

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

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**To the Chancellor
Adelaide University**

Opinion

I have audited the financial report of the University of South Australia for the period 1 January 2026 to 31 March 2026.

In my opinion the accompanying financial report has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards, including:

- a) giving a true and fair view of the financial position of the University of South Australia as at 31 March 2026, its financial performance and its cash flows for the period then ended, and
- b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the period 1 January 2026 to 31 March 2026
- a Statement of Financial Position as at 31 March 2026
- a Statement of Changes in Equity for the period 1 January 2026 to 31 March 2026
- a Statement of Cash Flows for the period 1 January 2026 to 31 March 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from Adelaide University's Chancellor, Vice Chancellor and President and Chief Financial Officer.

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 the University of South Australia.

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 Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Information other than the financial report and auditor's report

The Vice Chancellor and President is responsible for the other information. The other information is the report by the members of the University Council accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Vice Chancellor and President is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Higher Education Support Act 2003* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Vice Chancellor and President is responsible for assessing the University of South Australia's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Vice Chancellor and President is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19 of the *University of South Australia Act 1990*, I have audited the financial report of the University of South Australia and its controlled entities for the period 1 January 2026 to 31 March 2026.

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, but not for the purpose of expressing an opinion on the effectiveness of the University of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Vice Chancellor and President
- conclude on the appropriateness of the Vice Chancellor and President's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.
- 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 report 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 the report.

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

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett', with a stylized, flowing script.

Andrew Blaskett
Auditor-General

26 June 2026



University of South Australia

Report by the members of the University Council

Members of the University Council present their report on the Group consisting of University of South Australia (the University) and the entities it controlled during the reporting period 1 January 2026 to 31 March 2026.

2026 Council members

The following persons were members of University Council during the year and up to the date of this report (unless otherwise noted):

Hon John Hill, Chancellor
Professor David Lloyd, Vice Chancellor and President
Mr Michael Abbott AO KC, Deputy Chancellor
Ms Mary Patetsos AM, Pro Chancellor
Ms Elaine Bensted
Ms Ruth Blenkiron
Mr John Evans
Mr Terry Evans AM
Ms Vanessa Matthews
Mr William (Bill) Muirhead AO
Mr Ian Smith AM
Professor Craig Williams

The remuneration of Council members is detailed in Note 5(b) of the Financial Statements.

Meetings of members of the University Council

The numbers of meetings of the members of the University Council and of each Council committee held during the period 1 January 2026 to 31 March 2026, and the numbers of meetings attended by each member were:

Member of Council	Meetings of Council Committees					
	Council Meetings		Urgent Business		Student Appeals Committee	
	A	B	A	B	A	B
Hon John Hill	1	1	2	2		
Professor David Lloyd	1	1	2	2		
Mr Michael Abbott AO KC	1	1	1	2		
Ms Mary Patetsos AM	1	1	2	2	2	2
Ms Elaine Bensted	1	1				
Ms Ruth Blenkiron	1	1			0	2
Mr John Evans	1	1				
Mr Terry Evans AM	1	1			2	2
Ms Vanessa Matthews	1	1	2	2		
Mr William (Bill) Muirhead AO	1	1				
Mr Ian Smith AM	1	1				
Professor Craig Williams	1	1				

A = Number of meetings attended.

B = Number of meetings held during the time the member held office or was a member of the committee during the year.

Principal activities

The Adelaide University (Transfer of Assets, Contracts and Liabilities) Proclamation 2025 and the Adelaide University (Transfer of Students) Proclamation 2025 became effective from 1 January 2026. These proclamations transferred the assets, liabilities and operations of the University of South Australia to Adelaide University from this date. During the period 1 January 2026 to 31 March 2026, the primary activity of the consolidated entity was the graduation of its final student cohort and the wind up of its residual activities. The consolidated entity was formally disestablished on 31 March 2026 under the Adelaide University Act 2023.

Review of operations

The 2026 consolidated deficit for the period 1 January 2026 to 31 March 2026 was \$1,438.6 million (2025: \$147.2 million deficit for the year 1 January 2025 to 31 December 2025). The 2026 result is primarily due to the recognition of a \$1,438.6 million loss on transfer of net assets to Adelaide University, as required by accounting standards, to recognise the effect of the transfer of the consolidated entity assets, liabilities and operations to Adelaide University on 1 January 2026.

Significant changes in the state of affairs

On 4 December 2024, the University of South Australia entered into a Service Agreement with Adelaide University. The Service Agreement details the arrangements for Adelaide University to provide services back to the University of South Australia once staff had been transferred to Adelaide University. During 2025, in accordance with clause 2b of the Agreement, a review of the Agreement was undertaken. On 1 September 2025 Council approved a variation to the Services Agreement to ensure Adelaide University will provide funding, services and resources to the University of South Australia and University of Adelaide from 1 January 2026 until the repeal of the University of Adelaide Act 1971 and the University of South Australia Act 1990.

To facilitate the transition from the University of South Australia to Adelaide University:

- The Adelaide University (Transfer of Students) Proclamation 2025 provided for the transfer of ongoing students from the University of South Australia to Adelaide University, with the majority transferring on 1 January 2026
- The Adelaide University (Transfer of Assets, Contracts and Liabilities) Proclamation 2025 provided that the assets, contracts and liabilities of the University of South Australia were transferred to Adelaide University on 1 January 2026.

Subsequent events

In the opinion of the members of the Adelaide University Council, there were no events subsequent to the disestablishment date that have a material effect on the financial statements for the reporting period.

Insurance of officers

The University has paid insurance premiums in respect to Directors and Officers liability, Directors and Officers supplementary legal expenses and statutory liability, for current and former members of University Council and officers.

Directors and Officers and Statutory liability insurances do not cover fraudulent and dishonest acts or omissions, intentional violations of law, or intentional breaches of duty imposed by law. In addition, Statutory liability insurance does not cover reckless, and malicious acts or omissions.

From November 2024, the University of South Australia, University of Adelaide and Adelaide University entered into a single comprehensive insurance program to cover future events.



STATEMENT OF COMPREHENSIVE INCOME

FOR THE REPORTING PERIOD 1 JANUARY 2026 TO 31 MARCH 2026

		Consolidated		University	
		2026	2025	2026	2025
Notes		\$'000	\$'000	\$'000	\$'000
Revenue and income from operations					
Australian Government financial assistance					
		-	342,078	-	341,834
		-	156,247	-	156,247
		-	7,284	-	7,284
		-	3,615	-	3,615
		-	8,140	-	8,140
		-	16,024	-	16,024
		-	188,591	-	188,591
		-	635	-	161
		-	54,582	-	54,582
		-	17,224	-	15,626
		-	26,251	-	26,244
	1	-	1,979	-	1,979
	1	2,973	-	2,973	-
Total revenue and income from operations		2,973	822,650	2,973	820,327
Expenses from operations					
	3	1,535	104,915	1,535	103,426
		-	42,099	-	42,074
		-	19,876	-	19,871
		-	638	-	638
		-	741	-	583
	4	1,346	216,685	1,346	215,963
		-	1,420	-	1,420
		-	438	-	378
	1	-	181,462	-	181,462
	1	-	401,653	-	401,653
	1	1,438,646	-	1,439,075	-
Total expenses from operations		1,441,527	969,927	1,441,956	967,468
Operating result before income tax		(1,438,554)	(147,277)	(1,438,983)	(147,141)
Income tax (income) / expense		-	(109)	-	(38)
Operating result attributable to members of University of South Australia		(1,438,554)	(147,168)	(1,438,983)	(147,103)
Items not reclassified to profit or loss:					
		-	186,290	-	186,290
		-	(652)	-	(652)
		-	1,581	-	1,952
		-	(22,759)	-	(22,759)
Total		-	164,460	-	164,831
Total comprehensive income attributable to the members of the University of South Australia		(1,438,554)	17,292	(1,438,983)	17,728

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



STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	Consolidated		University	
		2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents		-	426,379	-	425,497
Receivables		-	27,131	-	27,025
Other financial assets		-	6,954	-	6,752
Deferred Government superannuation contribution		-	29,979	-	29,979
Other non-financial assets		-	6,945	-	6,942
Total current assets		-	497,388	-	496,195
Non-current assets					
Other financial assets		-	38,565	-	40,366
Property, plant and equipment		-	1,256,071	-	1,256,071
Deferred tax assets		-	1,081	-	-
Intangible assets		-	261	-	-
Deferred Government superannuation contribution		-	221,624	-	221,624
Total non-current assets		-	1,517,602	-	1,518,061
Total assets		-	2,014,990	-	2,014,256
Current liabilities					
Trade and other payables		-	192,696	-	191,533
Provisions		-	590	-	590
Lease liabilities		-	3,415	-	3,415
Current tax liabilities		-	2	-	2
Contract liabilities		-	64,762	-	64,762
Other liabilities		-	20,199	-	20,199
Defined benefit obligation		-	29,979	-	29,979
Total current liabilities		-	311,643	-	310,480
Non-current liabilities					
Lease liabilities		-	7,471	-	7,471
Provisions		-	521	-	521
Contract Liabilities		-	34,043	-	34,043
Other liabilities		-	1,134	-	1,134
Defined benefit obligation		-	221,624	-	221,624
Total non-current liabilities		-	264,793	-	264,793
Total liabilities		-	576,436	-	575,273
Net assets		-	1,438,554	-	1,438,983
Equity					
Reserves		-	503,935	-	506,461
Retained earnings		-	934,619	-	932,522
Total equity		-	1,438,554	-	1,438,983

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



STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD 1 JANUARY 2026 TO 31 MARCH 2026

	Note	Consolidated			University	
		Reserves	Retained Earnings	Total	Reserves	Retained Earnings
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2025		323,199	1,098,063	1,421,262	325,354	1,095,901
Profit or loss		-	(147,168)	(147,168)	-	(147,103)
Gain on revaluation of Land, Buildings and Infrastructure		186,290	-	186,290	186,290	-
Loss on revaluation of Art Collection		(652)	-	(652)	(652)	-
Revaluation of equity instruments designated at fair value through other comprehensive income		1,581	-	1,581	1,952	-
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income to retained earnings		(6,483)	6,483	-	(6,483)	6,483
Derecognition of Imputation Credit		-	(22,759)	(22,759)	-	(22,759)
Total comprehensive income		180,736	(163,444)	17,292	181,107	(163,379)
Balance at 31 December 2025		503,935	934,619	1,438,554	506,461	932,522

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



STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD 1 JANUARY 2026 TO 31 MARCH 2026

	Consolidated			University		
	Reserves	Retained Earnings	Total	Reserves	Retained Earnings	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2026	503,935	934,619	1,438,554	506,461	932,522	1,438,983
Profit or loss	-	(1,438,554)	(1,438,554)	-	(1,438,983)	(1,438,983)
Transfer of fair value reserve of Land, Buildings and Infrastructure to retained earnings	(501,557)	501,557	-	(501,557)	501,557	-
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income to retained earnings	(2,378)	2,378	-	(4,904)	4,904	-
Total comprehensive income	(503,935)	(934,619)	(1,438,554)	(506,461)	(932,522)	(1,438,983)
Balance at 31 March 2026	-	-	-	-	-	-

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



STATEMENT OF CASH FLOWS

FOR THE REPORTING PERIOD 1 JANUARY 2026 TO 31 MARCH 2026

	Consolidated		University	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
Inflows:				
Australian Government Grants received	-	517,294	-	517,050
OS-HELP (net)	-	(876)	-	(876)
Superannuation Supplementation	-	25,635	-	25,635
State and Local Government Grants	-	9,509	-	9,509
HECS-HELP - Student payments	-	16,022	-	16,022
Receipts from student fees and other customers	-	175,844	-	175,844
Dividends received	-	1,217	-	1,217
Interest received	-	29,530	-	29,530
Royalties	-	635	-	161
Consultancy and contract research	-	52,376	-	52,376
Other receipts	-	19,454	-	17,798
GST recovered	-	22,093	-	22,114
Outflows:				
Payments to suppliers and employees	-	(934,067)	-	(931,599)
Interest paid	-	(638)	-	(638)
Net cash provided by/(used in) operating activities	-	(65,972)	-	(65,857)
Cash flows from investing activities:				
Inflows:				
Proceeds from sale of plant and equipment	-	6	-	6
Proceeds from sale of investments	-	40,129	-	40,129
Outflows:				
Purchase of property, plant and equipment	-	(31,312)	-	(31,086)
Payment for investments	-	(37,235)	-	(37,200)
Net cash provided by/(used in) investing activities	-	(28,412)	-	(28,151)
Cash flows from financing activities:				
Repayment of lease liabilities	-	(3,534)	-	(3,534)
Net cash used in financing activities	-	(3,534)	-	(3,534)
Net increase/(decrease) in cash and cash equivalents	-	(97,918)	-	(97,542)
Cash and cash equivalents at beginning of year	426,379	524,297	425,497	523,039
Cash and cash equivalents transferred to Adelaide University	(426,379)	-	(425,497)	-
Cash and cash equivalents at end of financial year	-	426,379	-	425,497

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



Note	Contents	Page No
1.	Establishment of Adelaide University	10
2.	Summary of material accounting policies	11
	Expense notes	
3.	Employee-related expenses	22
4.	Other expenses	23
	Disclosure notes	
5.	Key management personnel disclosures	24
6.	Remuneration of auditors	26
7.	Contingencies	26
8.	Commitments	26
9.	Related parties	26
10.	Subsidiaries	27
11.	Reconciliation of operating results after income tax to net cash flows from operating activities	28



1. Establishment of Adelaide University

Adelaide University commenced operations on 1 January 2026, under the Adelaide University Act 2023 ("the Act"), combining the operations and activities of the University of South Australia and the University of Adelaide. Under Schedule 1 of the Act, on 31 March 2026 the University of South Australia Act 1990 was repealed, and the University of South Australia disestablished as a legal entity.

These financial statements represent the final financial statements for the University of South Australia and have been prepared for the reporting period 1 January 2026 to 31 March 2026.

Key 2025 Transition Milestone Events

As part of the transition to Adelaide University, the following activities were undertaken by the University of South Australia during 2025:

- The University of South Australia incurred \$181.5m of integration costs which were recognised as grant expense (Grant expense - Adelaide University) in the 2025 net operating result. The integration costs were to the benefit of Adelaide University which recognised a corresponding grant revenue during 2025.
- The Adelaide University (Transfer of Staff) Proclamation 2024 resulted in employment of University of South Australia staff being transferred to Adelaide University, with Non-academic staff transferring in January 2025 and Academic in May 2025.
- A Service Agreement with Adelaide University was entered into detailing the arrangements for Adelaide University to provide services back to the University of South Australia once staff had been transferred, to ensure the continuity of the University of South Australia operations until 1 January 2026. In consideration for Adelaide University providing these services under the Service Agreement, the University of South Australia paid a service fee to Adelaide University (Service fee expense - Adelaide University). Adelaide University recognised a corresponding service fee revenue
- On 12 September 2025, the University of South Australia and Adelaide University varied the Service Agreement to detail the arrangements for Adelaide University to provide services back to the University of South Australia once all remaining assets, liabilities and operations of the University of South Australia transferred to Adelaide University from 1 January 2026.
- The variation ensured the continuity of the University of South Australia residual activities until wind up and disestablishment on 31 March 2026, including its core legal, regulatory and governance obligations and graduation of its final student cohort. All outstanding debts and funding for operational requirements of the University of South Australia were met by Adelaide University during the period 1 January 2026 to 31 March 2026.

Transfer Proclamations

On 30 October 2025, the Adelaide University (Transfer of Assets, Contracts and Liabilities) Proclamation 2025 and the Adelaide University (Transfer of Students) Proclamation 2025 were proclaimed by the South Australian Governor under the Adelaide University Act 2023. These proclamations transfer the assets, liabilities and operations of the University of South Australia to Adelaide University from 1 January 2026 for no consideration, to coincide with the formal commencement of operations for Adelaide University.

The transfer resulted in the recognition of a Loss on net asset transfer to Adelaide University of \$1,439.1 million (University) and \$1,438.4 million (Consolidated) in the 2026 net operating result for the reporting period 1 January 2026 to 31 March 2026. This loss on disposal is equivalent to the net asset value of the assets and liabilities transferred to Adelaide University at 1 January 2026 for no consideration.



1. Establishment of Adelaide University (continued)

Residual operating expenses of the University of South Australia until disestablishment

During the reporting period of 1 January 2026 to 31 March 2026, the University of South Australia incurred \$3.0 million of residual operating expenditure until disestablishment on 31 March 2026. These expenses have been recognised as salary and non-salary expenditure in the University net operating result for the period.

Adelaide University funded this expenditure through the Services Agreement, providing a benefit to the University of South Australia and resulting in the recognition of an offsetting grant revenue of \$3.0m (Grant revenue - Adelaide University). Adelaide University will recognise a corresponding grant expense in its 2026 Annual Financial Statements.

Going Concern

These financial statements are not reported on a going concern basis because the University of South Australia ceased operations on 31 March 2026. Accordingly, these are the final set of financial statements for the University of South Australia. As all assets and liabilities were transferred to Adelaide University, there has been no change to presentation or valuation approaches.

2. Summary of material accounting policies

General information

The University of South Australia was formally disestablished under the Adelaide University Act 2023 on 31 March 2026, and these are the final financial statements of the University of South Australia.

These financial statements and notes disclose the 1 January 2026 to 31 March 2026 operating results and the 1 January 2025 to 31 December 2025 comparative results of the University of South Australia.

The principal accounting policies adopted in the preparation of these financial statements are set out below. The financial statements include separate statements for the University of South Australia (the University) and the University and its subsidiaries (the Group).

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards (AAS), AASB Interpretations, the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and other State / Australian Government legislative requirements.

The University applies Tier 1 reporting requirements.

Whilst the University of South Australia no longer holds any assets and liabilities as at 31 March 2026, the 2025 comparative assets and liabilities continue to be presented as current and non current on the basis that the relevant agreements continue to exist after their transfer to Adelaide University. Given the operations of the University of South Australia have continued in Adelaide University, and there has been no substantive change in contract arrangements and agreements, no variations to the valuation approaches applied to the comparative assets or liabilities have been made.



2. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

Historical cost convention

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain assets and liabilities that were valued in accordance with the applicable valuation policy.

Critical accounting estimates

The preparation of these statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the University's accounting policies. All significant estimates or assumptions made in the preparation of the financial statements are described in the relevant accounting policy notes. The estimates and underlying assumptions are reviewed regularly.

The areas involving a high degree of judgement where assumptions and estimates are significant to the preparation of the 2025 comparative financial statements are other financial assets, superannuation receivable and associated defined benefit obligation, long service leave provision, valuation and depreciation of property, plant and equipment and the recognition of revenue over time in accordance with AASB 15 *Revenue from Contracts with Customers*.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed regularly.

Rounding of amounts

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

Comparative amounts

These financial statements and notes disclose the 1 January 2026 to 31 March 2026 operating results and the 1 January 2025 to 31 December 2025 comparative results. This is because the University of South Australia was formally disestablished on 31 March 2026.

The amounts presented in the financial statements are not entirely comparable.

Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gain and loss 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 Statement of Comprehensive Income.

(b) Basis of consolidation

The controlled entities of the University of South Australia transferred to Adelaide University with effect from 1 January 2026. Therefore, there are no controlled entities included in the 2026 Consolidated report.

The 2025 consolidated financial statements represent the financial statements of the parent entity, being the University of South Australia, and the assets, liabilities and results of all entities it controlled in accordance with AASB 10 *Consolidated Financial Statements* at the end of, or during the financial year. Control is established when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Transactions, balances and unrealised gains on transactions between Group entities are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

A list of controlled entities are contained in Note 10. Subsidiaries.



2. Summary of material accounting policies (continued)

(c) Revenue and Income

(i) Basis for disaggregation

Sources of funding: the Group receives the majority of funds from the Australian Government as well as State and Local Government to further its objectives. In addition the Group also receives revenue and income from private organisations and individuals.

Revenue and Income streams: the major revenue and income streams are as follows:

Teaching: the Group has domestic and overseas students enrolled in a variety of programs for different qualification levels. Whilst the number of domestic students is affected by national economic factors such as interest rates or unemployment, the overseas students are impacted by changes in immigration policies.

Research: the Group performs research activities across multiple fields. The Group enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The Group has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the Group obtains control of the research funds.

Other fees and charges: these correspond to the complementary services provided by the Group such as parking and access to fitness and recreational activities.

Revenue from Contracts with Customers as per AASB 15 Revenue from Contracts with Customers

(ii) Accounting policies and significant accounting judgement and estimates

Course fees and charges

Course fees and charges revenue relate to undergraduate programs, graduate and professional degree programs and continuing education and executive programs.

Revenue is recognised over time as and when the course is delivered to students over the study period.

When the courses have been paid in advance by students or the Group has received the government funding in advance (e.g. before starting the academic period) the Group recognises a contract liability until the services are delivered.

The Group does have refund obligations. This is mainly applicable when the goods are not provided or contracted services are not delivered.

There is no significant financing component as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.



2. Summary of material accounting policies (continued)

(c) Revenue and Income (continued)

(ii) Accounting policies and significant accounting judgement and estimates (continued)

Research

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction.

The following specific research revenue recognition criteria have been applied:

- Funding received from Australian Research Council, National Health and Medical Research Council, and from non government entities. These are enforceable agreements and the performance obligations in those agreements are sufficiently specific.
- Research grants that are considered within the scope of AASB 15 *Revenue from Contracts with Customers* meet the enforceability criteria due to the existence of refund clauses in the agreements with the grantor and the promises to transfer good or services to the customer (or on behalf of the customer) are sufficiently specific. The obligations may include:
 - Comprehensive academic paper with the results of the research after completion
 - Publishing research data and results on an ongoing basis in an openly accessible repository as requested by the grantor
 - Intellectual property

Depending on the nature of the promise, the Group either recognises revenue at a point in time when the promise is delivered (e.g. when the comprehensive academic paper is published) or recognises revenue over time as the service is performed (e.g. as the customer obtains control of the intellectual property as it is created).

Other fees and charges

Other fees and charges revenue relate to the provision of services such as student services and amenities fees, parking fees, fitness and recreational services.

Revenue is recognised over time as and when the service is provided over the period.

Royalties

Royalties that are within the scope of AASB 15 *Revenue from Contracts with Customers* mainly relate to the use of intellectual property. The revenue is recognised at a point in time when the use of intellectual property has occurred.

Contract Assets

Contract Assets represent research grants which have met performance obligations in accordance with funding agreements, however, funding has not been received.

Contract Liabilities

Contract Liabilities represent research and teaching grants for which funding has been received by the University to provide future services to funding providers and students.



2. Summary of material accounting policies (continued)

(c) Revenue and Income (continued)

(iii) Unsatisfied performance obligations

Remaining performance obligations represent services the Group has promised to provide to customers which are satisfied as the goods or services are provided over the contract term. For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB 15 *Revenue from Contracts with Customers*, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations.

Income of not-for-profit as per AASB 1058 Income of Not-for-Profit Entities

(iv) Accounting policies and significant judgements and estimates

Capital grants

Capital grants are generally received to acquire or construct a non-financial asset, such as a building. Income is recognised over time, as the building is constructed. Income is recognised to the extent of costs incurred to date as the costs of construction are the best measure of the stage of completion.

Donations and bequests

The income is recognised immediately when the funds are received.

(d) Investment income

Interest income is recognised as it accrues. For all debt instruments measured at amortised cost and equity 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.

Dividend income is recognised only when it is declared, determined or recommended by external entities before the 31 December reporting date.



2. Summary of material accounting policies (continued)

(e) Employee-related expenses

During 2025, the majority of University of South Australia employees transferred their employment to Adelaide University, with Non-academic staff transferring in January 2025 and Academic staff transferring in May 2025. The Vice-Chancellor's employment did not transfer to Adelaide University during 2025 and the Vice-Chancellor continued to be an employee of the University of South Australia during 2025 and the period 1 January 2026 to 31 March 2026.

At the date of transfer, the obligation to pay an employee their leave entitlements transferred to Adelaide University, resulting in the transfer of the employee leave provisions previously recognised by the University of South Australia. As Adelaide University is entitled to reimbursement by the University of South Australia for funds paid and payable to employees, a payable to Adelaide University has been recognised in 2025 equivalent to the value of these employees leave provisions.

From 1 January 2026, the University's obligations to contribute to staff superannuation schemes, for both current and former employees, transferred to Adelaide University, under of the Adelaide University (Transfer of Assets, Contracts and Liabilities) Proclamation 2025.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Receivables

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade debts are generally due for settlement no more than 14 days from the date that invoice was issued for domestic Australian debtors, and no more than 30 days for Overseas/International debtors. Any exceptions to these payment terms for both Domestic & International debtors, are approved by the Director of the local area and also by the Chief Financial Officer, after reviewing the business reasons for the extended terms. The exceptions are very few in number.

Student fees are recognised initially at fair value as at census date and are collectable at that point. Periodically these receivables are adjusted for any provision for impairment.

Collectability of receivables is reviewed on an ongoing basis and the assessment of the provision for impaired receivables included consideration of the expected credit losses in accordance with AASB 9 *Financial Instruments*. Individual trade debtors and student fee receivables are assessed for impairment, considering both historic and future factors where possible including the age of the debt, the circumstances of the debtor, experience with similar debt types and current economic circumstances. In addition, both trade debtors and student fee receivables are evaluated for impairment based upon past due status and historical collection experience. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of receivables.

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



2. Summary of material accounting policies (continued)

(h) Other Financial Assets

Shares in subsidiaries

Investments in all wholly owned subsidiaries are recorded at fair value. Where an estimate of fair value is not readily available, the Net Assets of the subsidiary are used as a proxy for fair value.

Equity Instruments designated at fair value through other comprehensive income

The University invests in shares, fixed interest, property trusts and managed funds known as investments. These investments are classified as Equity instruments designated at fair value through other comprehensive income in accordance with AASB 9 *Financial Instruments*.

These investments are included in non current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Purchases and sales of investments are recognised on trade date (the date on which the University commits to purchase or sell the asset). Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from them have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

Unrealised gain or loss arising from changes in the fair value of investments are recognised in other comprehensive income under Gain / (Loss) on equity instruments designated at fair value through other comprehensive income.

Realised gain or loss arising from the sale of investments are recognised in other comprehensive income under Gain / (Loss) on equity instruments designated at fair value through other comprehensive income.

Only dividends are recognised in the income statement when the right of payment has been established unless when it is part of a recovery of cost in which case it is recognised in other comprehensive income.

Since these investments are designated at fair value through other comprehensive income they are not subject to impairment assessment. These investments are adjusted annually to fair value through other comprehensive income.



2. Summary of material accounting policies (continued)

(i) Property, plant and equipment

Initial recognition and measurement

Assets with a useful life of more than 12 months and an acquisition cost of more than \$10,000 are initially capitalised at cost. Costs incurred on Plant and equipment which do not meet the capitalisation criteria are expensed as incurred. Following initial recognition at cost Land, Buildings, Infrastructure and Art collection are carried at fair value.

Subsequent capital costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

All other property, plant and equipment is stated at historical cost less depreciation.

Revaluations

Independent valuations of Land, Buildings and Infrastructure are performed every three years to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date. The last valuation was as at 31 December 2025 and was completed by Colliers Valuation & Advisory Services. The 2025 valuation introduced a methodology change reflecting professional judgment applied by Colliers with the adoption of a componentised fair value assessment for buildings with a Gross Replacement Cost exceeding \$5 million. Under this approach, four key building components - structure, fit out, services and roof - were assessed individually for useful life, remaining useful life and fair value. The 2025 valuation resulted in an increase of \$186.3 million which was recognised as an increase to the Land, Building and Infrastructure reserve.

A valuation of the Art collection is performed every three years. The last valuation was as at 31 December 2025 and was completed by Theodore Bruce Auctioneers & Valuers. The 2025 valuation resulted in a decrease to the fair value of the art collection of \$2.1 million. The revaluation was recognised as \$0.6 million reduction to the Art Collection reserve and \$1.5 million loss in the Statement of Comprehensive Income recorded within other expenses.

Revaluation surpluses have been credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position. Revaluation increments and decrements are offset against one another within asset classes, but not otherwise. Revaluation reserves are transferred to retained earnings on derecognition of the relevant asset.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**2. Summary of material accounting policies (continued)****Depreciation**

Land (excluding Land under finance lease), Art collection and Buildings under construction are not depreciated. Depreciation, where applicable, is calculated on a straight line basis to allocate the written down current cost of an asset over its estimated remaining useful life. The following estimated useful lives are used in the calculation of depreciation/amortisation:

<u>Property</u>	
Buildings	30-160 years
Infrastructure	25 - 50 years
Land under finance lease	99 years
Leasehold improvements	1 - 42 years
<u>Plant and equipment</u>	
IT infrastructure	5 years
IT other	3 years
Motor vehicles	5 years
Other	10 years
<u>Right-of-use assets</u>	
Buildings	1 - 42 years
Plant & equipment	1 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Right of use assets

Assessment of whether a contract is, or contains, a lease

At inception of a contract, the University assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The University assesses whether:

- The contract involves the use of an identified asset. The asset may be explicitly or implicitly specified in the contract.
- The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The customer has the right to direct the use of the asset throughout the period of use. The customer is considered to have the right to direct the use of the asset only if either:
 - The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.



2. Summary of material accounting policies (continued)

Accounting for leases - University as lessee

In contracts where the University is a lessee, the University recognises a right of use asset and a lease liability at the commencement date of the lease, unless the short term or low value exemption is applied.

Right of use asset

A right of use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A right of use asset associated with land and buildings is subsequently measured at fair value.

(j) Intangible assets

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

With respect to internally generated intangible assets, expenditure on development activities 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 Statement of Comprehensive Income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation.

Amortisation was calculated using the straight line method to allocate the cost over the period of the expected benefit, which is currently between 4 and 7 years.

Intangibles in progress represent capitalised expenditure where the project was incomplete at balance date. The expenditure is capitalised upon the completion of the project.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the University prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accrued expenses relate to expenses incurred but not yet invoiced.



2. Summary of material accounting policies (continued)

(l) Employee benefits provisions

Sick Leave

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave

Annual and Long Service Leave

During 2025, the majority of University employees transferred their employment to Adelaide University, with Non academic staff transferring in January 2025 and Academic staff transferring in May 2025. The Vice-Chancellor's employment did not transfer to Adelaide University during 2025 and the Vice-Chancellor continued to be an employee of the University of South Australia during 2025 and the period 1 January 2026 to 31 March 2026.

At the date of transfer, the obligation to pay an employee their leave entitlements transferred to Adelaide University, resulting in the transfer of the employee leave provisions previously recognised by the University. As Adelaide University is entitled to reimbursement by the University for funds paid and payable to employees, a payable to Adelaide University has been recognised equivalent to the value of these employee leave provisions.

Workers Compensation

During 2025, the University was responsible for payments of workers' compensation.

An actuarial assessment of the provision for workers' compensation was prepared by Brett & Watson Pty Ltd using Case Estimation Methodology as at 31 December 2025. Under this methodology, consideration is given to individual case estimates of all open claims plus an allowance for incurred but not reported claims, re opening of claims regarded as closed and unforeseen escalation of case estimates as more information becomes available.

(m) Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included in receivables or payables in the Statement of Financial Position.

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

(n) Income tax

The University is exempt from income tax pursuant to Division 50 of the *Income Tax Assessment Act 1997*. The University subsidiaries are not exempt from income tax.

Income tax expense or benefit for the period is calculated as the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities extinguished.

In relation to foreign operations, the University is subject to tax associated with the legislation of the relevant foreign country. Tax in respect of these operations has been brought to account in the year it is incurred.


3. Employee-related expenses

	Consolidated		University	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	1,224	67,353	1,224	67,353
Contributions to superannuation and pension schemes:				
Emerging cost	148	59	148	59
Funded	-	13,793	-	13,793
Payroll tax	69	4,938	69	4,938
Workers' compensation	-	152	-	152
Long service leave	-	1,218	-	1,218
Annual leave	2	5,478	2	5,478
Total academic	1,443	92,991	1,443	92,991
Non-academic				
Salaries	-	1,985	-	500
Contributions to superannuation and pension schemes:				
Emerging cost	-	10	-	10
Funded	-	5,665	-	5,665
Payroll tax	4	2,112	4	2,107
Workers' compensation	-	348	-	349
Long service leave	-	208	-	208
Annual leave	-	1,199	-	1,199
Total non-academic	4	11,527	4	10,038
Total academic & non-academic employee related expenses	1,447	104,518	1,447	103,029
Council member remuneration	88	397	88	397
Total employee related expenses	1,535	104,915	1,535	103,426



4. Other expenses

	Consolidated		University	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes	-	23,995	-	23,995
Non-capitalised equipment	-	7,210	-	7,206
Advertising, marketing and promotion	12	10,333	12	10,328
Telecommunications	1	3,266	1	3,246
Travel, staff development and entertainment	151	18,972	151	18,958
External services	157	75,133	157	74,728
IT hardware and software	42	29,379	42	29,251
Library subscriptions	-	9,501	-	9,501
Printing	59	1,052	59	1,052
Bank charges, legal costs, insurance and taxes	465	9,919	465	9,892
General consumables	-	9,249	-	9,090
Utilities	-	11,709	-	11,709
Other	459	6,967	459	7,007
Total other expenses	1,346	216,685	1,346	215,963



5. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons of the University during the 2026 year. Council members include University employees who may be ex-officio members or elected staff members.

2026 Council Members

Hon John Hill, Chancellor
 Professor David Lloyd, Vice Chancellor and President
 Mr Michael Abbott AO KC, Deputy Chancellor
 Ms Mary Patetsos AM, Pro Chancellor
 Ms Elaine Bensted
 Ms Ruth Blenkiron
 Mr John Evans
 Mr Terry Evans AM
 Ms Vanessa Matthews
 Mr William (Bill) Muirhead AO
 Mr Ian Smith AM
 Professor Craig Williams

(b) Remuneration of key management personnel

	Consolidated		University	
	2026	2025	2026	2025
	Number	Number	Number	Number
Remuneration of Council members				
Nil to \$9,999	9	4	9	4
\$10,000 to \$19,999	2	-	2	-
\$20,000 to \$29,999	1	6	1	6
\$30,000 to \$39,999	-	2	-	2
\$40,000 to \$49,999	-	2	-	2
\$80,000 to \$89,999	-	1	-	1
	12	15	12	15

Remuneration received and receivable by Council members for their services as Council members was \$88,449 (2025: \$396,846).

	Consolidated		University	
	2026	2025	2026	2025
	Number	Number	Number	Number
Remuneration of executive officers				
\$540,000 to \$549,999	-	2	-	2
\$550,000 to \$559,999	-	1	-	1
\$610,000 to \$619,999	-	1	-	1
\$770,000 to \$779,999	-	1	-	1
\$1,450,000 to \$1,459,999	1	-	1	-
\$3,110,000 to \$3,119,999	-	1	-	1
	1	6	1	6



5. Key management personnel disclosures (continued)

(b) Remuneration of key management personnel (continued)

1 January 2026 to 31 March 2026

The table above includes only the University of South Australia Vice-Chancellor's 2026 remuneration for performance of duties in his capacity as Vice-Chancellor of the University of South Australia, who remained an employee of the University of South Australia until 31 March 2026. The Vice-Chancellor was the only employee of the University of South Australia during 2026.

Total remuneration paid to the Vice Chancellor during the 2026 reporting period was \$1.451 million and included base salary \$0.257 million, superannuation \$0.148 million, payment for leave entitlements \$0.077 million and a contractual retention payment of \$0.969 million. (Total remuneration 2025: \$3.112 million).

1 January 2025 to 31 December 2025

The table above includes the University of South Australia's remuneration for performance duties in the capacity as Vice Chancellor of the University of South Australia and as co Vice Chancellor of the new Adelaide University. Adelaide University has not recognised any remuneration for the Vice Chancellor.

In 2025, Executive officers were defined as the Vice Chancellor and President, and the University's Enterprise Leadership Team. The remuneration includes all normal salary, leave, allowances and other benefits paid during the reporting year. No executive received any remuneration from the University other than by way of salary and related benefits from a normal employment relationship.

(c) Executive officers' compensation

	Consolidated		University	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	1,226	4,152	1,226	4,152
Post-employment benefits	148	487	148	487
Other long-term benefits	77	380	77	380
Termination benefits	-	1,128	-	1,128
Total executive officers' compensation	1,451	6,147	1,451	6,147

(d) Related party transactions

From time to time key management personnel have interests or positions in entities with which the University conducts business. In all cases transactions with these entities are undertaken during the ordinary course and under normal trading terms.



6. 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		University	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Audit of the Financial Statements				
Fees paid to Audit Office of South Australia	25	311	25	311
Fees paid to other auditors	-	16	-	-
Other audit and assurance services				
Fees paid to other auditors	-	33	-	31
Total paid for audit	25	360	25	342

Audit fees paid / payable to the Audit Office of South Australia relating to work performed under Section 19 of the University of South Australia Act 1990 in 2026 were \$0.025m (2025: \$0.311m).

7. Contingencies

On 1 January 2026, all University contingent assets and liabilities transferred to Adelaide University under the Adelaide University (Transfer of Assets, Contracts and Liabilities) Proclamation 2025. At the date of adoption of these financial statements, the University was not a party to any remaining legal disputes.

8. Commitments

On 1 January 2026, all University commitments transferred to Adelaide University under the Adelaide University (Transfer of Assets, Contracts and Liabilities) Proclamation 2025. At the date of adoption of these financial statements, the University was not a party to any contracts from which future financial commitments were expected to arise.

9. Related Parties

(a) Parent entities

The ultimate Australian parent entity within the Group is the University of South Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 10. Subsidiaries.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 5. Key management personnel disclosures.

(d) Transactions with related parties

There were no transactions during the reporting period with related parties.



9. Related Parties (continued)

(e) Adelaide University

Adelaide University is a related entity of the University of South Australia during both 2025 and 2026 as it provided personnel services, including those of key management, to the University of South Australia following the transition of employment arrangements of its senior manager cohort during 2025.

During 2025, the University paid a fee to Adelaide University for the provision of these employee services which are reflected in Note 1 Establishment of Adelaide University.

10. Subsidiaries

From 1 January 2026, the University's investments in Subsidiaries transferred to Adelaide University under the Adelaide University (Transfer of Assets, Contracts and Liabilities) Proclamation 2025. As a result the University did not hold any investments in Subsidiaries for the period 1 January 2026 to 31 March 2026.

The 2025 consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy included in Note 2(b) Basis of consolidation:

Name of Entity	Principal Activities	Principal place of business	Ownership interest	
			2026	2025
			%	%
University of South Australia Foundation Incorporated	Dormant entity with no assets, liabilities or equity	Australia	nil	100
UniSA Ventures Pty Ltd	Commercialisation of research of the University	Australia	nil	100
Adelaide University Health Clinics Pty Ltd	Provision of clinical placements to undergraduate and postgraduate students in allied health clinics	Australia	nil	100


11. Reconciliation of operating results after income tax to net cash flows from operating activities

	Consolidated		University	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	(1,438,554)	(147,168)	(1,438,983)	(147,103)
Add / (less) non-cash items:				
Depreciation and amortisation	-	42,099	-	42,074
Non-cash donations	-	28	-	28
Net (gain) / loss on sale of property, plant and equipment	-	438	-	378
Loss on revaluation of the Art Collection	-	1,460	-	1,460
Impairment of property, plant and equipment	-	741	-	583
Property, plant and equipment in progress adjustments	-	(265)	-	(265)
Loss on net asset transfer to Adelaide University	1,438,646	-	1,439,075	-
Changes in operating assets and liabilities*:				
(Increase) / decrease in receivables	-	3,447	-	3,486
(Increase) / decrease in other assets	-	30,077	-	30,238
Increase / (decrease) in payables and tax liabilities	(14)	137,930	(14)	138,030
Increase / (decrease) in provisions	(78)	(114,680)	(78)	(114,680)
Increase / (decrease) in other liabilities	-	(20,079)	-	(20,086)
Net cash provided by / (used in) operating activities	-	(65,972)	-	(65,857)

* 2026 movement reflects the change in operating assets and liabilities which were not transferred to Adelaide University on Proclamation.



CERTIFICATE
FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD 1 JANUARY 2026 TO 31 MARCH 2026

To the best of our knowledge and belief:

- the financial statements:
 - are in accordance with the accounts and records of the University and give an accurate indication of the financial transactions of the University for the reporting period 1 January 2026 to 31 March 2026;
 - comply with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*;
 - comply with relevant Accounting Standards and other mandatory professional reporting requirements in Australia; and
 - present a true and fair view of the financial position of the University as at 31 March 2026 and the result of its operations for the period 1 January 2026 to 31 March 2026.
- internal controls over financial reporting and preparation of the financial statements have been effective throughout the reporting period.

Ms Pauline Carr
Chancellor
Adelaide University

Professor Nicola Phillips
Vice Chancellor and President
Adelaide University

Ms Ginette Fogarty
Chief Financial Officer
Adelaide University

17 June 2026