



University of South Australia

Report by the Members of the University Council

Members of the University Council present their report on the Consolidated Entity consisting of the University of South Australia (the University) and the entities it controlled at the end of, or during, the year ended 31 December 2006.

2006 Council Members

The following persons were members of the University Council during the whole of the year and up to the date of this report (an asterisk* indicates University Employees):

Mr David Klingberg, AM, Chancellor
Professor Denise Bradley, AO, Vice Chancellor and President * (vacated office May 2007)
Ms Alice McCleary, Deputy Chancellor
Mr James Birch
Mr William Cossey, AM
Mr Terry Evans
Dr Timothy Ferris*
Mr Markus Grammanitsch (resigned October 2006)
Ms Kath Higgins*
Mr Justin Lee
Ms Kerryne Liddle
Mr Bruce Linn
Dr Adele Lloyd
Ms Jan Lowe
Mr Ian McLachlan
Mr Sanu Kuruvilla Raju (resigned September 2006)
Ms Heather Ryland*
Mr Peter Smith
Dr Sue Vardon, AO
Dr Michael Venning*
Associate Professor Adrian Vicary*

No member of the University Council received any remuneration from the Consolidated Entity other than by way of salary and related benefits from a normal employment relationship.

Changes in Council Membership Since 31 December 2006

The following persons were appointed to the University Council in 2007 and are members up to the date of this report (an asterisk* indicates a University employee):

Associate Professor Ingrid Day*	Appointed January 2007
Ms Anne Skipper, AM	Appointed May 2007
Mr Jim McDowell	Appointed May 2007
Ms Dhivya Benugopal	Appointed May 2007
Mr Finn McCarthy-Adams	Appointed May 2007
Professor Peter Høj, Vice Chancellor and President*	Appointed June 2007

Principal Activities

The principal continuing activities of the Consolidated Entity are:

- To preserve, extend and disseminate knowledge through teaching, research, scholarship, consultancy or any other means;
- To provide tertiary education in such disciplines and areas of study as the University thinks appropriate to meet the needs of industry, commerce, the professions or any other section of the community;
- To provide such tertiary education programs as the University thinks appropriate to meet the needs of Indigenous people;
- To provide such tertiary education programs as the University thinks appropriate to meet the needs of groups within the community that the University considers have suffered disadvantages in education;
- To provide educational programmes for the benefit of the wider community or programmes for the enhancement of the diverse cultural life of the community, as the University thinks fit; and
- To foster and further an active corporate life within the University.

There were no significant changes in the nature of the activities of the Consolidated Entity during the 2006 year.

Review of Operations

The 2006 consolidated surplus was \$29.8 million in comparison to the previous year amount of \$19.5 million. The surplus resulted in a safety margin (operating surplus as a percentage of revenue) of 8.1% (2005: 5.9%), which is considered satisfactory for a 'not for profit' institution. Revenue (before the superannuation supplementation) grew by 12.0% to \$368.7 million. Revenue from fee-paying education services grew by \$7.5 million (10.7%) with the main area of growth being on-shore fee-paying overseas student revenue, up \$5.6 million.

The University's consolidated financial position remained sound during the 2006 year with cash balances being \$72.5 million at year end (2005: \$81.1 million). During the year \$20.0 million was spent on new buildings with \$18.8 million of this relating to the Hawke Building, located on North Terrace at the City West campus. Consolidated cash flows from operating activities in 2006 were \$54.8 million which is up compared to the prior year amount of \$45.2 million predominately due to the \$10.3 million increase in surplus. Cash out flows from Financing Activities increased \$14.8 million as the University repaid \$15.0 million in SA Government Financing Authority (SAFA) loans during the year.

Changes in State of Affairs

In the opinion of the members of the University Council there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the 2006 year not otherwise disclosed in this report or elsewhere in the annual report.

Subsequent Events

There has not arisen in the interval between the end of the 2006 year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the members of the University Council, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

Likely Developments and Expected Result of Operations

The Consolidated Entity will continue to pursue its principal activities while maintaining its financial sustainability. The University is currently undertaking a program of capital works to support growth in research and to enhance the student campus experience.

Environmental Regulation

The Consolidated Entity's operations are subject to various environmental regulations under both Commonwealth and State legislation. The significant environmental regulations applying to the Consolidated Entity are Dangerous Substance Act (1979), Radiation Protection and Control Act (1982) and the Environmental Protection Act (1993).

University Council members are not aware of any significant breaches during the period covered by this report.

Insurance of Officers

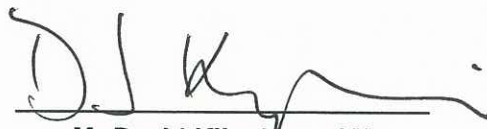
The University has paid insurance premiums in respect to Directors and Officers liability, Directors and Officers supplementary legal expenses and statutory liability, for current and former members of University Council and officers.

Directors and Officers liability insurance does not cover acts that are fraudulent, dishonest or criminal. Statutory liability insurance does not cover breaches that are wilful, intentional or deliberate.

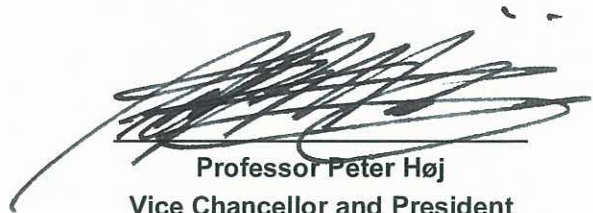
Legal Proceedings on Behalf of the Consolidated Entity

There are no legal proceedings on behalf of the Consolidated Entity that have arisen during the 2006 year or subsequent to year end that affect significantly the operations of the Consolidated Entity.

This report is made in accordance with a resolution of the members of the University Council in Adelaide, South Australia on 19th June 2007.



Mr David Klingberg, AM
Chancellor
19th June 2007



Professor Peter Høj
Vice Chancellor and President
19th June 2007