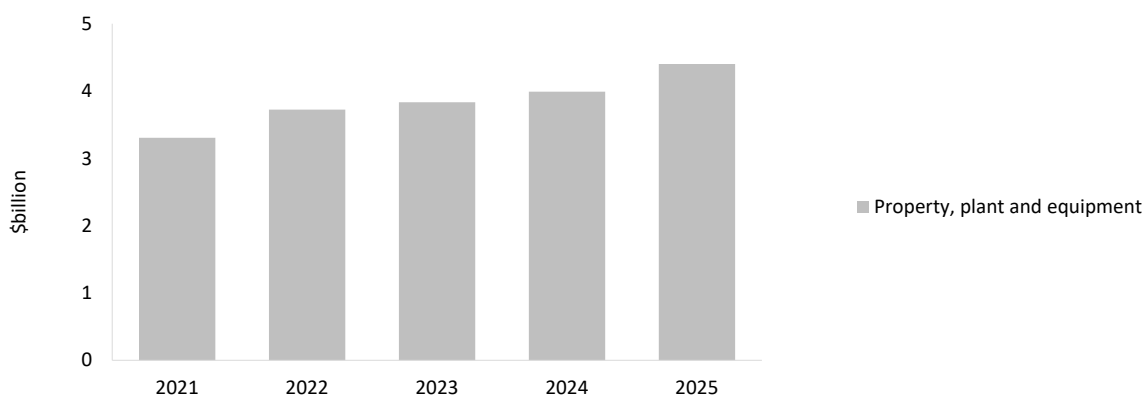
Total assets for the four universities were \$7.1 billion at 31 December 2025, or \$6.8 billion excluding \$293 million in receivables for Adelaide University from the University of Adelaide and University of South Australia.

The categories of assets are shown in the following chart.



### Property, plant and equipment

Property, plant and equipment totals \$4.4 billion, which is 66% of the total value of university sector assets. It primarily consists of \$3.3 billion (76%) of buildings and infrastructure and \$576 million of land (13%). The value of property, plant and equipment over the last five years is shown in the following chart.



More information on individual property, plant and equipment balances is provided in the commentary for each university under 'Statement of Financial Position'.

## Deferred government superannuation contribution

A number of present and former employees of the universities are members of State-managed superannuation schemes. Under the current arrangements, the Commonwealth Government funds the universities on an emerging cost basis.

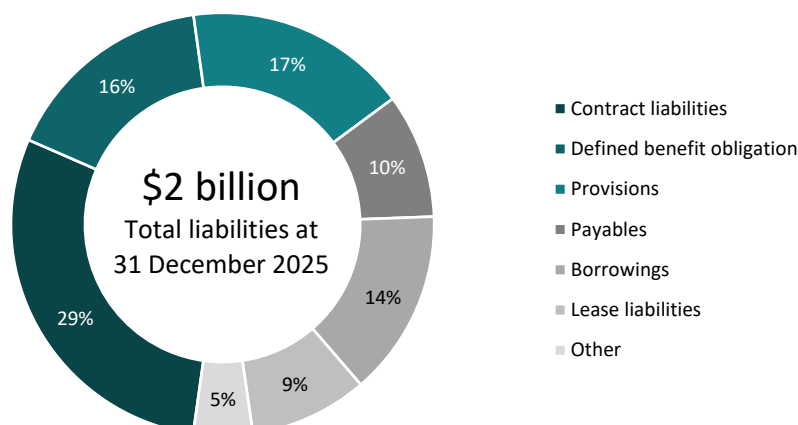
The defined benefit obligations of all the universities totalled \$327 million, with a corresponding receivable from the Commonwealth Government of the same value being recognised. The receivables represent 5% of total assets held by the four universities.

Information on the individual schemes is provided in the universities' 2025 financial reports.

## Liabilities

Total liabilities for the four universities were \$2.3 billion at 31 December 2025, or \$2 billion excluding \$293 million payable by the University of Adelaide and University of South Australia to Adelaide University.

The categories of liabilities are shown in the following chart.



### Defined benefit obligations

Defined benefit obligations total \$327 million, 16% of the liabilities held by the universities. They are offset by deferred government contributions as explained under 'Deferred government superannuation contribution' above.

### Contract liabilities

Contract liabilities total \$588 million, 29% of the liabilities held. They are mainly for unspent grant money.

### Provisions

Provisions total \$344 million, 17% of the liabilities. They mainly comprise annual and long service leave liabilities of \$329 million.

## Borrowings

Borrowings total \$287 million, 14% of total liabilities. They mainly relate to borrowings by Flinders University to construct its Health and Medical Research Building.

## Establishing Adelaide University

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The *Adelaide University Act 2023* was proclaimed on 14 December 2023, establishing Adelaide University as a legal entity and appointing its Transition Council on 8 March 2024. It started operating on 1 January 2026, as planned. The *University of Adelaide Act 1971* and *University of South Australia Act 1990* were repealed on 31 March 2026, disestablishing the University of Adelaide and University of South Australia.

In March 2024, the councils of the University of South Australia, University of Adelaide and Adelaide University agreed to transitional services, education and research activities for Adelaide University, and the integration costs to be equally funded by the other two universities. They incurred \$362.9 million (\$148.6 million) in integration costs in 2025.

On 5 December 2024, the *Adelaide University (Transfer of Staff) Proclamation 2024* was made. It outlined the 2025 dates when staff (with their employment arrangements) would transfer from the University of South Australia and University of Adelaide to Adelaide University. The University of Adelaide and University of South Australia paid a service fee to Adelaide University equal to transferred staff salaries. This resulted in Adelaide University recognising \$966.9 million in revenue and the other two universities recognising corresponding expenses. Leave entitlements also transferred, with the two universities recognising a payable and Adelaide University recognising an equivalent receivable.

On 30 October 2025, proclamations enabled the transfer of assets, contracts, liabilities and students from the University of Adelaide and University of South Australia to Adelaide University from 1 January 2026.

# Adelaide University

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## Financial report opinion

**Unmodified**

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## Audit findings

No significant findings.

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## Financial statistics

 **\$1.3 billion**  
Total income

 **\$1.3 billion**  
Total expenditure

 **\$33.2 million**  
Leased buildings

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## Significant events and transactions

- University of South Australia and University of Adelaide staff were transferred to Adelaide University in 2025.
  - Staff costs were \$1.1 billion in 2025.
  - Adelaide University recognised \$966.9 million in revenue from the University of Adelaide and University of South Australia for staff continuing to provide services to those entities under an agreement.
  - Adelaide University continued to receive goods and services funded by the University of Adelaide and University of South Australia under a tripartite agreement for transition activities. In 2025 this totalled \$362.9 million, with \$105.9 million for consulting and professional services for establishing Adelaide University.
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## Audit findings

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We communicated our audit findings in a management letter to the Vice-Chancellor and President. There were no significant findings.

## Interpretation and analysis of the financial report

### Highlights of the financial report

	2025 \$million	08/03/2024 to 31/12/2024 \$million
<b>Revenue</b>		
SA Government assistance	10	10
Transition grant revenue	363	135
Workforce transfer service fee revenue	967	-
Other	4	2
<b>Total revenue</b>	<b>1,344</b>	<b>147</b>
<b>Expenses</b>		
Employee-related expenses	1,064	33
Other expenses	195	84
<b>Total expenses</b>	<b>1,259</b>	<b>117</b>
<b>Operating result</b>	<b>85</b>	<b>30</b>
<b>Total comprehensive income</b>	<b>85</b>	<b>30</b>
<b>Assets</b>		
Current assets	384	18
Non-current assets	95	12
<b>Total assets</b>	<b>479</b>	<b>30</b>
<b>Liabilities</b>		
Current liabilities	310	-
Non-current liabilities	54	-
<b>Total liabilities</b>	<b>364</b>	<b>-</b>
<b>Total equity</b>	<b>115</b>	<b>30</b>

### Statement of Comprehensive Income

#### Workforce transfer service fee revenue

Adelaide University recognised \$966.9 million in revenue in 2025 (\$0 in 2024) under a services agreement with the University of Adelaide and University of South Australia. Under this agreement, Adelaide University provided staff services back to those universities after their staff were legally transferred to Adelaide University in 2025. See 'University sector overview' for more information about this arrangement.

#### Transition grant revenue

Transition grant revenue increased by \$228 million to \$362.9 million in 2025. It represents goods and services funded by the University of Adelaide and University of South Australia under a tripartite agreement for transition activities.

Adelaide University recognises grant income based on the fair value of the goods and services provided, along with the corresponding expenses and assets it received. In 2025 this included:

- general expenditure, mainly for consulting and advertising
- employee-related expenses for staff of the Integration Management Office

- asset purchases, including office and IT equipment and computer software
- lease payments for office accommodation.

## Employee-related expenses

Employee-related expenses increased from \$33.3 million to \$1.1 billion. This increase relates to the transfer of staff to Adelaide University in 2025 (see 'University sector overview').

Academic staff costs were \$477 million and non-academic staff costs were \$586.6 million in 2025. Academic and professional staff transferred to Adelaide University at different times in the year, in line with the *Adelaide University (Transfer of Staff) Proclamation 2024*.

Adelaide University recovered \$966.9 million of its employee-related costs from the University of Adelaide and University of South Australia as workforce transfer service fee revenue (see above). A further \$96.1 million of employee-related expenses were funded through the transition grant revenue, covering costs of the Integration Management Office staff.

## Other expenses

Other expenses increased by \$103.8 million to \$187.2 million in 2025. They represent general supplies and services expenditure, mainly provided through the transition activities funded by the University of Adelaide and University of South Australia.

Significant expenses in 2025 include:

- consultants – \$105.9 million (\$60.9 million)
- advertising, marketing and promotion costs – \$25.2 million (\$10.3 million)
- software license and other fees – \$19.9 million (\$4.3 million)
- temporary staff costs – \$15.4 million (\$2.2 million).

## Statement of Financial Position

### Provisions

Provisions recognised by Adelaide University relate to employee benefit liabilities. With the transfer of staff from the University of Adelaide and University of South Australia in 2025, Adelaide University recognised provisions for these employees' leave benefits. Total provisions were \$266.5 million at 31 December 2025, mainly for long service leave (\$174.4 million) and annual leave (\$88.5 million).

### Receivables

Receivables increased from \$0 in 2024 to \$293 million in 2025, mainly related to receivables from the University of Adelaide and University of South Australia:

- Adelaide University is entitled to be reimbursed by the foundation universities for employee benefits payable to staff. The full leave provision amount of \$262.9 million was recognised as a receivable, effectively offsetting the liability.
- A further \$29.7 million is receivable from the foundation universities for salary payments and other employee-related recoverable expenses.

## Property, plant and equipment and intangible assets

Property, plant and equipment increased from \$395,000 to \$60.9 million. Asset additions of \$62.7 million were partially offset by \$2.2 million in depreciation. Additions primarily related to:

- right-of-use assets of \$35 million, for the lease of office accommodation entered into during 2025. A corresponding lease liability of \$34.4 million was recorded at 31 December 2025
- \$17.7 million in IT equipment and hardware
- \$9.2 million in leasehold improvements for the fit-out of newly leased office accommodation.

Intangible assets increased from \$11.2 million to \$27.7 million. \$20.7 million in additions were for various software, such as human resource management, student information and financial systems, in order for Adelaide University to start operating fully in 2026. These additions were partially offset by \$4.2 million in amortisation.

## Cash

Cash at bank increased by \$48.8 million to \$58.8 million, mainly due to:

- \$10 million of SA Government grants received to fund marketing of the University to international students
- \$39.1 million of student fees received in advance for 2026 (recognised as contract liabilities until services are provided).

## Further commentary on operations

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During 2025 staff transferred from the University of Adelaide and University of South Australia. Adelaide University then provided staff services back to these universities so they could continue operating until their disestablishment on 31 March 2026.

On 1 January 2026, the assets, liabilities, contracts and students of the University of Adelaide and University of South Australia transferred to Adelaide University at their 31 December 2025 fair values, with no change to the valuation bases applied on transfer. No cost was paid by Adelaide University for these transfers, resulting in a net gain expected on 1 January 2026 of about \$3.7 billion.

A services agreement was entered into between the three universities to ensure Adelaide University provides the University of Adelaide and University of South Australia with funding to continue their operations until disestablishment and to meet outstanding debts.

See 'University sector overview' for more information about these arrangements.

## Functional responsibility

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Adelaide University is established by the *Adelaide University Act 2023*. Its primary objective is to preserve, extend and disseminate knowledge at the tertiary level through teaching, research, scholarship, innovation, consultancy or other means.

## Scope of the audit

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The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report. A significant portion of Adelaide University's control environment for 2025 relied on those of the University of Adelaide and University of South Australia. Our coverage of those audits included systems and processes used by Adelaide University.

Areas of audit attention in 2025 included:

- workforce transfer service fee revenue
- transition grant revenue
- employee-related expenses
- provisions and associated receivables
- other expenses
- right-of-use assets and lease liabilities
- property, plant and equipment
- intangible assets
- cash.

# Flinders University (Flinders)

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## Financial report opinion

**Unmodified**


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## Audit findings

No significant findings.


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## Financial statistics (consolidated)

 **\$776 million**  
Total income

 **\$749 million**  
Total expenditure

 **2,332**  
FTEs

 **18,932**  
Students (EFTSL)

 **\$758 million**  
Buildings

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## Significant events and transactions

- The City Campus and the Health, Medical and Research Building (HMRB) operated for a full year.
  - The construction of the Factory of the Future and Tonsley Technical College building was completed in 2025. It was recognised as an asset of \$55 million. The Department for Education contributed \$34.5 million in advance for the lease of the Tonsley Technical College.
  - Assets were revalued up by \$15.6 million by an independent revaluation.
  - The disciplines of the College of Humanities, Arts and Social Sciences were integrated into two other colleges.
  - Some operational and structural changes were made to the College of Science and Engineering.
- 

## Audit findings

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We communicated our audit findings in a management letter to the Vice-Chancellor and President. There were no significant findings.

## Interpretation and analysis of the financial report

### Highlights of the financial report – consolidated

	2025 \$million	2024 \$million
<b>Income</b>		
Australian Government grants	354	309
HECS-HELP, FEE-HELP and SA-HELP (Australian Government payments)	122	110
HECS-HELP (student payments)	10	8
Fees and charges	206	177
Other	84	96
<b>Total income</b>	<b>776</b>	<b>700</b>
<b>Expenses</b>		
Employee-related expenses	439	414
Other expenses	310	278
<b>Total expenses</b>	<b>749</b>	<b>692</b>
<b>Operating result</b>	<b>27</b>	<b>8</b>
<b>Assets</b>		
Current assets	374	335
Non-current assets	1,370	1,334
<b>Total assets</b>	<b>1,744</b>	<b>1,669</b>
<b>Liabilities</b>		
Current liabilities	216	200
Non-current liabilities	524	499
<b>Total liabilities</b>	<b>740</b>	<b>699</b>
<b>Total equity</b>	<b>1,004</b>	<b>970</b>

### Statement of Comprehensive Income

#### Income

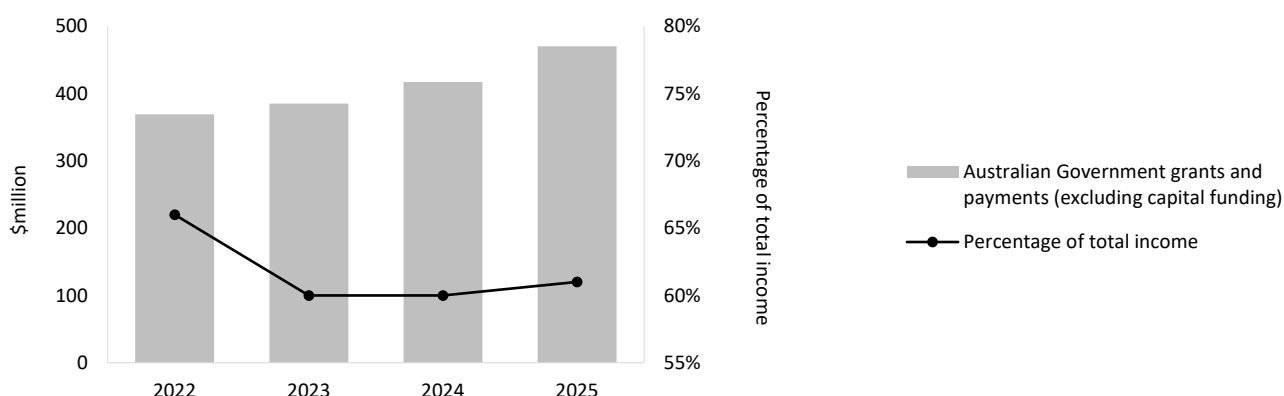
Flinders' income increased by \$76 million (10.9%) to \$776 million in 2025.

#### Australian Government grants and payments

Australian Government financial assistance increased by \$45 million (14.6%) in 2025, mainly due to increases in:

- the Commonwealth Grants Scheme and other grants of \$15.9 million, reflecting a higher student load
- other research grants of \$9.1 million
- capital funding of \$6 million recognised for the Factory of the Future building
- National Health and Medical Research Council grants of \$5.5 million
- Education Research grants of \$4.9 million due to increased funding for Research Block grants for 2025
- other non-research grants of \$3.9 million.

The following chart shows the Australian Government grants and payments provided to Flinders, excluding capital funding as this is not necessarily comparable each year. It shows that Australian Government financial assistance continues to account for 60% of total income.

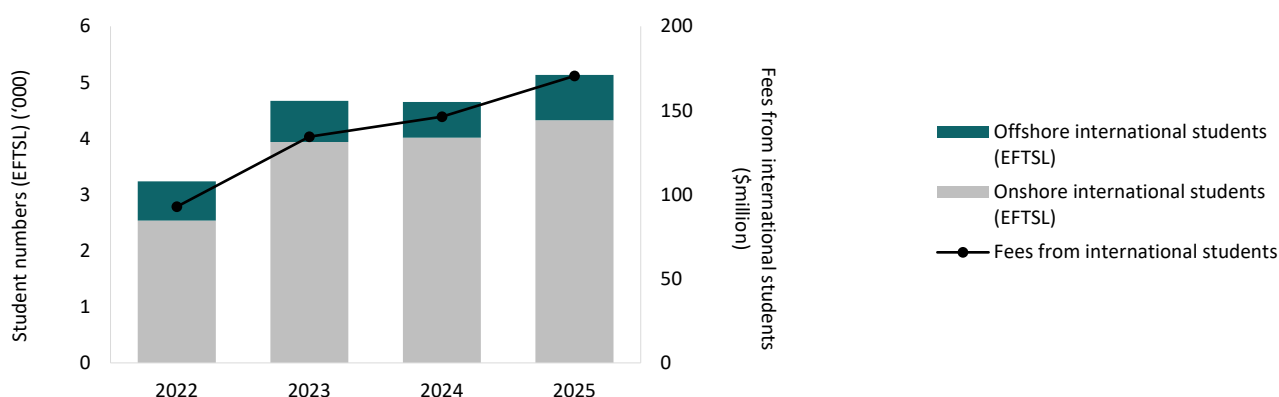


### Higher Education Loan Programs – Australian Government payments

Higher Education Loan Program payments increased by \$11.9 million (10.8%) to \$122 million, due to higher domestic student enrolments and annual indexation.

### Fees and charges

Fees from international students and international student numbers are shown in the following chart.



Source: Student numbers, which are based on equivalent full-time student load (EFTSL), were obtained from statistics published by Flinders and are unaudited.

Fees from international students in 2025 increased by \$24.2 million to \$170.5 million, mainly due to a higher number of onshore international students.

Student loads increased by 15% over the last four years as shown in the following table, with increases in domestic students of 4.3% and international students of 58.6%. International student numbers now exceed the levels before the COVID-19 pandemic.

	2022 Number	2023 Number	2024 Number	2025 Number
Domestic students	13,231	12,761	12,863	13,798
International students	3,238	4,661	4,651	5,134
<b>Total students (EFTSL)</b>	<b>16,469</b>	<b>17,422</b>	<b>17,514</b>	<b>18,932</b>

Source: Student load data is sourced from statistics published by Flinders and is unaudited.

## Expenses

Flinders' expenses increased by \$57 million (8.2%) to \$749 million in 2025.

### Employee-related expenses

Employee-related expenses increased by \$25.3 million (6.1%) to \$439 million, mainly due to increases in:

- salary expenses for academic staff of \$14.2 million and non-academic staff of \$3.8 million, due to:
  - salary increases aligned with enterprise bargaining agreements and role progressions
  - more academic staff to support growth in teaching and revenue growth in research
- salary on-costs for academic staff of \$3.1 million and non-academic staff of \$1.6 million
- redundancy expenses for academic staff of \$2.1 million, partially due to some operational and structural changes in colleges.

The table below shows the number of FTEs and the percentage of academic staff over the four years to 2025. FTEs increased by 13.5% since 2022, while the proportion of academic staff has remained steady.

	2022 FTEs	2023 FTEs	2024 FTEs	2025 FTEs
Academic	907	957	989	1,015
Non-academic	1,147	1,232	1,309	1,317
Total FTEs	2,054	2,189	2,298	2,332
Percentage of academic staff	44%	44%	43%	44%

Source: Staff numbers, which are based on FTEs, were obtained from statistics published by Flinders and are unaudited.

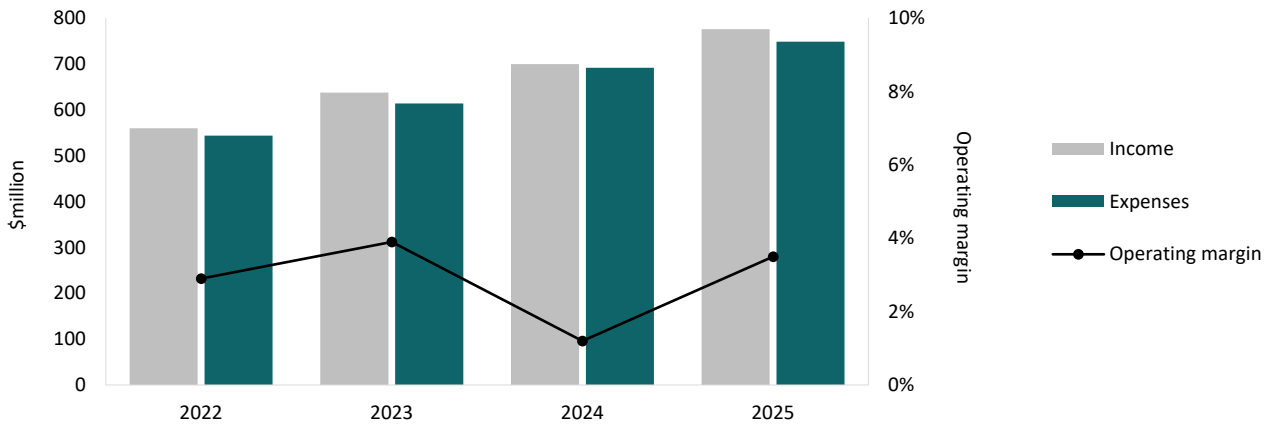
### Other expenses

Non-employee-related expenses increased by \$32 million (11.5%) to \$310 million in 2025, mainly due to increases in:

- other expenses of \$20.1 million (11%), due to general increases in activity across Flinders particularly for:
  - administration and management fees of \$4.8 million
  - student placement and practicum expenses of \$3.6 million
  - scholarships, grants and prizes of \$2 million
  - travel, staff development and entertainment of \$1.9 million
- depreciation and amortisation of \$5 million (8.7%), mainly due to increases in building depreciation associated with completing the Factory of the Future and Tonsley Technical College building in 2025, and a full-year depreciation and amortisation of the HMRB and Festival Tower City Campus
- borrowing costs of \$4.2 million (33.8%), due to the full year interest expense for the HMRB and finance charges for the Festival Tower lease.

## Operating result

The following chart shows Flinders’ operating income, operating expenses and operating margin (the operating result for the year divided by total income) for the four years to 2025.



## Statement of Financial Position

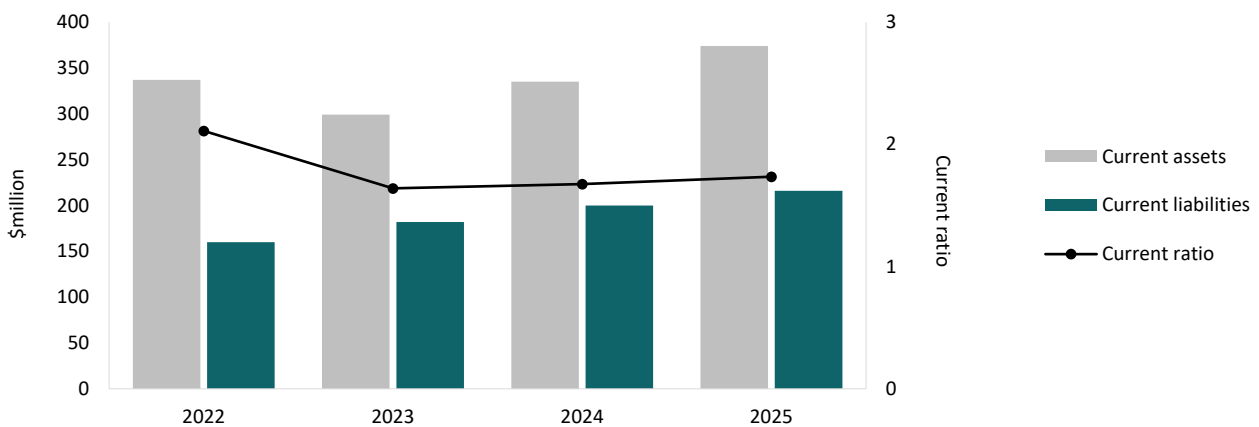
### Assets

Flinders’ consolidated net assets were \$1 billion at 31 December 2025 (\$970 million).

### Current assets

Cash increased by \$80.2 million to \$314.9 million (34.2%) due to Flinders maintaining high cash balances, reflecting the high interest rate environment and implementing an investment strategy.

The following chart shows Flinders’ current assets and liabilities. The current ratio remains positive, with current assets exceeding current liabilities by \$157.7 million. The ratio decreased in 2023 due to lower cash holdings and receivables and has since increased due to higher cash holdings. A current ratio greater than 1.0 indicates that an entity has sufficient assets to satisfy its short-term liabilities.



## Property, plant and equipment

Property, plant and equipment represents 64% of Flinders' total assets. Its carrying value increased by \$24.3 million, mainly due to:

- capitalisation of the Factory of the Future and Tonsley Technical College buildings of \$55 million
- assets were revalued up by \$15.6 million by an independent revaluation
- offset by depreciation charges of \$51.6 million.

## Investments

Other financial assets decreased by \$16.5 million (8.1%) due to implementing an investment strategy and aligning the investment portfolio with the strategic allocation. This resulted in:

- decreases in term deposits of \$41 million and Australian equities of \$20.9 million
- increases in managed funds and debt securities of \$42.6 million and international equities of \$11.3 million.

In addition, the value of its shares in IDP Education Limited decreased by \$8.4 million.

## Liabilities

Liabilities increased by \$41 million (5.9%) to \$740 million, mainly due to increases in:

- contract liabilities of \$19.3 million for increases in grants received and unspent at 31 December 2025 of \$8 million, student fees in advance of \$6.2 million and other fees in advance of \$3.7 million
- other liabilities of \$14.5 million to \$46.7 million, consisting of:
  - \$34 million related to recognising rental income in advance from the Department for Education for the Tonsley Technical College
  - \$11.8 million related to the Rural Medical Training Grant provided by the Commonwealth Government
- borrowings of \$6.2 million due to HMRB drawdowns and a full-year recognition of the Festival Tower lease liability.

## Functional responsibility

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Flinders is established by the *Flinders University Act 1966*. Its functions include establishing and providing educational facilities and courses of study at a university standard, and generally disseminating knowledge and promoting scholarship.

## Scope of the audit

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The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report and internal controls. Areas of audit attention in 2025 included:

- corporate governance
- research grants, student fees and other revenue
- Australian Government financial assistance
- cash management and investment
- property, plant and equipment, including building management and major capital projects
- payroll
- expenditure
- general ledger and financial accounting.

The audit of Flinders' controlled entities for the year ended 31 December 2025 were carried out by independent private accounting firms.

# University of Adelaide (Uni Adelaide)

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## Financial report opinion


## Unmodified

### Audit findings


- Controls for working with children checks should improve.
  - Bona fide certificate and leave taken validation processes need strengthening.
  - Non-financial research milestone acquittal processes should improve.
- 

## Financial statistics (consolidated)

 **\$1.3 billion**  
Total income

 **\$1.5 billion**  
Total expenditure

 **24,072**  
EFTSLs

 **\$1.8 billion**  
Land and buildings

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The interpretation and analysis of the financial report and commentary focus only on the activities of Uni Adelaide for the year ended 31 December 2025. This was the final reporting year that it operated as an Australian public university provider under the *Higher Education Support Act 2003 (Cth)*.

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## Significant events and transactions

- Staff were transferred to Adelaide University in 2025.
  - Land, buildings and works of art were revalued up by \$210.3 million by an independent revaluation.
- 

## Audit findings

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We communicated our audit findings in a management letter to the Vice-Chancellor and President. The main findings are discussed below.

Uni Adelaide indicated remediation of our 2025 audit findings would be conducted by Adelaide University. As a result, we will consider these findings and actions taken to address them through our 2026 audit of Adelaide University.

## Payroll and workforce management

### Controls for working with children checks should improve

We reviewed a sample of roles that Uni Adelaide designated as requiring a Working with Children Check (WWCC) and found one employee without one. Uni Adelaide advised us that the role did not, in practice, need a WWCC and the employee did not have contact with anyone under 18 years of age. Despite this, it highlights weaknesses in controls to ensure staff in designated roles hold the required WWCCs, increasing the risk of legislative breaches and harm to children.

### Bona fide certificate and leave taken validation processes need strengthening

Last year we found that Uni Adelaide’s controls over leave reporting and verifying the accuracy of payments to staff recorded on bona fide certificates needed to be strengthened. This included improvements required in checking consistency, updated information being included in the report and better clarity over review requirements. In 2025 we found that these controls still required strengthening.

Where bona fide certificates and leave reports are not effectively reviewed, there is increased risk of payroll processing errors and other discrepancies not being detected and corrected.

## Other audit findings

### Non-financial research milestone acquittal processes should improve

We reviewed Uni Adelaide’s non-financial milestone acquittal processes to grant providers, by examining 2025 acquittal data. We found instances of non-financial research milestones that were acquitted late or not at all across several categories. We found this issue last year. In some cases, there were valid reasons for the delayed or non-acquittal of these milestones.

Not complying with the terms of research grant agreements, including acquittals to the grant sponsor, can impact institutional reputation and potential future funding.

## Interpretation and analysis of the financial report

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### Highlights of the financial report – consolidated

	2025 \$million	2024 \$million
<b>Revenue</b>		
Australian Government grants	506	498
Higher Education Loan Programmes	159	160
HECS-HELP (student payments)	15	12
Fees and charges (course and non-course)	408	382
Other	214	248
<b>Total revenue</b>	<b>1,302</b>	<b>1,300</b>

	2025 \$million	2024 \$million
<b>Expenses</b>		
Service fee expense – Adelaide University	568	-
Salaries and related expenses	162	666
Grant expenses	183	68
Other	553	543
<b>Total expenses</b>	<b>1,466</b>	<b>1,277</b>
<b>Operating result</b>	<b>(164)</b>	<b>23</b>
Other comprehensive income	190	4
<b>Total comprehensive income</b>	<b>26</b>	<b>27</b>
<b>Assets</b>		
Current assets	290	527
Non-current assets	2,586	2,361
<b>Total assets</b>	<b>2,876</b>	<b>2,888</b>
<b>Liabilities</b>		
Current liabilities	340	318
Non-current liabilities	288	349
<b>Total liabilities</b>	<b>628</b>	<b>667</b>
<b>Total equity</b>	<b>2,248</b>	<b>2,221</b>

## Statement of Comprehensive Income

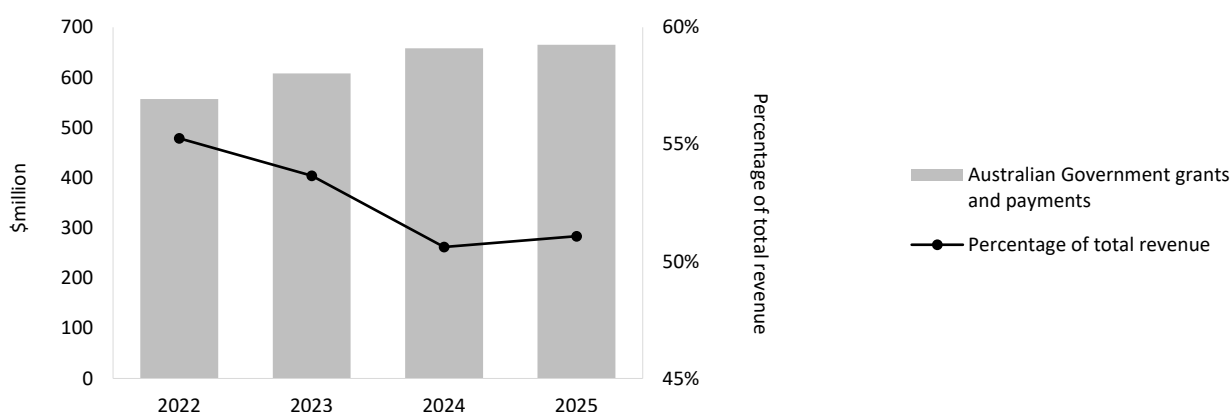
### Revenue

#### Australian Government grants and payments

Australian Government financial assistance increased by \$8 million (2%) to \$665 million, and included:

- \$205 million in Commonwealth Grants Scheme funding for Commonwealth Government-supported student places, an increase of \$11 million
- \$159 million for Higher Education Loan Programs, which included \$133 million for HECS-HELP.

The following chart shows total Australian Government financial assistance received over the last four years, including its general reduction over the period with a slight increase in 2025.



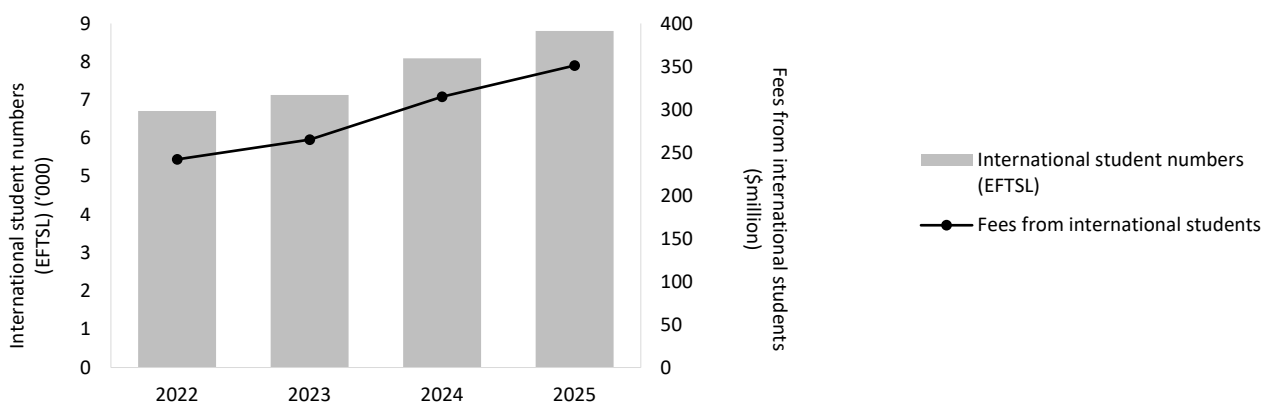
## Fees and charges

The table below shows that the total student load increased in 2025. Student composition has changed over the last four years, with the proportion of international students increasing from 28% in 2022 to 37% in 2025. China and India account for 58% of Uni Adelaide’s international student population.

	2022 Number	2023 Number	2024 Number	2025 Number
Domestic students	16,004	15,711	15,487	15,266
International students	6,712	7,129	8,090	8,806
<b>Total students</b>	<b>23,906</b>	<b>22,716</b>	<b>22,840</b>	<b>24,072</b>

Source: Student numbers, which are based on equivalent full-time student load (EFTSL), were obtained from Uni Adelaide’s annual report and are unaudited.

The following chart shows international fee-paying student revenue increased by \$36.2 million to \$351.1 million in 2025. This largely reflects a strong trend in new international student enrolments over the last 12 months.



Source: Student numbers, which are based on EFTSL, were obtained from Uni Adelaide’s annual report and are unaudited.

## Expenses

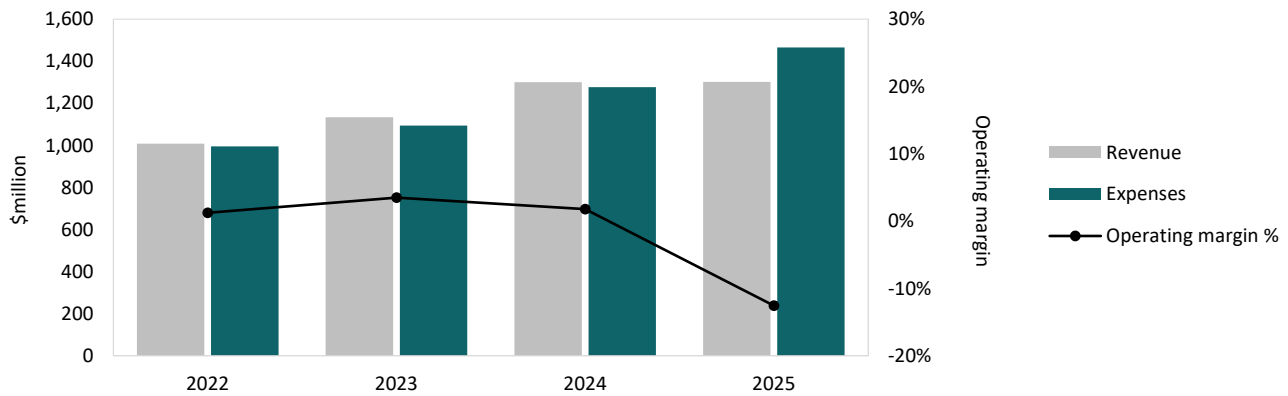
### Salaries and related expenses and Adelaide University service fee

Salaries and related expenses decreased by \$504 million (75.7%) due to the transfer of all Uni Adelaide staff, excluding the Vice-Chancellor and President, to Adelaide University in 2025. This transfer occurred for non-academic staff in January 2025 and academic staff in May 2025.

Uni Adelaide paid a service fee to Adelaide University of \$567.8 million in 2025 for the services provided by the transferred staff. When this fee is added to Uni Adelaide’s salary and related expenses the total consolidated variance between the two years is about \$62.7 million (9.5%). This variance is due to a rise in transferred FTE staff of 4.5% and wage increases.

### Operating result

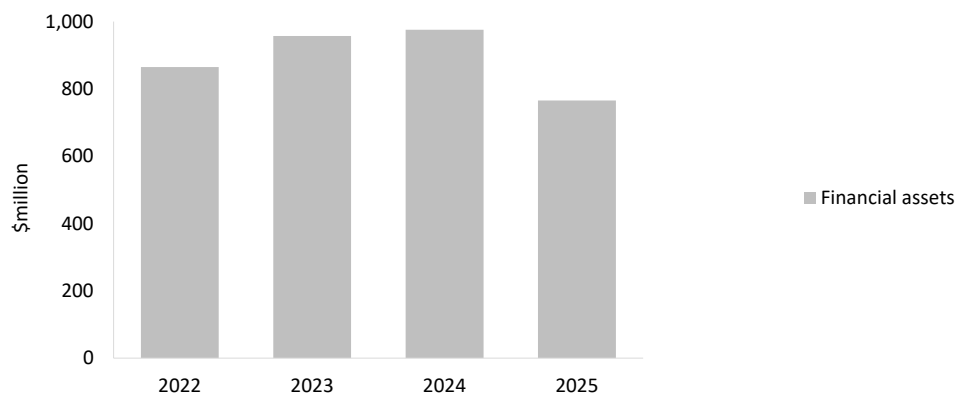
The following chart shows the operating revenues, operating expenses and operating margin (the operating result for the year divided by total income) for the four years to 2025. The operating margin fell to -12.6% in 2025, reflecting increased costs for establishing Adelaide University.



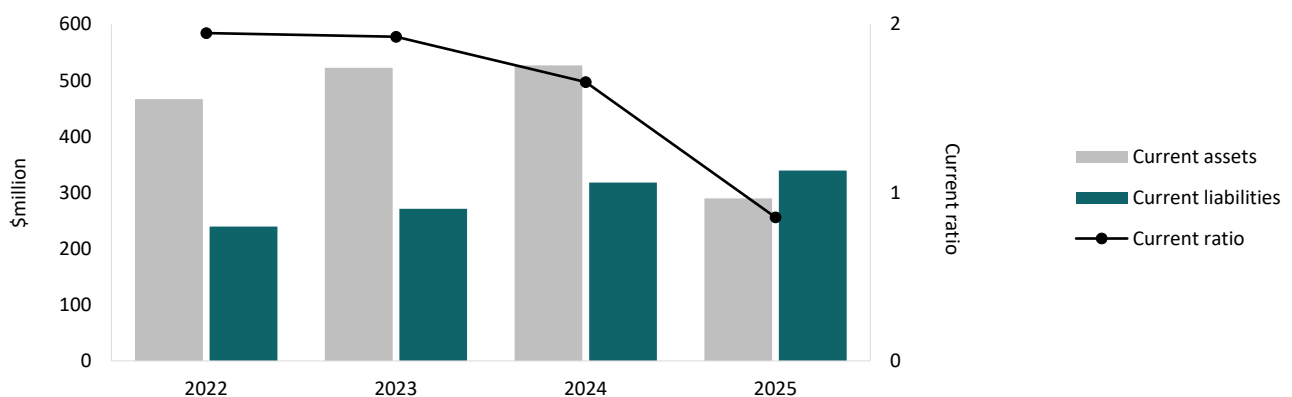
## Statement of Financial Position

### Assets

Financial assets decreased by \$210 million (25%) in 2025. The following chart shows the value of these assets over the last four years. During 2025, the University drew down on its term-deposit holdings to fund merger transition and disestablishment costs, and to extinguish prior year accounts payable liabilities.



Current liabilities exceeded current assets by \$50 million at 31 December 2025, which is a deterioration of \$259 million from 2024. The following chart shows Uni Adelaide’s current assets, current liabilities and current ratio for the four years to 2025. Generally, a current ratio below 1.0 indicates that an entity does not have sufficient assets to satisfy its short-term liabilities. Current liabilities include amounts owing to Adelaide University of \$156 million for establishment and integration activities. Excluding these liabilities increases the current ratio to 1.02.



## Property, plant and equipment

Land, buildings and works of art were revalued up by \$210.3 million by an independent revaluation. This increase was recognised through other comprehensive income.

Significant work-in-progress capital expenditure of \$43.5 million was also directed towards a range of campus improvements, including:

- laboratory refurbishments valued at \$1.9 million
- upgrades to cattle and sheep yards totalling \$2.9 million
- enhancements to audio-visual equipment of \$2.5 million
- upgrades to the Barr-Smith Library costing \$1.9 million.

Uni Adelaide also incurred \$23.7 million in plant and equipment additions, including the purchase of a \$3 million network access protection system. \$32 million in right-of-use asset additions were also recorded, mainly reflecting the impact of lease extensions for existing leased premises.

## Further commentary on operations

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### **Merger impact on Uni Adelaide**

In 2025 Uni Adelaide incurred the following merger associated costs:

- \$181.5 million of integration expenditures recognised as ‘grant expenses’. Adelaide University recognised a corresponding grant revenue
- \$568.8 million of service fee expenditure for Adelaide University providing academic and non-academic staff services back to Uni Adelaide. Adelaide University recognised corresponding service fee revenue
- \$139.4 million payable to Adelaide University for the annual and long-service leave liabilities outstanding at 31 December 2025 for Uni Adelaide staff that transferred in 2025.

### **Events occurring after balance date**

On 1 January 2026, the assets, liabilities, contracts and students of Uni Adelaide were transferred to Adelaide University at their 31 December 2025 fair values, with no change to the valuation bases applied on transfer. No cost was paid by Adelaide University for these transfers.

## Functional responsibility

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Uni Adelaide is established by the *University of Adelaide Act 1971*. Its primary objective is advancing learning and knowledge, which it achieves by providing higher education and conducting research activities.

## Scope of the audit

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The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report and internal controls. Areas of audit attention in 2025 included:

- governance
- research grants, student fees and other revenue
- cash and investments
- financial accounting
- property, plant and equipment
- payroll and workforce management
- expenditure and accounts payable.

We considered the impact that disestablishment and merger processes had on these areas.

# University of South Australia (UniSA)

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## Financial report opinion

**Unmodified**


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## Audit findings


No significant findings.


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## Financial statistics (consolidated)

 **\$823 million**  
Total income

 **\$970 million**  
Total expenditure

 **23,468**  
Students (EFTSL)

 **\$939 million**  
Buildings

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The interpretation and analysis of the financial report and commentary focus only on the activities of UniSA for the year ended 31 December 2025. This was the final reporting year that it operated as an Australian public university provider under the *Higher Education Support Act 2003 (Cth)*.

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## Significant events and transactions

- UniSA staff were transferred to Adelaide University in 2025.
  - Land, buildings and infrastructure were revalued up by \$186.3 million at 31 December 2025.
- 

## Audit findings

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We communicated our audit findings in a management letter to the Vice-Chancellor and President. There were no significant findings.

## Interpretation and analysis of the financial report

### Highlights of the financial report – consolidated

	2025 \$million	2024 \$million
<b>Income</b>		
Australian Government grants	342	317
HECS-HELP, FEE-HELP and SA-HELP (Australian Government payments)	167	155
HECS-HELP (student payments)	16	15
Fees and charges	189	177
Other	109	113
<b>Total income</b>	<b>823</b>	<b>777</b>
<b>Expenses</b>		
Employee-related expenses	105	476
Service fee expense – Adelaide University	402	0
Other expenses	463	344
<b>Total expenses</b>	<b>970</b>	<b>820</b>
<b>Operating result before income tax</b>	<b>(147)</b>	<b>(43)</b>
<b>Assets</b>		
Current assets	497	629
Non-current assets	1,518	1,396
<b>Total assets</b>	<b>2,015</b>	<b>2,025</b>
<b>Liabilities</b>		
Current liabilities	311	295
Non-current liabilities	265	309
<b>Total liabilities</b>	<b>576</b>	<b>604</b>
<b>Total equity</b>	<b>1,439</b>	<b>1,421</b>

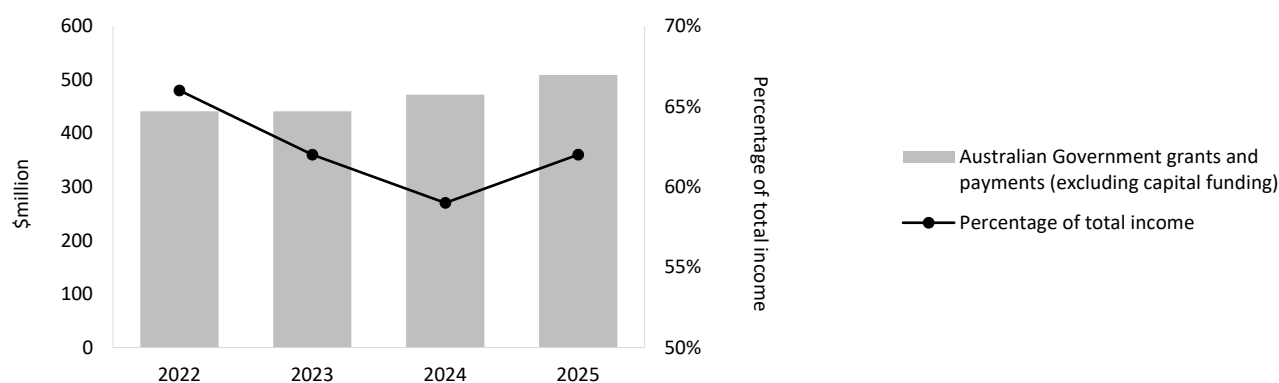
### Statement of Comprehensive Income

#### Income

UniSA's income increased by \$46 million (5.9%) to \$823 million in 2025.

#### Australian Government grants and payments

Australian Government financial assistance income increased by \$37 million (7.8%) in 2025 and accounts for 62% of UniSA's income. The following chart shows Australian Government grants and payments provided to UniSA, excluding capital funding as this is not necessarily comparable each year. It shows that Australian Government financial assistance as a percentage of income decreased from 2022 to 2024 and then increased in 2025.



Australian Government grants to UniSA increased by \$25 million to \$342 million in 2025, mainly due to:

- a \$20 million increase in the Commonwealth Grants Scheme funding
- the Maximum Basic Grant Amount additional funding of \$4 million.

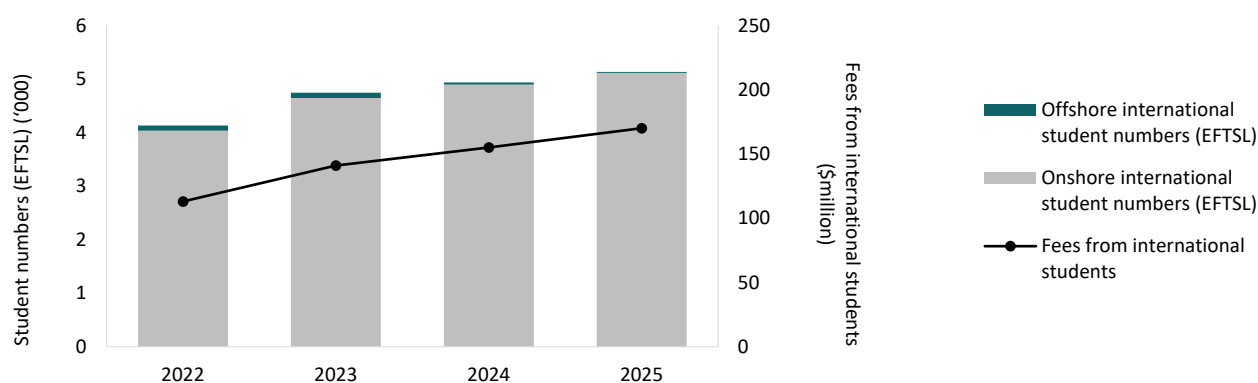
Australian Government Higher Education Loan Program payments increased by \$12 million to \$167 million in 2025, mainly due to:

- a 4% indexation increase in HECS band rates and program classifications
- an increase of 528 in equivalent full-time student load (EFTSL) in 2025.

### Fees and charges

Fees and charges increased by \$12 million to \$189 million in 2025. This is mainly due to a \$15 million increase in fee-paying onshore overseas students, offset by decreases in continuing education and fee-paying domestic students.

The following chart shows that fee-paying international students increased by 24% since 2022 including a 4% increase in 2025. Fees from international students increased by \$57 million over the same period.



Source: Student numbers, which are based on EFTSL, were obtained from UniSA's annual reports and are unaudited.

The table below shows a 3% increase in domestic student numbers and a 4% increase in international students (EFTSL) in 2025.

	2022 Number	2023 Number	2024 Number	2025 Number
Domestic students	19,082	17,769	17,809	18,337
International students	4,129	4,742	4,935	5,131
Total students (EFTSL)	23,211	22,511	22,744	23,468

Source: Student numbers, which are based on EFTSL, were obtained from UniSA's annual reports and are unaudited.

## Other revenue

Other revenue decreased by \$4 million to \$109 million in 2025 due to a decrease in investment income from the average balance of term deposits and average interest rates.

## Expenses

UniSA's expenses increased by \$150 million (18.3%) to \$970 million in 2025.

### Employee expenses

Employee-related expenses decreased by \$371 million (77.9%) to \$105 million in 2025 due to the salary costs transferred to Adelaide University. These costs comprised:

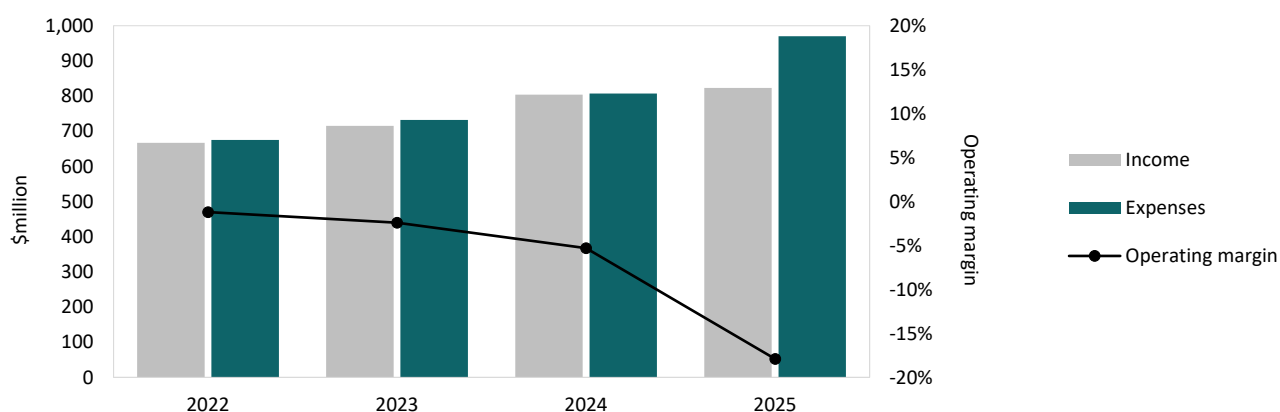
- \$44 million transferred to Grant Expense – Adelaide University for salary costs relating to Adelaide University transition activities incurred by Adelaide University's Integration Management Office
- \$402 million transferred to Service Fee Expense – Adelaide University for salaries paid to transferred staff from their employment transfer date
- offset by an increase in salary costs from more FTEs and enterprise bargaining increases.

UniSA paid a service fee to Adelaide University of \$402 million in 2025 to pay for the services provided by the transferred staff. When this fee is added to UniSA's salary and related expenses, the total employee-related expenses are \$507 million. The overall variance between the two years is \$31 million (6.5%), reflecting increases in FTE staff and wages.

## Operating result

The consolidated operating result before income tax was a deficit of \$147 million in 2025 compared to a deficit of \$43 million in 2024. The increase in the deficit is mainly due to a large increase in expenditure of \$150 million, partially offset by a \$46 million increase in revenue.

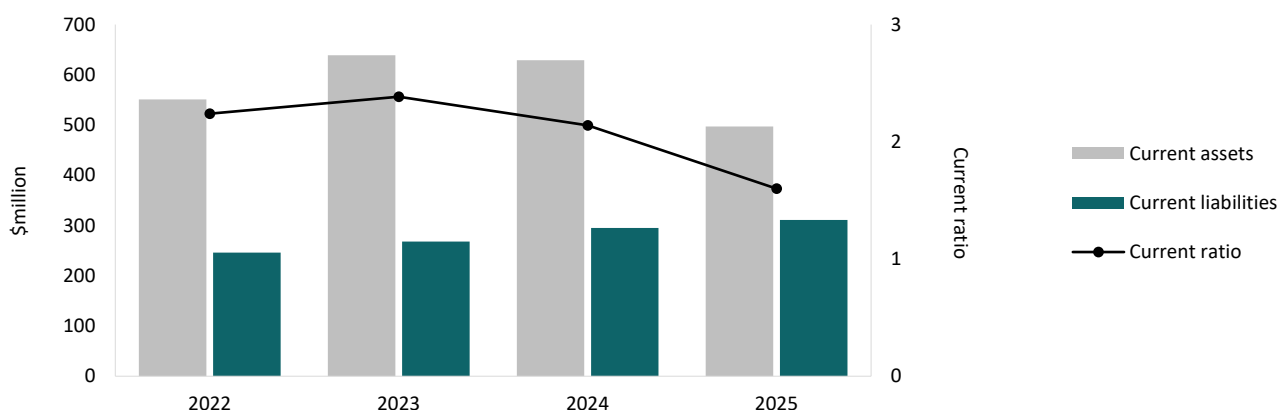
The following chart shows the movements in income, expenses and the operating margin (the operating result for the year divided by total income) for the last four years. The operating margin fell to -18% in 2025, reflecting increased costs for establishing Adelaide University.



## Statement of Financial Position

UniSA’s net assets were \$1.44 billion at 31 December 2025 (\$1.42 billion).

The following chart shows UniSA’s current ratio movement since 2022. At 31 December 2025 there was a decrease in the current ratio to 1.6 from 2.1 in 2024, with current assets exceeding current liabilities by \$186 million. A current ratio greater than 1.0 indicates that an entity has sufficient assets to satisfy its short-term liabilities.



### Assets

#### Cash and cash equivalents

UniSA’s cash and cash equivalents were \$426 million at 31 December 2025, a 19% decrease from \$524 million in 2024. The \$98 million decrease was mainly due to increased expenses relating to Adelaide University transition activities.

#### Property, plant and equipment

Property, plant and equipment represents 62% of UniSA’s total assets. Its carrying value increased by \$168 million to \$1.3 billion in 2025, mainly due to:

- land, buildings and infrastructure being revalued up by \$186 million at 31 December 2025 by an independent valuation
- \$33 million in additions for works-in-progress and plant and equipment
- offset by \$42 million in annual depreciation and amortisation charges and the art collection being revalued down by \$2 million by an independent valuation.

#### Receivables

UniSA’s receivables decreased by \$26 million (49%) to \$27 million at 31 December 2025. This was mainly due to UniSA derecognising \$22.8 million of franking credits refundable on an in-specie distribution from Education Australia Limited. UniSA included a corresponding contingent asset in 2025, the receipt of which depends on the outcome of legal proceedings.

## Liabilities

UniSA's total liabilities decreased by \$28 million (5%) to \$576 million in 2025 mainly due to decreases in:

- lease liabilities of \$10 million
- student fees and charges received in advance of \$21 million
- superannuation defined benefit obligations of \$22 million.

Due to the transfer of staff to Adelaide University in 2025, the following movements occurred:

- a \$115 million decrease in provisions for annual leave and long service leave
- offset by a \$140 million increase in trade and other payables, mainly due to \$136 million payable to Adelaide University for annual and long service leave liabilities (\$123 million) and accrued pays for staff transferred to Adelaide University in 2025 (\$13 million).

## Further commentary on operations

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### The impact of merger activities on UniSA

UniSA incurred the following merger costs in 2025:

- \$181.5 million of integration costs that it recognised as grant expenses. Adelaide University recognised a corresponding grant revenue
- \$401.7 million of service fees for Adelaide University providing services back to UniSA following the transfer of academic and non-academic staff. UniSA recognised these costs as service fees. Adelaide University recognised corresponding service fee revenue
- \$136 million payable to Adelaide University, comprising \$123 million for annual and long service leave liabilities and \$13 million for accrued pays for staff transferred to Adelaide University in 2025.

UniSA also received grant income of \$2 million from the University of Adelaide to support the funding of integration costs.

### Final transfer impact on UniSA

On 1 January 2026, the assets, liabilities, contracts and students of UniSA were transferred to Adelaide University at their 31 December 2025 fair values, with no change to the valuation bases applied on transfer. No cost was paid by Adelaide University for these transfers.

## Functional responsibility

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UniSA is established under the *University of South Australia Act 1990*. Its main functions are to provide tertiary education programs, to preserve, extend and disseminate knowledge through teaching, research, scholarship and consultancy, and to provide educational programs for the benefit of the wider community or the enhancement of its cultural life.

## Scope of the audit

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The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report and internal controls. Areas of audit attention in 2025 included:

- Australian Government financial assistance
- consultancy and research income
- student fees and other revenue
- cash management and investments
- property, plant and equipment
- payroll
- expenditure.

Particular attention was given to UniSA's activities for establishing Adelaide University, including:

- the revaluation of property, plant and equipment
- transactions with the University of Adelaide and Adelaide University
- disclosures in its financial statements.

Continued attention was given to UniSA's derecognition of the Education Australia Limited franking credits given the ongoing dispute with the Australian Tax Office about UniSA's eligibility to receive the refund on these credits.

The audits of UniSA's controlled entities for the year ended 31 December 2025 were carried out by a private accounting firm.



