

ANNUAL REPORT 2011



THE UNIVERSITY OF
SYDNEY

The University of Sydney
NSW 2006


April 2012

The Hon. Adrian Piccoli, MP
Minister for Education

Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister,

The Senate of the University of Sydney has the honour of presenting to you, in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and its subsequent amendments, the report of the proceedings and financial statements of the University of Sydney for the year ended 31 December 2011.

A handwritten signature in black ink, reading "Marie Bashir". The signature is written in a cursive style with a horizontal line underneath.

Her Excellency Professor Marie Bashir AC CVO
Chancellor

A handwritten signature in black ink, reading "Michael Spence". The signature is written in a cursive style with a large, sweeping flourish at the end.

Dr Michael Spence
Vice-Chancellor and Principal

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In October 2011, Associate Professor Min Chen (standing) won the Science Minister's Prize for Life Scientist of the Year, part of the prestigious Prime Minister's Prizes for Science, for her contribution to our understanding of one of the building blocks of life on Earth: chlorophyll.

THE UNIVERSITY OF SYDNEY

The University of Sydney is a leading, comprehensive research and teaching community. We pursue a shared commitment to the transformative power of education, and to fostering greater understanding of the world around us.

Through critical analysis, thought leadership and active contribution to public debate, we help to shape Australia's national and international agenda.

This annual report tells you about our University in 2011. To find out more about who we are and what we aspire to be, please visit sydney.edu.au/about

OUR CHARTER

The University of Sydney was incorporated by the Parliament of New South Wales on 1 October 1850, making it the first university to be established in Australia.

Under the *University of Sydney Act 1989* (as amended), the University's principal functions include the:

- provision of facilities for education and research of university standard
- encouragement of the dissemination, advancement, development and application of knowledge informed by free enquiry
- provision of courses of study or instruction across a range of fields, and the carrying out of research, to meet the needs of the community
- participation in public discourse
- conferring of degrees, including those of bachelor, master and doctor, and the awarding of diplomas, certificates and other awards
- provision of teaching and learning that engage with advanced knowledge and enquiry.

OUR PURPOSE

The University of Sydney can make a strong claim to being the first university in the world to admit students purely on the basis of academic merit.

We aim to create and sustain a university in which, for the benefit of both Australia and the wider world, the brightest researchers and the most promising students, whatever their social or cultural background, can thrive and realise their full potential.

This purpose is at the heart of our 2011–15 Strategic Plan and resonates with the historical aims of our institution. This report tells you how we worked throughout 2011 to ensure we will succeed in the future.

CHANCELLOR'S MESSAGE



2011 was a year of continued achievement for the University.

There has been significant progress, both physical and academic, towards the establishment of an important component of the strategic plan, the Charles Perkins Centre for education and research in obesity, diabetes and cardiovascular disease.

We have also continued to enhance our international links through valuable interaction with visiting delegations and through the University's visits to collaborative projects with international colleagues.

In Beijing in October we celebrated the graduation of 156 of our Chinese students. As with previous such events, the ceremony was greatly appreciated by many families of graduands who would have been unable to make the long journey to Sydney to see their child graduate. Later that day a reception was held for Chinese alumni, many of

whom have progressed to influential positions. We are touched by the considerable effort alumni make to attend these receptions, which have now been held in several Chinese cities.

The Senate of the University welcomed seven new Fellows, including members drawn from the academic staff and from postgraduate students. We acknowledge with considerable appreciation the valuable service of retiring members Ms Kim Anderson, the Hon. John Aquilina, Professor Belinda Bennett, Dr Ros Bohringer, Professor Simon Chapman, Ms Chirine Dada and Professor Margaret Harris. John Shipp, University Librarian since 1997, retired after distinguished service appreciated by countless students and staff.

The news of the death on Christmas Day 2010 of former Vice-Chancellor Professor Gavin Brown AO, was received with considerable sadness. A memorial service was held in the

Chancellor Her Excellency Professor Marie Bashir at the University's Beijing graduation ceremony in October 2011.

Great Hall in February. The Hon. RP Meagher QC and Dr Rowan Nicks were among a number of distinguished alumni and generous benefactors to the University who died during the year, and who were remembered in University gatherings.

The appointment of our first Deputy Vice-Chancellor (Indigenous Strategy and Services), Professor Shane Houston, has been received with much acclaim. This is a most welcome development in the history of our University, an initiative from which, I believe, significant advancement will be achieved for the whole University community and for the nation.

**HER EXCELLENCY PROFESSOR
MARIE BASHIR AC CVO
CHANCELLOR**

VICE-CHANCELLOR'S MESSAGE



In a period of consolidation and considerable achievement, the University completed the first year of its Strategic Plan for 2011–15.

One of the significant changes has been the establishment of a new structure for institutional governance, collective planning and decision-making. The University's Senior Executive Group, with divisional boards and committees, was established to bring faculties together and to foster mutual accountability. At the same time the introduction of a new University Economic Model has provided greater transparency of the University's financial situation. For the first time we allocated budgets according to the new divisional structure on the assumption that academic units are the key revenue generators of the University.

As part of our commitment to manage more effectively the size and shape of the University, we began an institution-wide assessment of all degree programs, together with

a process for curriculum review and renewal. Work continued on the new Student Lifecycle Management program, which will create a seamless student experience from first enquiry to alumni engagement. Once again the National Union of Students rated Sydney's as the best student experience in Australia.

Our commitment to promote indigenous participation and engagement was underlined with the appointment of a Deputy Vice-Chancellor (Indigenous Strategy and Services). Significant progress was made in the development of an integrated indigenous strategy to reposition Aboriginal and Torres Strait Islander issues as integral to the University's core business.

Our commitment to research excellence was highlighted with the establishment of a new China Studies Centre, bringing together more than 150 academic experts from all major disciplines to provide national leadership in the study of modern China. One of the centre's

Vice-Chancellor Dr Michael Spence is interviewed at Christie's in London ahead of the June 2011 auction of a Picasso donated to the University to raise funds for scientific research.

first outreach initiatives was the China Business Forum in conjunction with the City of Sydney and KPMG.

Planning and strategic development continued on another major cross-disciplinary research initiative, a new centre for obesity, diabetes and cardiovascular disease. Funding for new academic positions in this centre received a boost of more than \$19 million thanks to the proceeds of the sale of a donated Picasso. These funds, together with other generous gifts, meant we had our most successful year ever in philanthropic activity.

We have high ambitions, and as this year shows the University community is working hard to achieve them.

DR MICHAEL SPENCE
VICE-CHANCELLOR AND PRINCIPAL



... INSPIRED MORE THAN 49,000 STUDENTS FROM AROUND THE WORLD

- 1040 students received University-funded scholarships totalling almost \$7 million.
- 13,225 students graduated in 64 ceremonies.
- 10,000+ international students joined us from 140 countries.
- 382 students received equity access scholarships.
- Students organised and ran more than 200 clubs and societies.
- We expanded our Broadway entry scheme to automatically cover students from schools identified as having low socioeconomic status.



... SUPPORTED MORE THAN 3000 ACADEMIC STAFF

- The federal government's Excellence in Research for Australia initiative (published January 2011) rated more than 90 percent of our fields of research at world standard or above.
- 36 researchers (more than at any other university) successfully applied for the inaugural Australian Research Council Discovery Early Career Researcher Awards, starting in 2012.
- 55 percent of our research collaborations were co-authored with external organisations.
- Our researchers attracted more funding than any other institution in the National Health and Medical Research Council's annual project funding round.

IN 2011, WE ...



... WELCOMED VISITORS FROM NEAR AND FAR

- Senior government and academic leaders from 34 countries visited us as part of our official visits program (plus many more on faculty-organised visits).
- Sydney University Museums attracted 85,600 visitors.
- 10,037 people attended 70 events in our Sydney Ideas public lecture series.



... RECEIVED VALUABLE EXTERNAL RECOGNITION

- In a record year of fundraising, we received \$79.4 million in philanthropic support from 8900 donors.
- We were ranked in the top 100 universities in the world by the QS, Shanghai Jiao Tong University and Times Higher Education rankings (with QS placing us in the top 40).
- More than 25 percent of the *Sydney Morning Herald's* annual list of the 100 most influential people were our staff or alumni (or both).



... CONTINUED OUR DRIVE FOR A GREENER AND HEALTHIER CAMPUS

- We increased the proportion of waste we divert from landfill to 75 percent.
- We created 480 new bicycle parking spaces on our Camperdown/Darlington Campus and added new water-filling stations to cut down on plastic bottle use.
- We developed a new policy to reduce smoking on campus.

The following pages show just some of the highlights of 2011, when our students and researchers pushed the boundaries of their knowledge, changing their and our understanding of the world around us.

JANUARY – MARCH



In January Professor Ron McCallum, pictured at Parliament House with Prime Minister Julia Gillard, was named as Senior Australian of the Year 2011. A former dean of Sydney Law School and the first totally blind person to have been appointed to a full professorship at an Australian university, he has pursued equal rights for working people across the globe and led a United Nations committee on disability. Visit sydney.edu.au/about/profile/accolades_2011 to learn more about honours for University of Sydney staff and students in 2011.



Two Sydney Medical School academics, Dr Alexandra Sharland (left) and Dr Stacy Carter (right), were among the holders of the 2011 Thompson Fellowships, which aim to promote the careers of female academics. In March 2011 the University was named an Employer of Choice for Women by the federal government for the eighth consecutive year. See page 48 for more information about the fellowships and other equal opportunity initiatives.



When a new cohort arrived at Sydney to start their first year in March 2011, recent graduate David Llewellyn was six months into his Rhodes Scholarship at Oxford, where he will continue his work on infectious disease treatment.



We continued our association with the Sydney Festival in 2011, showing a different side of the University by bringing Sydneysiders onto campus in January for events such as the 'Movies in the Quad' series.



Digital Harlem, a website created by a team led by historian Associate Professor Stephen Robertson in conjunction with the Archeological Computing Laboratory, was recognised for its world-class innovation in February by a division of the American Library Association, the world's largest organisation of librarians. Unlike most studies of 20th-century Harlem, Digital Harlem focuses on the lives of ordinary African New Yorkers from 1915 to 1930, as opposed to the usual emphasis on black artists or the black middle class.



Our cricket club put a different spin on the ball in February when they hosted a friendly Twenty20 match against the touring Compton Cricket Club, founded 15 years ago by homelessness activist Ted Hayes as a way to get Los Angeles youth off the streets.

APRIL – JUNE



The \$19.8 million proceeds from the auction in London in June of a rare Picasso given to the University will help us create several endowed chairs within a new multidisciplinary University centre dedicated to research into obesity, diabetes and cardiovascular disease. The auction was just the tip of the iceberg in a record year for philanthropic giving: we received more than \$79 million in philanthropy during 2011, exceeding all previous records for an Australian university.



In April, Professor Shane Houston (third from left) started work as our deputy vice-chancellor responsible for spearheading our efforts to advance Indigenous participation, engagement, education and research. Professor Houston is pictured on the Australian Indigenous Mentoring Experience's 'National Hoodie Day' with Deputy Vice-Chancellor Professor Derrick Armstrong (second from left) and two AIME program managers at the University, Adam Hansen and Ben Bowen.



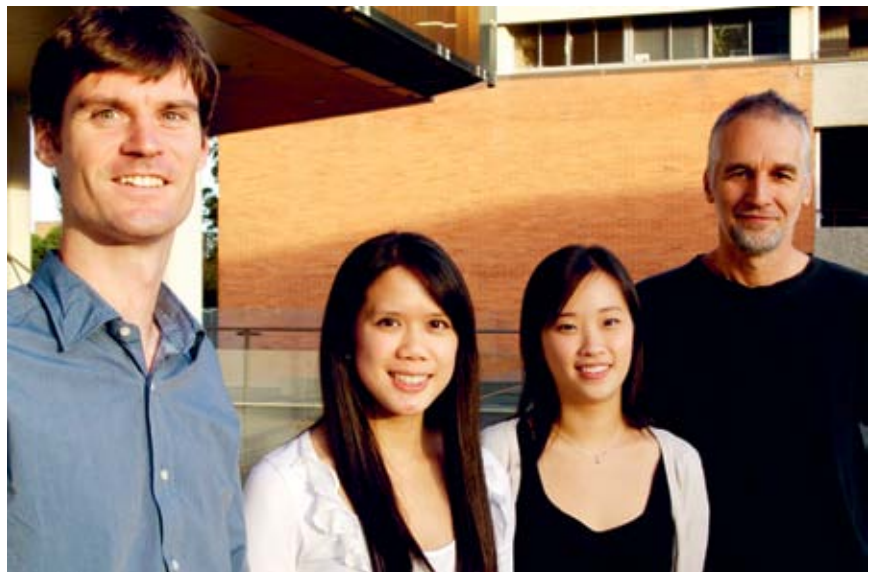
Sydney College of the Arts graduate and research affiliate Ben Quilty won the Archibald Prize in April for his portrait of Margaret Olley.



Indigenous health workers from across Australia flew to Sydney in May to accept their graduate diplomas in Indigenous Health Promotion.



In May, world-leading genetic research on muscle function and performance won Professor of Paediatrics and Child Health Kathryn North the 2011 GlaxoSmithKline Australia Award for Research Excellence.



Master of Architecture students Marinel Dator (second from left) and Katie Yeung won first prize in the Barcelona 2011 International Architecture Competition in May, beating 332 other entries to design a 100-metre tall, 'zero-ecological impact' tower-hostel that would create a new landmark for Barcelona opposite the city's Museum of Contemporary Art. The students are pictured with their lecturers: Associate Lecturer Daniel Ryan (left) and Associate Professor Glen Hill (right).

JULY – SEPTEMBER



All of our nominees at the Australian Museum's Eureka Prizes – 'the Oscars of Australian science' – won their category. Our winners ranged from a physicist leading research into faster and more energy-efficient communications technologies, to a team of veterinary scientists exposing questionable ethics in the racing industry. Back row (L-R): Dr Christopher Dey, Dr Joy Murray, Dr David Moss, Professor Ben Eggleton, Professor Rick Shine, Associate Professor Kathy Belov, Professor Paul McGreevy, Dr Bidida Jones, Dr Andrew McLean. Front row: (L-R) Dean of Science Professor Trevor Hambley, Vice-Chancellor Dr Michael Spence.



Two academics from the Faculty of Arts and Social Sciences, political scientist Professor Pippa Norris and historian Professor Warwick Anderson (pictured), were among the 17 new Australian Laureate Fellowships announced by the federal government in August.



In July Sydney Nursing School academics Associate Professor Kim Foster (pictured), who leads the school's mental health education and research programs, and Professor Kate White, NSW's first Academic Chair in Cancer Nursing, received Churchill Fellowships, awarded to help Australia's 'best and brightest' develop their expertise overseas.



In analysing the potential to produce bioethanol from the agave plant, Dr Daniel Tan and his University of Oxford collaborators found in a paper published in July that large-scale farms of the agave plant – also used to produce tequila – could be established in Australia's arid inland as a novel and greenhouse-friendly solution to our transport fuel problems.



All three performers in September's grand final of the ABC Symphony Australia Young Performer of the Year came from the Sydney Conservatorium of Music: pianist Nicholas Young, violinist Emily Sun and overall winner, saxophonist and recent graduate Nicholas Russoniello.



United Nations Secretary-General His Excellency Ban Ki-moon visited the University in September to discuss his priorities for the changing world with students, encouraging them to "think big" and make a difference in the world.



In August, the NSW government asked Dean of Dentistry Chris Peck to head a panel tasked with developing a plan to reduce dental waiting times, address public dentistry workforce shortages and increase sustainable dental services to match local needs.



Academics from the University of Sydney Business School and Sydney Law School will play a major role in the new National Centre of Excellence for International Finance and Regulation. Launched in July, the centre will contribute to international efforts to avoid a recurrence of the global financial crisis, and involves six Australian universities and two leading US finance research centres.



A \$100,000 Microsoft fellowship awarded in July to Dr Alistair McEwan from the School of Electrical and Information Engineering will accelerate the development of electrical devices used to diagnose and monitor stroke and cardiovascular disease.

OCTOBER – DECEMBER



A research team from the Department of Government and International Relations, including Dr Peter John Chen (pictured) took to the streets to interview 180 people at the 5 November 'Occupy' rally in Sydney. Contrary to some media reporting, they found the movement had a coherent political agenda, which focused on concerns about the social and political impact of capitalism on Australian and global society.



In October Pharmacy PhD student Vidya Perera was the NSW winner of the AusBiotech/GlaxoSmithKline Student Excellence Awards for his research that found people from South Asia could need lower doses of certain medicines because they are likely to have lower levels of an enzyme that metabolises drugs.



In November, the University's new China Studies Centre launched the Sydney China Business Forum, an annual event gathering leaders from government, business, finance and industry to discuss challenges and emerging opportunities for Australia's engagement with China. The first forum, held at Sydney's Customs House, included the release of a report on joint research conducted with KPMG on China's outbound direct investment (ODI) in Australia. Pictured left to right: Hamish McDonald (*Sydney Morning Herald*), Dr Michael Wesley (Lowy Institute for International Policy), Nicholas Curtis (Riverstone Advisory), Nicholas Davis (World Economic Forum), Professor Yongda Yu (Tsinghua University), Zengxin Li (Caixin Media).



In late 2011, the Glebe Pathways Project notched up two years of operations. The project, which aims to re-engage local, marginalised young people with learning, was developed by the University of Sydney and community partners. University involvement includes Associate Professor Debra Hayes, from the Faculty of Education and Social Work, who advises on the professional development of workers in the program, and the Brain and Mind Research Institute.



Rugby league star and commerce postgraduate student Corey Payne is also driving the Future Directions Network, an incentive to encourage school students from South-West Sydney to go to university. He won the University's 2011 Young Alumni Award for Achievement, and was also named in the NRL-RLPA's inaugural Academic Team of the Year.



In December, the University joined forces with the World Health Organization (WHO) to bring together thought leaders and policy makers from Asia and the Pacific to discuss a regional response to the WHO's first-ever 'World report on disability'. Pictured left to right: Graeme Innes (Australian Human Rights Commission), Setareki Macanawei (Pacific Disability Forum), Rex Bernardo (World Economic Forum Young Global Leader 2011), Janet Meagher (Australian Mental Health Expert Working Group), Damian Griffis (First Peoples Disability Network).



Bioinformatician Dr Emily Wong was one of 16 early-career scientists chosen in 2011 to unveil their research to the public for the first time through Fresh Science, a national program sponsored by the federal government. Dr Wong and her colleagues have used cutting-edge DNA sequencing technology to shed new light on why many marsupials have two thymuses – key organs in the immune system – instead of the one typical of other mammals.

UNIVERSITY GOVERNANCE

The following pages provide information about the activities of the University's governing body, the Senate, in 2011, as well as the supporting activities of the University's senior management and Academic Board.

SENATE

The Senate is the governing authority of the University of Sydney and has the functions conferred or imposed on it by or under the *University of Sydney Act 1989* (as amended).

The Senate oversees all major decisions concerning the conduct of the University, including staff appointments and welfare, student welfare and discipline, financial matters and the physical and academic development of the University.

Composed of 22 fellows and chaired by the Chancellor, the Senate awards all degrees and diplomas and is responsible to the Parliament of New South Wales. The Vice-Chancellor and Principal and the Chair of the Academic Board are both ex-officio members of the Senate.

For the 2011 Senate report, see pages 18 to 34.

ACADEMIC BOARD

The Academic Board, which reports to Senate, is responsible for safeguarding the quality of the University's academic activities. It is an elected body that includes staff and student representation from across the University's academic communities.

The Academic Board provides advice to Senate and the Vice-Chancellor on all academic matters, including their

relation to the University's strategic priorities and policies, the conditions of appointment and employment of academic staff, the approval of new and revised courses, and the maintenance of academic standards.

For more information about the Academic Board in 2011, see page 35.

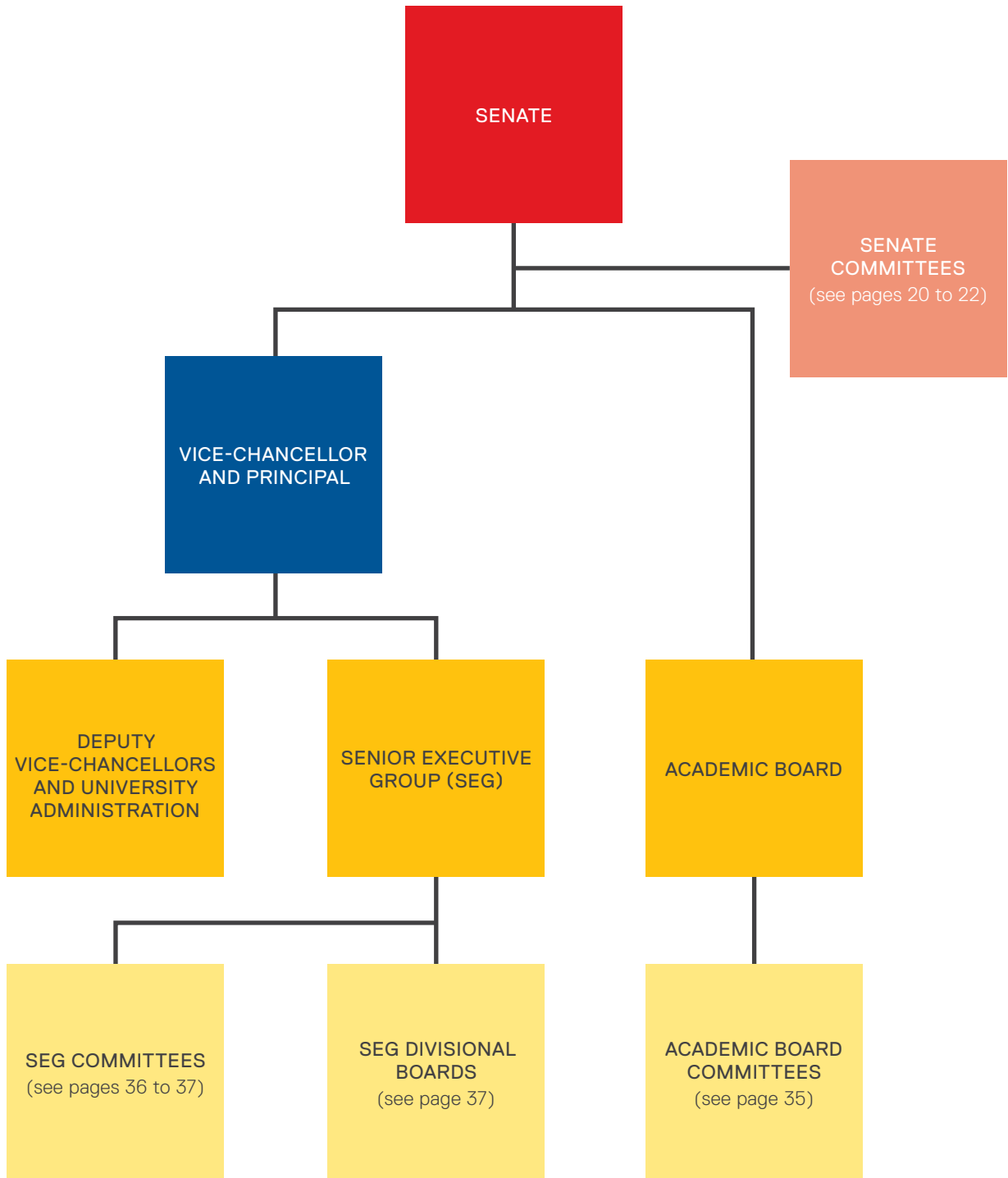
EXECUTIVE MANAGEMENT

The Vice-Chancellor is the principal administrative officer, or chief executive, of the University and has line-management responsibility for a number of deputy vice-chancellors who, with him, comprise the University's executive team. Directors of strategic administrative areas within the University also report to the Vice-Chancellor.

The Vice-Chancellor chairs the Senior Executive Group (SEG), a management decision-making body including the deans of faculty. SEG is representative of the diverse academic and administrative communities in the University and is accountable to Senate for the academic and financial health of the University.

For more information about executive management in 2011, see pages 36 to 41.

The chart opposite provides an overview of the University's governance.



SENATE REPORT

The fellows of the Senate of the University of Sydney present their report on the consolidated entity consisting of the University of Sydney and the entities it controlled at the end of, or during, the year ended 31 December 2011.

THE ROLE OF THE SENATE

The Senate is the governing authority of the University of Sydney and has the functions conferred or imposed on it by or under the *University of Sydney Act 1989* (as amended).

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FELLOWS OF SENATE

In 2011 the Senate comprised:

CHANCELLOR

Her Excellency Professor Marie Bashir AC CVO

MB BS Hon MD *Sydney*, FRANZCP
Chancellor from 1 June 2007

DEPUTY CHANCELLOR

Mr Alan Cameron AO

BA LLM *Sydney*
(an external fellow appointed by the Minister for Education and Training)
Deputy Chancellor from
4 February 2008

PRO-CHANCELLOR

Mr Alexander (Alec) N Brennan

BSc(Food Technology) *UNSW MBA City(UK)*

(an external Fellow appointed by the Minister for Education and Training)
Pro Chancellor from 27 June 2011

VICE-CHANCELLOR AND PRINCIPAL

Dr Michael Spence

BA LLB *Sydney* DPhil PGDipTheol *Oxf*
Fellow from 11 July 2008

CHAIR OF THE ACADEMIC BOARD

Associate Professor Peter McCallum

BMus *Dunelm* MMus *Lond* PhD *Sydney*,
DSCM

Fellow from 12 December 2009

APPOINTED

Six external fellows appointed by the Minister for Education and Training for four years:

Mr Alexander (Alec) N Brennan
BSc(Food Technology) UNSW MBA
City(UK)
Fellow from 1 January 2006

Mr Alan Cameron AO
BA LLM Sydney
Fellow from 20 February 2004

Mrs Dorothy J Hoddinott AO
MA DipEd Sydney, FACE FACEL
Fellow from 1 January 2010

Mr Kevin McCann AM
BA LLB Sydney LLM Harv, FAICD
Fellow from 9 March 2010

Mr David Mortimer AO
BEc Sydney, FCPA
Fellow from 1 January 2010

Ms Rachel Perkins
Fellow from 1 August 2011

[Term of office completed during 2011]

The Hon. John J Aquilina
BA DipEd Sydney, FACE, MP
Fellow from 27 May 2003 to 21 December 2004, from 4 April 2005 to 2 March 2007, and from 6 August 2007 to 4 March 2011

One fellow appointed by Senate for four years:

Mr Robert Leece AM RFD
BE Sydney MEngSc UNSW MBA
Macquarie, FIEAust CPEng
Fellow from 1 March 2011

[Term of office completed during 2011]

Ms Kim EW Anderson
BA Sydney DipLibInfSc UTS
Fellow from 1 March 2004 to 28 February 2011

ELECTED

Four fellows elected by and from the academic staff for two years:

Professor Marian P Baird
BEc DipEd PhD Sydney
Fellow from 1 June 2011

Professor Richard H (Dick) Bryan
MEc Monash DPhil Sussex
Fellow from 1 June 2011

Professor Christopher R (Chris) Murphy
BSc Adelaide PhD Flinders DSc Sydney
Fellow from 1 June 2011

Associate Professor Ariadne Vromen
BSocSc PhD UNSW MA Sydney
Fellow from 1 June 2011

[Term of office completed during 2011]

Professor Belinda Bennett
BEc/LLB Macquarie LLM SJD Wis,
GAICD
Fellow from 1 June 2009 to 31 May 2011

Dr Roslyn Bohringer
BSc PhD MEdAdmin UNSW
Fellow from 1 December 2005 to 31 May 2011

Professor Simon F Chapman
BA UNSW PhD Sydney, FASSA
Fellow from 1 June 2007 to 31 May 2011

Professor Margaret A Harris
MA Sydney PhD Lond
Fellow from 1 December 2001 to 31 May 2011

One fellow elected by and from the non-academic staff for two years:

Ms Kim Wilson
MA Macquarie
Fellow from 1 December 2001

One fellow elected by and from the undergraduate students of the University for one year:

Mr Benjamin G Veness
BAcc UTS
Fellow from 1 December 2010

One fellow elected by and from the postgraduate students of the University for one year:

Mr James P Flynn
BComm(Liberal Studies) Sydney
Fellow from 1 December 2011

[Term of office completed during 2011]

Ms Chirine Dada
BEcSocSc Sydney
Fellow from 1 December 2010 to 12 August 2011

Ms Kylee M Hartman-Warren
BA Reed MFDI Sydney
Fellow from 31 October to 30 November 2011

Five fellows elected by and from the graduates of the University for four years:

Dr Barry R Catchlove
MB BS Sydney, FRACP FRACMA
FCHSE
Fellow from 1 December 2009

Dr Michael C Copeman
BA MB BS Sydney DPhil Oxf
Fellow from 1 December 1996 to 30 November 2001 and from 1 December 2005

Mr Peter J FitzSimons AM
BA Sydney
Fellow from 1 December 2009

Ms Jane F Spring
BEc LLB MPA Sydney, ACIS CSA
Fellow from 1 December 2009

Mr David W Turner
BArch MDesSc Sydney, FAIA
Fellow from 1 December 2009

SENATE COMMITTEES AS AT 31 DECEMBER 2011**BUILDINGS AND ESTATES COMMITTEE**

The committee's role is to monitor and advise Senate on matters of planning, development and general oversight of the management of the University's real property and physical infrastructure with particular reference to: major capital developments; infrastructure management; operating resource allocation; sustainability and ensuring effective risk management in the areas covered by the committee's remit. Its membership comprises:

Ex-officio:

The Chancellor

The Deputy Chancellor

The Vice-Chancellor and Principal

The committee chair, who is a fellow of Senate (not a staff member or student) and is elected by Senate:

Mr Robert Leece AM RFD (from 1 March 2011)

Two fellows of Senate, appointed by Senate after consultation by the committee chair with the Chancellor and Vice-Chancellor:

Ms Jane F Spring

Mr David W Turner

Two external members with appropriate professional expertise and experience, appointed by Senate on the recommendation of the committee chair, following consultation with fellows of Senate and others as appropriate:

Mr Tony Sukkar

Mr Lindsay Thomas

CHAIR APPOINTMENTS COMMITTEE

The committee's role is to approve offers of appointment at a professorial level; promotions to professor; the awarding of the title of professor; and proposals for the establishment of/ change of name of named lectureships, senior lectureships, associate professorships and chairs. It also advises the Vice-Chancellor on appropriate procedures relating to senior academic appointments. Its membership comprises:

Ex-officio:

The Chancellor (chair)

The Deputy Chancellor

The Vice-Chancellor and Principal

The Chair of the Academic Board

A deputy vice-chancellor on the nomination of the Vice-Chancellor: the Provost and Deputy Vice-Chancellor (Professor Stephen Garton)

Five fellows of Senate elected by Senate:

Mr Alec Brennan (from 19 September 2011)

Mrs Dorothy J Hoddinott AO

Professor Chris Murphy (from 1 August 2011)

Mr David W Turner

Associate Professor Ariadne Vromen (from 1 August 2011)

FINANCE AND AUDIT COMMITTEE

The committee's role is to monitor and advise Senate on issues relating to the financial performance and sustainability of the University of Sydney. It also monitors and advises Senate on matters relating to the University's IT infrastructure, and has the responsibility of ensuring the effective management of financial risk across the University. Its membership comprises:

Ex-officio:

The Chancellor

The Deputy Chancellor

The Vice-Chancellor and Principal

The Chair of the Academic Board

The committee chair, who is a fellow of Senate (not a staff member or student) and is elected by Senate:

Mr Alec Brennan

Two fellows of Senate, appointed by Senate after consultation by the committee chair with the Chancellor and Vice-Chancellor:

Mrs Dorothy J Hoddinott AO

Mr Kevin McCann AM

Two external members with appropriate professional expertise and experience, appointed by Senate on the recommendation of the committee chair, following consultation with fellows of Senate and others as appropriate:

Mr Michael Cameron

Ms Meredith Scott

HUMAN RESOURCES COMMITTEE

The committee's role is to monitor and advise Senate on matters relating to the University's strategies and policies supporting the recruitment and management of its academic and non-academic staff; to review the performance of the Vice-Chancellor and determine his or her incentive payments, recommend to Senate the terms of employment of the Vice-Chancellor and review and approve the Vice-Chancellor's travel plans; to review and approve the Vice-Chancellor's recommendations regarding

the remuneration, terms of employment and performance assessment of his direct reports; and to ensure the effective management of risk in areas within the committee's remit. Its membership comprises:

Ex-officio:

The Chancellor

The Deputy Chancellor

The Chair of the Finance and Audit Committee (chair)

One fellow of Senate (not a staff member or student), appointed by Senate after appropriate consultation by the committee chair:

Mrs Dorothy J Hoddinott AO (from 27 June 2011)

One external member with appropriate professional expertise and experience, appointed by Senate on the recommendation of the committee chair, following consultation with fellows of Senate and others as appropriate:

Ms Rilla Moore

INVESTMENT AND COMMERCIALISATION COMMITTEE

The committee's role is to monitor and advise Senate on matters relating to the University's investment portfolio and commercialisation activities with particular reference to: the appropriateness of policies and the success of investment and commercialisation strategies; sustainability and ensuring the effective management of risk in areas covered by the committee's remit. The committee is authorised by Senate to receive recommendations as to the appointment and retirement, as appropriate, of consultants and external managers, and make such decisions subject to reporting to Senate after the event. Its membership comprises:

Ex-officio:

The Chancellor

The Deputy Chancellor

The Vice-Chancellor and Principal

The committee chair, who is a fellow of Senate (not a staff member or student) and is elected by Senate:

Mr Alan Cameron AO

Two fellows of Senate, appointed by Senate after consultation by the committee chair with the Chancellor and Vice-Chancellor:

Professor Dick Bryan (from 1 August 2011)

Mr David Mortimer AO

Two external members with appropriate professional expertise and experience, appointed by Senate on the recommendation of the committee chair, following consultation with fellows of Senate and others as appropriate:

Mr Ian Macoun

Mr Andrew Spence

NOMINATIONS AND APPOINTMENTS COMMITTEE

The committee's role is as follows:

- as specified in Clause 46B of Chapter 4A of the *University of Sydney By-Law 1999* with regard to appointed fellows of Senate
- to consider suggestions for honorary degrees and honorary fellowships and submit a report to Senate
- to review and make recommendations to Senate as regards naming proposals, changes to existing names or the discontinuation of existing names in relation to: University buildings and other significant assets; scholarships and prizes; centres and institutes and foundations
- to monitor and advise Senate on governance issues generally as they relate to Senate and the University including induction and continuing education of fellows, Senate performance reviews, committee structure and remits, and related matters
- to approve appointments to University-related entities subject to reporting to Senate after the event.

Its membership comprises:

Ex-officio:

The Chancellor (chair)

The Deputy Chancellor

The Vice-Chancellor and Principal

The Chair of the Academic Board

Three fellows of Senate who are external fellows within the meaning of s9(9) of the University of Sydney Act 1989 and are appointed by Senate:

Dr Barry R Catchlove

Mr Peter J FitzSimons AM

Ms Jane F Spring

Two fellows of Senate elected by Senate:

Professor Marian P Baird (from 19 September 2011)

Mr Alec Brennan (from 19 September 2011)

Mr Kevin McCann AM (from 1 August 2011)

SAFETY AND RISK MANAGEMENT COMMITTEE

The committee's role is to monitor and advise Senate on matters relating to the safety of staff, students and others who have occasion to be present on the University's campuses and specifically to the maintenance of occupational health and safety standards and practices, and compliance with occupational health and safety laws and regulations as they apply to the University.

The committee regularly reviews occupational health and safety reports prepared by management and may request reports on specific matters as it sees fit. The committee also has responsibility for ensuring the effective management of risk in areas within its remit and for monitoring non-financial risk matters generally within the University unless they are dealt with by another committee of Senate. Its membership comprises:

Ex-officio:

The Chancellor

The Deputy Chancellor

The Vice-Chancellor and Principal

The committee chair, who is a fellow of Senate (not a staff member or student) and is elected by Senate:

Dr Barry R Catchlove

Two fellows of Senate appointed by Senate after consultation by the committee chair with the Chancellor and Vice-Chancellor:

Mr Benjamin G Veness (from 1 August 2011)

Ms Kim Wilson

Two external members with appropriate professional expertise and experience in risk management and the occupational health and safety field appointed by Senate on the recommendation of the committee chair following consultation by the chair with fellows of Senate and others as appropriate:

Mr Hutch Ranck

Mr John Trowbridge

SENATE NOMINEES/APPOINTEES TO OTHER UNIVERSITY-RELATED ORGANISATIONS

Fellows of Senate are also nominated or appointed by Senate to membership of other University-related organisations. In 2011 these nominations/appointments included:

Senate nominee on the Women's College Council:

Dr Roslyn Bohringer (to 31 May 2011)

Professor Marian P Baird (from 4 June 2011)

Fellow of Senate on the International House Council:

Professor Margaret A Harris (to 31 May 2011)

Ms Jane F Spring (from 4 June 2011)

Senate representative on the Abercrombie Street Child Care Limited Council:

Ms Kim Wilson

Senate appointee on the University of Sydney Union Board:

Dr Barry R Catchlove (to 12 December 2011)

ATTENDANCE BY FELLOWS AT SENATE AND ITS COMMITTEES IN 2011

Name	Senate		BEC		CAC		FAC		HRC		ICC		NAC		SRMC	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Ms K Anderson	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The Hon J Aquilina	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professor M Baird	5	5	-	-	-	-	-	-	-	-	-	-	1	1	-	-
HE Professor M Bashir	8	8	6	0	8	7	7	0	3	3	4	0	4	4	5	0
Professor B Bennett	3	3	-	-	3	3	-	-	-	-	-	-	-	-	-	-
Dr R Bohringer	3	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr A Brennan	8	8	-	-	2	2	7	7	3	3	-	-	1	0	-	-
Professor R Bryan	5	4	-	-	-	-	-	-	-	-	2	2	-	-	-	-
Mr A Cameron	8	8	6	5	8	7	7	7	3	3	4	4	4	3	5	0
Dr B Catchlove	8	8	-	-	-	-	-	-	-	-	-	-	3	3	5	4
Professor S Chapman	3	2	-	-	3	2	-	-	-	-	-	-	-	-	-	-
Dr M Copeman	8	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms C Dada	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr J Flynn	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr P FitzSimons	8	6	-	-	-	-	-	-	-	-	-	-	4	0	-	-
Professor M Harris	3	3	-	-	3	3	-	-	-	-	-	-	-	-	-	-
Ms K Hartman-Warren	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs D Hoddinott	8	7*	-	-	8	6	7	5	1	1	-	-	-	-	-	-
Mr R Leece	7	6	6	6	-	-	-	-	-	-	-	-	-	-	-	-
Associate Professor P McCallum	8	8	-	-	8	8	7	6	-	-	-	-	4	4	-	-
Mr K McCann	8	7	-	-	-	-	7	3	-	-	-	-	2	0	-	-
Mr D Mortimer	8	6	-	-	-	-	-	-	-	-	4	3	-	-	-	-
Professor C Murphy	5	5	-	-	4	4	-	-	-	-	-	-	-	-	-	-
Ms R Perkins	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr M Spence	8	8	6	6	8	6	7	7	-	-	4	2	4	4	5	4
Ms J Spring	8	8	6	6	-	-	-	-	-	-	-	-	4	4	-	-
Mr D Turner	8	8	6	4	8	8	-	-	-	-	-	-	-	-	-	-
Mr B Veness	8	7*	-	-	-	-	-	-	-	-	-	-	-	-	3	3
Associate Professor A Vromen	5	5	-	-	4	4	-	-	-	-	-	-	-	-	-	-
Ms K Wilson	8	8	-	-	-	-	-	-	-	-	-	-	-	-	5	4

KEY:

A: Number of meetings held during the time the fellow was a member of Senate/the committee (as appropriate)
 B: Number of meetings attended (* Participated in the meeting they did not attend by teleconference)

BEC: Buildings and Estates Committee
 CAC: Chair Appointments Committee
 FAC: Finance and Audit Committee
 HRC: Human Resources Committee
 ICC: Investment and Commercialisation Committee
 NAC: Nominations and Appointments Committee
 SRMC: Safety and Risk Management Committee

SENATE GOVERNANCE

In 2011 Senate adopted and implemented a number of governance and procedural reforms.

- Senate approved an increase in the terms of office of undergraduate and postgraduate student fellows of Senate from one to two years, and resolved to seek to amend regulation 24(3) of the *University of Sydney By-law 1999* accordingly.
- Online ballots for the election of academic and non-academic staff fellows of Senate were conducted for the first time in 2011. The online option is more cost effective than postal ballots.
- There was ongoing consideration of Senate's procedural matters. For example, the format of the Senate agenda was further restructured and a number of delegations of authority were approved in order to provide a better focus on issues of significance.

PRINCIPAL ACTIVITIES

Under section 6 of the *University of Sydney Act 1989* (as amended), the object of the University is the promotion, within the limits of the University's resources, of scholarship, research, free enquiry, the interaction of research and teaching, and academic excellence.

The University has the following principal functions for the promotion of this object.

- The provision of facilities for education and research of university standard.
- The encouragement of the dissemination, advancement, development and application of knowledge informed by free enquiry.
- The provision of courses of study or instruction across a range of fields, and the carrying out of research, to meet the needs of the community.
- The participation in public discourse.
- The conferring of degrees, including those of bachelor, master and doctor, and the awarding of diplomas, certificates and other awards.
- The provision of teaching and learning that engage with advanced knowledge and enquiry.
- The development of governance, procedural rules, admission policies, financial arrangements and quality-assurance processes that are underpinned by the values and goals referred to in the functions set out in this subsection, and that are sufficient to ensure the integrity of the University's academic programs.

The University has other functions as follow.

- The University may exercise commercial functions comprising the commercial exploitation or development, for the University's benefit, of any facility, resource or property of the University or in which the University has a right or interest (including, for example, study, research, knowledge and intellectual property and the practical application of study, research, knowledge and intellectual property), whether alone or with others.
- The University may develop and provide cultural, sporting, professional, technical and vocational services to the community.
- The University has such general and ancillary functions as may be necessary or convenient for enabling or assisting the University to promote the object and interests of the University, or as may complement or be incidental to the promotion of the object and interests of the University.
- The University has such other functions as are conferred or imposed on it by or under this or any other Act.
- The functions of the University may be exercised within or outside the state, including outside Australia.

2011 FINANCIAL SNAPSHOT

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Operating revenue	1,597.1	1,505.6	91.5
Operating expenses	1,484.7	1,388.0	96.7
Operating result	112.4	117.6	(5.2)
Impairment of available-for-sale assets	(19.8)	(3.9)	(15.9)
Operating result after impairment	92.6	113.7	(21.1)
Adjusted for:			
Philanthropic funds	(72.2)	(33.6)	(38.6)
Investment funds	(10.9)	(32.7)	21.8
Capital grants	(54.5)	(44.3)	(10.2)
Specific purpose grants	(32.4)	(18.8)	(13.6)
Net available operating margin	(77.4)	(15.7)	(61.7)

The 2011 result includes a reassessment of library depreciation, which resulted in a negative impact of \$46.7 million. Certain philanthropic and investment funds are restricted and unavailable for general use. For more detail, see pages 144 to 153.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The University successfully established a new structure for institutional governance and collective decision-making at the management level with effect from January 2011. This included the creation of new divisional boards as committees of the Senior Executive Group to bring faculties together in a relationship of mutual accountability. (See page 36 for more on the Senior Executive Group and its related committees.)

The University also completed its first financial year using the new 'University Economic Model' (UEM) for the allocation of budgets to academic units and central portfolios. This new model introduces greater transparency to the University's finances and aligns budget allocation models within the new divisional structure. It operates on the assumption that academic units are the key revenue generators for the University and that resources and costs should be transparently allocated to them. The UEM is being adjusted gradually to ease the transition of academic units to the new system, and provides for cross-subsidies for units where there is an academic justification for supporting them.

NEW AND CEASED ACTIVITIES

New University centres/institutes

- The China Studies Centre commenced operations in January 2011, one of a small number of major cross-disciplinary initiatives in research and education the University is pursuing as part of its Strategic Plan 2011–15 to address the complex problems facing our nation and our world.

The following centres/institutes of the University were approved during 2011.

- Institute of Biomedical Engineering and Technology (approved by the Provost and Deputy Vice-Chancellor 12 September 2011)
- Institute for Democracy and Human Rights (approved by the Provost and Deputy Vice-Chancellor 2 December 2011)

Closed University centres/institutes

The following centres/institutes of the University were closed during 2011.

- Herbal Medicines Research and Education Centre (closure approved by the Provost and Deputy Vice-Chancellor 9 March 2011)
- Australian Centre for Precision Agriculture (closure approved by the Provost and Deputy Vice-Chancellor 31 December 2011)

Closed University foundations or divisions of foundations

The following foundations or divisions of foundations of the University were closed during 2011.

- Dermatology Research Foundation, a division of the Sydney Medical School Foundation (closure approved by Senate 6 December 2011)
- Brain and Mind Research Foundation (closure approved by Senate 1 August 2011)
- Moran Foundation for Older Australians (closure approved by Senate 27 June 2011)

Closed controlled entities of the University

The following companies, controlled by the University, were closed during 2011.

- Radiant LX Pty Ltd, a subsidiary of Bandwidth Foundry International Pty Ltd, closed 3 February 2011

ENVIRONMENTAL REGULATION

The University's legislative compliance framework tracks the following pieces of environmental legislation.

- *Energy and Utilities Administration Act 1987* (NSW)
- *Environmental Planning and Assessment Act 1979* (NSW)
- *Environmentally Hazardous Chemicals Act 1985* (NSW) and related 2008 regulations
- *Heritage Act 1977* (NSW)
- *National Greenhouse and Energy Reporting Act 2007* (Cth)
- *Protection of the Environment Operations Act 1997* (NSW) and related regulations
- *Waste Avoidance and Resource Recovery Act 2001* (NSW)

INSURANCE OF OFFICERS

The University maintains a comprehensive insurance program to protect itself against the financial effects of insurable risks. This program extends to its subsidiaries and controlled entities, and also includes the Senate and Senate subcommittee members, the University's officers, employees, volunteers and students. The University's insurance program is renewed annually at the end of October.

PROCEEDINGS ON BEHALF OF THE UNIVERSITY OF SYDNEY

The University commenced proceedings against ResMed in the Federal Court in January 2007. The dispute relates to a 1991 licence agreement between the University and ResMed in relation to an invention for use in masks used to treat sleep apnea. The University alleges that masks manufactured by ResMed infringe a patent held by the University, that ResMed has misused confidential information which was provided to ResMed by the University, that ResMed has misused the intellectual property which is the subject of the 1991 licence agreement and that improvements to the licensed intellectual property rightfully belong to the University. The University claims (alternatively) damages for unpaid royalties, damages or an account of profits for patent infringement and an order that ResMed transfer certain patents and designs relating to sleep apnea masks to the University. ResMed denies its products infringe the University's patent, that it has misused information which is confidential, or that it has misused the licensed intellectual property. ResMed also relies on a limitations defence, estoppel and the doctrine of restraint of trade. It also alleges that the University is estopped from bringing the claim, and has engaged in misleading and deceptive conduct.

SENATE REPORT

REVIEW OF OPERATIONS

In December 2011 the University completed its first full year of operation under its strategic plan for the five years to 2015. Underpinning this plan are two key values: engaged enquiry and mutual accountability.

The plan contains 17 headline strategies, which will be fundamental in responding to external and internal challenges identified as key to the University's future during an extensive consultation process in 2009–10. The plan also underpins the University's first full 'mission-based compact' funding agreement with the federal government, which covers the period from 2011 to the end of 2013.

We are pursuing each of these 17 strategies through a range of projects, monitored and coordinated through the 'Vice-Chancellor's Work Slate'. Work Slate projects are selected and approved by the University's Senior Executive Group (SEG) and reported to the Vice-Chancellor and Senate. During 2011, 15 Work Slate projects were completed. At 31 December, 54 remained in progress.

The full strategic plan is available at sydney.edu.au/strategy, along with an accompanying white paper which provides more information about the development and purpose of the strategic plan initiatives.

The following section describes progress during 2011 towards the 17 strategies.

STRATEGY 1: REFINE OUR GOVERNANCE STRUCTURES

Revised governance structures: The University's new management structure, creating divisional boards as committees of SEG to bring faculties together in a relationship of mutual accountability, came into effect on 1 January 2011 (see page 36 for detail). SEG and its committees were also restructured. Final terms of reference for all the divisions and SEG committees were agreed in March 2011. See sydney.edu.au/senior_executive_group for details.

Disciplinary review: The Faculty of Arts and Social Sciences was established as of 1 January 2011, with the Discipline of Economics, the Centre for International Security Studies and the Graduate School of Government all being transferred to the new faculty. In June 2011 it was decided to transfer the Discipline of Econometrics to Arts and Social Sciences, but to retain Urban Planning and Human Geography in their current faculty contexts. Recommendations arising from a review of the School of Social and Political Sciences included: creating a new politics department to incorporate both the Department of Government and International Relations and the Centre for International Security Studies; new initiatives in social sciences postgraduate research training and coursework; new pathways for undergraduate degrees in social sciences; a major administrative review.

STRATEGY 2: MANAGE MORE EFFECTIVELY THE SIZE AND SHAPE OF THE UNIVERSITY

Improved planning capability: A new load analysis and planning application (SPARC) was rolled out to all faculties in 2011 and used for 2012 load planning. Enrolment decisions and subsequent flow-on load impact between faculties can now be quantified in the preparation and planning phase. The SEG Curriculum and Course Planning Committee (CCPC) was established (see sydney.edu.au/senior_executive_group for terms of reference) and is now assessing all degree programs for strategic fit and sustainability.

STRATEGY 3: INITIATE A UNIVERSITY-WIDE PROGRAM OF CURRICULUM RENEWAL

Staff engagement in curriculum renewal: More than 450 staff attended a 2011 'Sydney Teaching Colloquium' on the theme of 'Learning Cultures in a Research University', aimed at disseminating good practice and supporting teaching and learning work across the University. The colloquium was part of a wider initiative to identify and empower scholars with expertise in curriculum development as champions of 'best practice'. Other progress towards this initiative included revisions to the University's internal teaching grant scheme to directly support the strategic

plan objective of 'engaged enquiry'; the establishment of a new network of 130 'engaged enquiry' scholars to support the work of the University-funded Strategic Teaching Enhancement Projects (STEPs); the creation of a network of Widening Participation Scholars and additional teaching development resources to build staff capacity for curriculum renewal in support of the University's widening participation agenda. The University also developed a proposal to supplement the existing Vice-Chancellor's awards for teaching and supervision with a series of new awards that recognise contributions to the University's strategic priorities for education and Indigenous engagement.

Curriculum review and renewal process: The CCPC oversaw the development of a proposed curriculum review and renewal process that balances the need for curriculum review with faculty priorities and existing resources. Four faculties (Arts and Social Sciences, Business, Nursing, and Science) have agreed to pilot aspects of the proposal and will report to the CCPC by June 2012 and subsequently to SEG. In addition to building faculty engagement, the pilots will identify additional resource, support and data requirements. An external review of Life Sciences also took place; the resulting report will be discussed by SEG in 2012.

Standards and outcomes of teaching and learning: The University took part in the pilot by the Group of Eight (Go8) universities of a new 'Quality Verification System', an external, discipline-led process for peer review of final-year undergraduate student outcomes. Assessment of four disciplines at Sydney (Psychology, Accounting, Chemistry, and History) was completed as part of the Go8 pilot. More information is available at sydney.edu.au/ab/qvs

Assessment policy: In November, SEG approved the Assessment Policy 2011 for implementation in 2012, thereby implementing the assessment principles flowing from an Academic Board review.

STRATEGY 4: ENRICH THE EXPERIENCE OF UNIVERSITY LIFE FOR ALL OUR STUDENTS

Student administration: Work continued on the Sydney Student program to create a seamless student experience of the University's administration, from first enquiry to alumni engagement. The Sydney Student enquiries and applications functionalities launched in January and April 2011. This is the first time the University has had access to an integrated online enquiries management tool that captures important data to assist with student recruitment and marketing. In September, Sydney Courses (which includes course information derived from data in Sydney Student) went live, enabling future students to search for course information, and then lodge an enquiry online for more information or proceed directly to make an application.

Student accommodation: SEG agreed a new student accommodation strategy in November. This has a strong focus on the provision of affordable accommodation and the inclusion of a level of pastoral care and academic support commensurate with the University's values.

Student experience: In 2011, the University continued to support what has been rated by the NUS as the best student experience in Australia, providing more than \$9 million in total funding to the student organisations. Following passage of the *Higher Education Legislation Amendment (Student Services and Amenities) Act 2011*, which allows higher education providers to charge students an annual compulsory Student Services and Amenities fee (SSA fee) from 1 January 2012 (see page 56 for detail), the University established mechanisms for consultation with students, student organisations and service providers to identify their priorities for use of the funds collected under the new arrangement. In November, a survey of all students identified the following priorities: orientation; advocacy and information; health, welfare and career support; clubs and societies, and other student-led activities; and facilities. This feedback will influence decisions about the allocation of funding under the new legislation. At the time of writing, 2012 income from the SSA fee was projected to be around \$10 million and will be allocated in anticipation of such a figure. The exact total cannot be finalised until the August census date.

Support for international students: In July 2011, SEG approved all recommendations from a 2010 review of support for international students. One of the key recommendations was the creation of an 'International Student Program' committee, which is now preparing a comprehensive response to the report. That committee will also use International Student Barometer data to inform its work in the areas of English-language support, and will monitor the implementation of the agreed recommendations from the government's Strategic Review of the Student Visa Program 2011 (the Knight Review).

Support for students with disabilities: The University convened a group comprising representatives from across the divisions to develop the University's new disability action plan throughout 2012. The University will also follow up an 'accessible environments audit' conducted in 2011 by consulting with faculty groups to analyse audit results, and to prioritise accessible environment remediation plans for each city campus in line with the University's campus masterplan.

(See also Strategy 7 (page 29) for work on improving learning spaces around campus.)

STRATEGY 5: EXPAND AND DIVERSIFY OPPORTUNITIES FOR STUDENTS TO DEVELOP AS GLOBAL CITIZENS

International exchange opportunities: The University established a suite of outbound programs for students to take part in short-term international exchanges of less than a month in duration, creating opportunities for students who are not able to participate in semester-long exchange programs. The University signed 12 new student exchange agreements in 2011 (with partner institutions in Austria, Colombia, China, Czech Republic, Germany, Italy, Korea, Sweden and the United Kingdom), bringing the total number of exchange agreements to 275.

New funding for international engagement and exchange: The University sought and received funding from the federal Department of Education, Employment and Workplace Relations (DEEWR) to send students to Colombia, Germany, and Hong Kong for semester-long exchange programs, and to India and South-East Asia for short-term programs.

Attracting top international PhD students: In 2011, the University expanded its list of eligible countries for the World Scholars Program to include the following countries: Botswana, Tanzania, the United States, Canada, Cambodia, Hong Kong, Japan, South Korea, Singapore, Thailand and Uganda. This expansion resulted in more applicants for PhD study. The number of World Scholars enrolled at the University is expected to grow from 19 (at the end of 2011) to 22 (by March 2012).

Attracting leading international academics and public figures: The University successfully introduced its 'World Fellows Program', with three distinguished fellows visiting Sydney in 2011. Dr Chandan Mitra, MP (India), Professor Yu Yongda (China), and OECD Deputy Secretary-General Aart de Geus took part in major international forums, gave guest lectures to students, met with academic counterparts, state and federal government representatives, and assisted the University in building international relationships. Other prominent international figures welcomed to the University in 2011 included United Nations Secretary-General His Excellency Ban Ki-moon (see page 13) and Dr APJ Abdul Kalam, former president of India and a distinguished scientist and technologist, who delivered a public lecture and agreed for his name to be used for a suite of scholarships being offered to international students in 2012.

STRATEGY 6: DEVELOP OUR CAPACITY TO IDENTIFY AND SUPPORT RESEARCH EXCELLENCE

Divisional research strategies: Compact discussions between faculties and the Deputy Vice-Chancellor (Research) (DVC(R)) took place in late 2011 and were used for 2012 planning. As part of this process the DVC(R) and faculty deans discussed how targeted investment could assist with implementation of each faculty's research strategy and ensure its alignment with areas of research strength (or potential strength) as identified through the federal government's Excellence in Research for Australia (ERA) exercise. The compacts also cover areas such as support for research grant applications and support for early career researchers.

University-wide strategic investment in research: The SEG Research Committee endorsed a set of principles to guide decision-making in relation to central funding of major initiatives from the DVC(R)'s 'strategic levy'. The University also established the Sydney Research Network Scheme (SyReNs) to facilitate the development of new and innovative cross-disciplinary initiatives. Forty-two proposals were received, and funding was awarded to six new networks starting in 2012 covering the following areas of study: social justice; climate change and society; infectious diseases and biosecurity; learning, technology and knowledge in action; health and work research; energy storage research. See also above section on discussions about targeted investment during the compact process.

(See under Strategy 8 (pages 29 to 30) for information about financial models for the University's centre for the study of obesity, diabetes and cardiovascular disease, and other University-wide multidisciplinary initiatives.)

Research data and analysis: To develop the University's capacity for comprehensive recording of research outputs and evidence-based identification of research strengths, work began on a 'research profile' project to provide a publicly accessible, searchable database of research capability for potential collaborators, government, industry and the public. Another project began to improve individual researchers' access to performance data, while the University progressed data strategy development and modelling in preparation for the Excellence in Research for Australia 2012 exercise.

Research policies: A Research Agreements Policy 2011, providing principles underpinning research contract negotiation, was signed by the DVC(R) in October 2011 after endorsement by SEG and Academic Board, supporting wider efforts for more systematic review and development of University research policies.

Australian Institute of Nanoscience: Initiative 6(f) of the strategic plan relates to construction of this new institute. All external consultants have been appointed and a concept design has been approved by the project group. Design documents are being developed and it is anticipated they will be lodged with the NSW Department of Planning in April 2012.

STRATEGY 7: DEVELOP OUR CAPACITY TO IDENTIFY AND PROMULGATE EXCELLENCE IN TEACHING

Improved learning spaces and networks: The federal government-funded Learning Networks Project aims to improve learning and teaching spaces, including ICT and other infrastructure, in key areas across campus. By the end of 2011, the project was approximately 50 percent complete and on track for the provision of new facilities in the first half of 2012. With regard to future improvements, a review of learning and teaching space across the University in the first half of 2011 received survey responses from more than 4500 students, and written submissions from the student representative bodies, the library and all faculties. SEG endorsed the review's recommendations, which included greater integration of technology needs in capital planning for learning and teaching spaces, and for learning and teaching networks to be integrated into the overall campus masterplan.

Teaching and learning support: A consideration of minimum standards for teaching and learning support commenced in relation to teaching workload allocation strategies. Initial steps included an analysis of current faculty models for allocation of teaching workloads. Also in 2011, SEG agreed minimum standards for students' experience of units of study as the first element of a new teaching standards framework. In 2012 these standards will be used as the basis for negotiating faculty-based improvement compacts. In addition, the SEG Research Training Committee approved a new process to improve accountability for faculty responses to identified issues in postgraduate student experience data (complementing an existing strategy for undergraduate coursework data established through the SEG Education Committee).

Divisional teaching strategies: Divisional plans for teaching and learning were presented to the SEG Education Committee for discussion and feedback prior to final agreement of divisional strategic plans.

Identifying teaching and learning strengths: The University developed a new interface for unit of study performance reporting to support wider work on teaching standards. In July 2011 the University took part in the development

phase of the federal government's proposed University Experience Survey, a replacement for the Course Experience Questionnaire (CEQ).

New Business School facilities: A proposal to redevelop the Abercrombie Precinct in Darlington to provide world-class facilities for the Business School received support from external stakeholders including the City of Sydney and the NSW Department of Planning. At the time of writing, a revised proposal was due to be submitted for NSW development approval in March 2012.

STRATEGY 8: DEVELOP A SMALL NUMBER OF MAJOR CROSS-DISCIPLINARY INITIATIVES IN RESEARCH AND EDUCATION

A major focus of the University's Strategic Plan 2011–15 is the project to establish the Centre for Obesity, Diabetes and Cardiovascular Disease (CODCD) as an exemplar of a major program of cross-disciplinary research and education in an area of high social impact. In early 2012, the centre was officially renamed the Charles Perkins Centre (sydney.edu.au/perkins) in honour of an outstanding graduate of the University who embodied the values that underpin the centre. Highlights of progress in 2011 included the following.

Developing strategy and governance models: In 2011, the CODCD developed and refined an initial draft strategy that will inform investment decisions and provide a catalyst for further engagement with the wider University community. Under the University's new management governance arrangements, effective January 2011 (cf Strategy 1, page 26), the CODCD's board of governance is a committee of SEG, chaired by the Vice-Chancellor, with representation from across the University's divisions. The centre has also established a Research Academic Advisory Committee to advise the centre's academic director.

Engagement with the University community: The centre hosted 13 networking and information events in 2011. Topics included biomarkers, e-health and social media, non-communicable diseases, the impact of urban development on human health, corporate social responsibility, and healthy lifestyles.

External engagement: In addition to developing networks within the University, the centre explored external partnership opportunities, such as signing a memorandum of understanding with the Agilent Group to further explore collaboration opportunities in new imaging techniques, epigenetics and biomarkers. Major funding proposals and partnerships are being developed with the CSIRO and the Garvan Institute. With the Heart Research Institute (HRI),

the centre secured \$70,000 in funding from the NSW Office of Science and Medical Research to investigate the business systems and infrastructure needs to support the centre's effective collaboration with the RPA Hospital, HRI and the Centenary Institute.

Community engagement: The centre attracted worldwide media attention in June when a donated Picasso was auctioned at Christie's in London, for which the University received more than \$19 million to fund multiple chairs across several disciplines in the centre. A subsequent Development Office campaign raised more than \$10,000 for summer research scholarships at the centre. As part of a collaborative partnership with Jamie Oliver's Ministry of Food, the centre co-hosted 'healthy cooking' workshops for 300 people in October 2011, in an event opened by the NSW Minister for Mental Health, Healthy Lifestyles and Western NSW, the Hon. Kevin Humphries MP.

Centre building: Preparation of the site for the centre's building, which is supported by the federal government through its Education Investment Fund, began in January 2011. A building contract was agreed with Brookfield Multiplex and the lead architect appointed. The centre also developed an operating model for the building in 2011. Designs for the building's interior spaces will be developed throughout 2012 in consultation with user groups across the University. The building is expected to open in 2014.

Lessons learned from the development of the CODCD will apply to other major cross-disciplinary initiatives during the planning period. Major developments included the following:

Governance and financial arrangements for other University-wide programs: In 2011, the CODCD and Research Portfolio began work with the University's corporate finance team to develop a financial model, based on the University Economic Model, that could apply to other multidisciplinary research facilities. The University aims to agree new financial protocols to support such centres in 2012, and to review their governance structures. CODCD staff also started work with the Research Portfolio to develop a proposal for SEG to support the development of core research facilities within the University. Separately, another working party started work on a discussion paper on performance management and key performance indicators for establishing successful cross-faculty initiatives.

(See under Strategy 6, page 28, for other progress towards strategic investment in research priorities.)

Evaluating existing and future University-wide research and education projects: In line with initiative 8(e) of the strategic plan, a China Studies Centre was established on 1 January 2011 (with a revised governance structure

agreed in February). The centre brings together more than 150 academics across all major academic disciplines to better understand China's impact on the world and Australia. In November, the centre launched the Sydney China Business Forum (see page 14), a major annual initiative to bring together leading Australian and Chinese figures from government, business, finance and industry to discuss challenges and emerging opportunities. In addition, the University developed a business case for a South-East Asian Studies Centre, which will be further discussed in 2012. A revised proposal for the Institute of Sustainable Solutions was agreed in March 2011 and will commence implementation in 2012 under a new director. With regard to initiative 8(f), it is intended that emerging cross-divisional, multidisciplinary, collaborative initiatives in research and research training funded through the new SyReNs scheme (cf Strategy 6, page 28) will form the basis of future major cross-disciplinary programs.

STRATEGY 9: AGREE COORDINATED STRATEGIES FOR IDENTIFYING, DEVELOPING AND SUPPORTING RESEARCH TALENT FROM UNDERGRADUATE STUDENTS TO RESEARCH LEADERS

Researcher induction, training and mentoring: In 2011 SEG approved a new policy outlining the minimum levels of support that the University can make in respect of supervision, induction, training, specific infrastructure support, and development opportunities for all PhD students. Implementation and monitoring will begin in 2012. Also in 2011, a working party analysed the training needs of higher degree by research students as part of work on the Sydney PhD program. SEG endorsed a proposal that each candidate should undertake an annual training needs analysis with their primary supervisor. The student may then undertake formal coursework, workshops, or other training as appropriate.

Guidelines and training for supervisors: A working party of the SEG Research Training Committee focusing on research supervision made a first report with recommendations in November 2011. During 2012 it is planned to consolidate and update policies related to research student supervision, including provision for co-supervision. A 'Foundation of Research Supervision' training course for new supervisors is subject to ongoing review and improvement. During 2011, 83 staff completed the full course. The University also introduced a new mandatory training program for inexperienced supervisors.

Developing research talent: During 2011, Learning Solutions and the Research Portfolio collaborated to deliver the Future Research Leaders Program providing professional development for new and emerging chief investigators.

This included online modules, workshops and face-to-face sessions facilitated by highly respected researchers. Researchers had access to one-on-one, discipline-specific advice on research proposal writing, career development and mentoring support from senior, highly experienced researchers affiliated with the Research Portfolio and embedded in the faculties. 'Research integrity advisers' were appointed to provide expert advice to assist staff with issues regarding the responsible conduct of research.

Joint PhD program: In 2011 the University signed a memorandum of understanding with other Go8 universities for a joint PhD program. The program aims to provide the best possible experience for Go8 higher degree by research students and facilitate collaborative research by actively engaging in joint PhD programs with Go8 partner institutions. PhD students can enrol in joint degrees from 2012.

Improved administration: Following SEG's endorsement in October 2010 of a mandate for the functions of the Graduate Studies Office (GSO), the office took on a number of additional roles in 2011 to improve support for faculties in their quality monitoring and candidature management. Changes included: revised information management systems; coordinating University responses to government, Universities Australia and Go8 requests; coordinating responsibility for candidature management; providing data to support monitoring and improvement of research training and higher degree by research programs. The GSO also now coordinates a network for higher degree research administrators to promote consistent best practice across the University.

Allocating income from research students: A working party under the SEG Research Training Committee reviewed modelling of how funds from the government's Research Training Scheme (RTS) are allocated under the University Economic Model in light of the possible changes to the Sydney PhD and the recommendations of the April 2011 paper 'Research Skills for an Innovative Future', produced by the Department of Innovation, Industry, Science and Research (DIISR). The University also participated in DIISR's 'Full Cost of Research Training' project, which examined the actual costs of research training made under the RTS. A discussion paper was delivered to SEG in conjunction with the Sydney PhD proposal.

STRATEGY 10: PROMOTE INDIGENOUS PARTICIPATION, ENGAGEMENT, EDUCATION AND RESEARCH

Senior leadership: The University appointed Professor Shane Houston as Deputy Vice-Chancellor (Indigenous Strategy and Services) in April 2011 to spearhead the University's efforts to advance Indigenous participation, engagement, education and research (see page 10).

Developing objectives: The University has developed an 'integrated strategy' to address recommendations of the 2009 Review of Indigenous Education. The strategy was endorsed by SEG in early 2012.

STRATEGY 11: ATTRACT AND SUPPORT PROMISING STUDENTS FROM A DIVERSITY OF SOCIAL AND CULTURAL BACKGROUNDS

Continued success in attracting excellence: The University continued to attract some of the top-performing high school students in Australia, leading other NSW universities with 17.2 percent of first preferences among applicants for university entry in March 2011.

Partnerships with schools: The University's Compass program, which aims to change the perceptions of school students from low socioeconomic status (SES) backgrounds about higher education, extended into three new high schools in 2011. The University also developed a partnership with the University of Adelaide to launch the program in Adelaide from 2012. Compass will continue work until at least 2014 following the announcement in late 2011 of a federal government grant of \$21.2 million over three years under the Higher Education Participation and Partnerships Program, which will enable the University to work in partnership with four other Sydney universities.

Partnerships with other organisations: The University continued its partnership with organisations such as the Australian Indigenous Mentoring Experience (which involves the participation of more than 100 University of Sydney student mentors as well as financial support from the University), and the Smith Family (which includes \$90,000 per annum to support Learning for Life scholarships for secondary school students). Compass began a partnership with the Future Directions Network, which encourages young people from less privileged schools or low SES areas of Sydney to engage in tertiary study. The network's director is a current student, who won a University alumni award for his work in 2011 (see page 15).

Targeted student recruitment: Fifty schools in the Sydney metropolitan area were identified for increased student recruitment activities in 2011. More than 600 students from

these schools were supported to attend the University's Open Day, and 207 attended the 'Degree in a Day' event.

Reviewing admissions criteria to widen participation:

The Broadway Program, which supports applicants who have experienced long-term educational disadvantage, was extended to automatically cover all students who attended schools identified as 'low SES'. In addition, the Academic Board endorsed a recommendation to recognise China's National College Entrance Examination (the Gaokao).

Targets to widen participation: The University has agreed targets for each of the academic divisions for recruitment and retention of low SES, Indigenous, rural and remote students for the period of the current strategic plan.

Partnerships in rural NSW: Work took place to implement the 2010 agreement to facilitate entrance for students from a low SES background who have already completed a year of study at the University of New England (UNE). This new 'flexible pathway' begins at UNE in 2012, with students due to arrive at Sydney in 2013. Also in 2011, the Compass program began planning for programs in regional areas, including Broken Hill and Port Macquarie.

Support for students from underrepresented groups:

The University increased the number of scholarships available to first-year students from low SES backgrounds and developed further support for incoming students on the Broadway Scheme.

Support for related staff development activities and resources:

A new 'Widening Participation' grants program was introduced in 2011 to support (i) engagement with schools or communities aimed at widening participation, (ii) implementation and integration of inclusive teaching strategies, and (iii) related research on social inclusion. The grants program is supported by the Widening Participation Scholars network (cf Strategy 3, see pages 26 to 27), a group of academic and general staff involved in social inclusion.

STRATEGY 12: PROVIDE ENHANCED LEARNING OPPORTUNITIES FOR ALL OUR STAFF

Performance management and development (PM&D): As part of work to simplify and better support the University's PM&D needs, SEG approved a new PM&D strategy for academic staff, which is currently being implemented. A new online system was developed and customised to support the new process.

Succession planning, growth opportunities and career development:

A succession planning model was developed and implemented within the Faculty of Engineering and

Information Technologies and is being implemented within the Division of Natural Sciences ahead of a planned roll-out across the University. The University also launched a General Staff Travelling Scholarship to provide general staff with learning and professional development opportunities in an international environment.

STRATEGY 13: PRIORITISE INTERNATIONAL ENGAGEMENT ON A REGIONAL BASIS TO SUPPORT THE EFFECTIVE DEVELOPMENT OF UNIVERSITY-WIDE PARTNERSHIPS AND NETWORKS

Focusing overseas engagement: Supported by detailed business plans and activities in the Sydney World Program (see below), the University pursued its international engagement efforts through a wide range of onshore and offshore events in priority countries/areas as identified in initiative 13(a) of the strategic plan. High-level University delegations included a visit to China for meetings with government, research collaborators, alumni, media and a graduation ceremony. International student recruitment activity was also targeted accordingly. See pages 64 to 65 for more information on overseas promotional and student recruitment activity in 2011. The University's International Program Development Fund funded 54 research projects.

Developing business plans for international engagement:

A business plan for the University's international strategy 2011–15 was developed and can be downloaded from an internal University website as a series of booklets detailing plans for each region, as well as for initiatives such as the Sydney World Program. As recorded under Strategy 8 (pages 29 to 30), the University developed a business case for a South-East Asian Studies Centre.

Events to support international engagement: In 2011 the University's VIP visits program coordinated 86 official recorded visits (excluding individual faculty visits and roundtables), welcoming senior government and academic leaders from 34 different countries. Highlights of the University's International Forum Series (which brings together intellectual, political and industry leaders from around the world to exchange views on strategic international priorities) included forums on India, Africa (attended by the federal Foreign Minister), the OECD (attended by the OECD Deputy Secretary-General) and other areas. (See Strategy 5, page 28, for details of the World Fellows Program in 2011.) The International Leaders Program (relaunched in 2011 under a new banner) developed customised international leadership, exchange and public diplomacy programs for public bodies in a number of countries, including China and South Korea.

International communications program: Communications material (including targeted newsletters and booklets) was produced to support University delegations and activity in India, North and South America, Europe, the Middle East and China. This included a series of videos showcasing the University's research strengths for distribution to key contacts in Europe, and newsletters and public relations activity to support overseas delegations (including the senior delegation to China).

STRATEGY 14: DEVELOP AND IMPLEMENT A COORDINATED UNIVERSITY-WIDE FRAMEWORK FOR LOCAL AND RURAL COMMUNITY ENGAGEMENT

Community engagement through education and research:

During 2011 the University met with Broken Hill city councillors to discuss deeper collaboration between the University and the Broken Hill community, including building on existing links across faculties (each year 450 students undertake 17,000 hours of health-related placements in Broken Hill) by developing further learning opportunities and research collaboration. New initiatives are already being put in place by the Business School and the Faculty of Education and Social Work.

Marketing and communications: In August 2011 SEG approved a University Marketing Strategy, developed by marketing and communications staff across the University, which aims to improve stakeholder understanding of the University's mission, goals and messages.

STRATEGY 15: DEEPEN OUR ENGAGEMENT WITH A SUPPORTIVE NETWORK OF ALUMNI AND FRIENDS

Philanthropic support: In 2011 the University experienced its most successful year of philanthropic activity, boosted by the London auction of a donated Picasso (see page 10). Other major gifts included two gifts of \$5 million (for a Chair in Nanoscience within the School of Physics, and for a building program relating to Lifehouse via the Faculty of Medicine). Another gift of \$2 million was made towards a Chair in Prostate Cancer Research. Planning progressed throughout 2011 towards the launch of a University-wide fundraising campaign: a campaign adviser was appointed, and the identification of campaign priorities is underway. Also during 2011, the University developed a new Gift Administration Policy, which came into effect in early 2012. Among other things, the new policy sets out how the University should meet its obligations as a custodian of gifts.

University-wide volunteer programs: A management, training and recognition program was established for over 800 alumni volunteers. It is planned to extend this program across the University in 2012, providing support for an additional 30 faculties/units engaged in volunteer activities.

Alumni loyalty programs: Four new alumni loyalty programs were established in 2011, aimed at instilling a strong sense of connection among key University supporters, and encouraging ambassadorial and philanthropic support.

Alignment of international and alumni strategies: An International Alumni Taskforce was established, bringing together the Alumni Council and International Portfolio, to maximise the benefit of relationships with alumni groups and galvanise a growing worldwide network of supporters.

Management of events and public programs: The University developed and launched a new calendaring system to provide a central source of information for events occurring around the University. With over 1000 events each year, the new system has numerous benefits for staff, students and external audiences, mostly in relation to ease of use, clarity, and improved customer experience and functionality.

STRATEGY 16: REFINE AND APPLY THE NEW UNIVERSITY ECONOMIC MODEL TO ENSURE GREATER TRANSPARENCY IN RESOURCE AND COST ALLOCATION AND SUPPORT STRATEGIC DECISION-MAKING

Improved financial transparency: The new University Economic Model (UEM) (see page 25) for the allocation of budgets to academic units and central portfolios was used to prepare the University's 2012 budget, which was approved by Senate in December. A transitional process to the UEM was introduced as part of the five-year planning cycle to ease the adjustment of academic units to the UEM's implications.

Alignment of budget allocation to new University structure: The 2012 budget review was negotiated with faculties in divisional groupings, and progress against the budget was reported to SEG in line with the strategic plan objective to charge each divisional board with accountability to SEG for budget allocations to faculties in the division.

STRATEGY 17: SYSTEMATICALLY REVIEW ARRANGEMENTS FOR THE PROVISION OF ADMINISTRATIVE AND PROFESSIONAL SERVICES

Review governance: The University Services Steering Committee was established in line with initiative 17(a) of the strategic plan to review arrangements for the provision of professional services. The committee's initial focus was on marketing, student recruitment and student administration. A detailed report on the committee's operation and achievement was submitted to Senate in December 2011.

Information gathering: To maximise the effectiveness of the proposed review, service providers and service recipients (such as deans, heads of school and faculty managers) began work to reach a shared understanding of the current delivery of services (eg finance, human resources, marketing, student recruitment, student administration, and information and communications technology), and to agree a new service delivery model (including benchmarking against other universities), based on user needs and expectations.

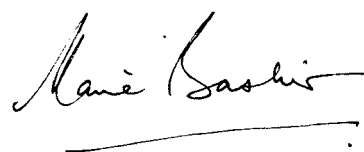
MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

None as at 19 March 2012.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

As at 19 March 2012, there were no developments of significance since the end of 2011.

This report is made in accordance with a resolution of the Senate on 19 March 2012.



Her Excellency Professor Marie Bashir AC CVO
Chancellor

ACADEMIC BOARD

The principal responsibility of the Academic Board is to safeguard the academic freedom of the University and maintain the highest standards in teaching, scholarship and research.

An elected body, the Academic Board reports to Senate and provides advice to Senate and the Vice-Chancellor on all academic matters, including their relation to the University's strategic priorities and policies, the conditions of appointment and employment of academic staff, and the maintenance of academic standards.

The Academic Board is supported by committees in specialised areas to ensure that ongoing consideration is given to key issues. These committees are the Academic Standards and Policy Committee, the Admissions Committee, the Graduate Studies Committee and the Undergraduate Studies Committee. Each committee is made up of faculty representatives appointed by the Academic Board. People with expertise in the focus areas of each committee are also invited to participate. Terms of reference for all committees were revised in late 2011.

Much of the Academic Board's work in 2011 is reflected in the review of operations on pages 26 to 34. Other highlights are recorded below.

COURSE CHANGES

In 2011, the Academic Board approved five new undergraduate courses and 18 new postgraduate courses. A wide range of courses were revised, and 22 were discontinued.

POLICIES

Much of the Academic Board's policy work in 2011 focused on continued development of an appropriate policy framework for the new 'Sydney Student' system (see page 27). In addition to introducing a template for 'plain English' resolutions for research courses, the Academic Board also approved the *University of Sydney (Higher Degree by Research) Rule 2011* and the Assessment Policy 2011 and associated procedures.

Other policy initiatives and amendments in 2011 included:

- endorsing the new Academic Dishonesty and Plagiarism in Coursework Policy for approval by the Vice-Chancellor
- amending the Academic Promotions Policy following a review of processes
- amending the Admission to Undergraduate Courses Policy and *University of Sydney (Amendment Act) Rule 1999* (as amended) to allow recognition of China's National College Entrance Examination for admission purposes.

ACADEMIC QUALITY ASSURANCE

The Academic Board oversees a review process of faculties which aims to encourage an academic culture that values scholarship, free enquiry and intellectual rigour and honesty, and in turn supports the development and maintenance of high standards of teaching, scholarship and research.

In 2011 the Academic Board concluded its third cycle of reviews of faculties' academic activities. All 16 faculties took part in that cycle, which commenced in 2007, with a self-evaluation report at the core of each faculty's review.

The third cycle was modelled on the Education Criteria for Performance Excellence 2007 in the Baldrige National Quality Program, and focused on how to build and maintain cultures and processes that lead to and maintain continuous quality improvement. This ensured that the Academic Board reviews both complemented other performance management activities in which faculties were engaged, and supported faculty activities pursuing academic quality.

The framework for the fourth cycle of reviews is currently under development as a joint project between the Academic Board and the Provost. This collaboration between the University's academic and management leadership will provide an opportunity to align the next cycle of reviews with the current focus in the higher education sector on quality and standards.

More information about the membership, terms of reference and activities of the Academic Board can be found at sydney.edu.au/ab

MANAGEMENT

The University is a diverse community that values the views and opinions of its members; it is strengthened and enhanced by a management decision-making and governance system that reflects this diversity.

The Vice-Chancellor is the principal administrative officer, or chief executive, of the University. In this role, he brings together the views of faculty and administration and ensures that all decisions are made in the light of faculty needs using sound business expertise and decision-making. The performance of the Vice-Chancellor is managed by the Senate's Human Resources Committee, as explained further in the section on executive performance.

The Vice-Chancellor has line management responsibility for a number of deputy vice-chancellors who, with him, comprise the University's executive team. Directors of strategic administrative areas within the University also report into the Vice-Chancellor. In addition, the Vice-Chancellor is supported in his performance of statutory and customary duties by a team of staff who take responsibility for a number of specific areas of activity assigned by tradition or regulation to the Vice-Chancellor. These staff also work closely with other members of the senior executive in support of their portfolio responsibilities. For more detail, see the management organisation chart on page 41.

For further information about senior management, see sydney.edu.au/about/leadership

SENIOR EXECUTIVE GROUP

The authority vested by the statutes of the University in the person of the Vice-Chancellor is exercised through the University's Senior Executive Group (SEG). Operating within a context set by the Senate, the Senate's rules and in particular its delegations of decision-making authority to officers of the University, SEG's terms of reference are to:

- oversee the implementation of the University's strategic plan
- account to Senate for the financial and academic viability and sustainability of the University
- protect and enhance the position and reputation of the University
- oversee performance monitoring and improvement, regulatory compliance and quality assurance processes
- maintain the University's risk register and ensure appropriate risk mitigation within the context of the overall Risk Framework
- oversee the University's curriculum, teaching, research and research training, in conjunction with the Academic Board
- oversee the University's human resources management and capability planning
- review the University's budget prior to its presentation for Senate approval
- prioritise digital and physical infrastructure projects
- oversee, in conjunction with the Academic Board, the programs of faculty reviews conducted jointly by the Curriculum Committee and the Academic Board
- review and approve SEG committee and divisional board recommendations regarding policies, procedures, programs and initiatives
- negotiate compacts with divisions regarding their research and teaching excellence strategies.

SEG met fortnightly in 2011. Its membership comprised the Vice-Chancellor (chair), all deputy vice-chancellors, the Chair of the Academic Board, proportional representation of each of the seven academic divisions (including the dean of each of the University's 16 faculties), the Director of Human Resources and the Chief Financial Officer. A number of senior members of staff routinely attended SEG meetings to assist it with the conduct of its business and with the communication and implementation of its decisions.

SEG's decision-making is underpinned by a number of committees and divisional boards that undertake detailed analysis and planning in particular areas of expertise and interest. The work of these committees and divisional boards intersects at many points.

The review of operations on pages 26 to 34 provides an overview of the University's progress towards its strategic objectives in 2011.

SEG COMMITTEES

The SEG committees focus on key University-wide themes, such as education and research training, finance and infrastructure, and curriculum and course planning. They provide expert, high-level strategic advice to SEG, and engage SEG members, along with other experts, in the detailed preparation of matters for SEG consideration.

In 2011, there were 15 SEG committees:

- Alumni, Development and Marketing Committee
- Centre for Obesity, Diabetes and Cardiovascular Disease (CODCD) Committee
- Colleges Consultative Committee
- Community Engagement Committee
- Curriculum and Course Planning Committee
- Education Committee
- Finance and Infrastructure Committee
- Human Resources and Equity Committee
- Indigenous Strategy and Services Committee
- Information and Cultural Resources Committee
- International Committee
- Research Committee

- Research Training Committee
- University Services Steering Committee
- Work Health and Safety Committee

DIVISIONAL BOARDS

The SEG divisional boards are charged with detailed strategic planning, portfolio analysis, and educational and research reform for groups of cognate faculties. Their focus is not on University-wide strategies, but on the particularities of diverse educational and research communities.

In 2011, the divisional boards were composed as follows:

- Division of Architecture and Creative Arts (*Faculty of Architecture, Design and Planning, Sydney College of the Arts, Sydney Conservatorium of Music*)
- Division of Business (*The University of Sydney Business School*)
- Division of Engineering and Information Technologies (*Faculty of Engineering and Information Technologies*)
- Division of Health Sciences (*Faculty of Health Sciences*)
- Division of Humanities and Social Sciences (*Faculty of Arts and Social Sciences, Faculty of Education and Social Work, Faculty of Law*)
- Division of Medicine, Dentistry, Nursing And Pharmacy (*Faculty of Dentistry, Faculty of Nursing and Midwifery, Faculty of Pharmacy, Sydney Medical School*)
- Division of Natural Sciences (*Faculty of Agriculture, Food and Natural Resources, Faculty of Science, Faculty of Veterinary Science*)

More information about the membership and terms of reference of SEG and its committees is available at sydney.edu.au/senior_executive_group

QUALITY ASSURANCE AUDIT

In 2011, the University was audited by the Australian Universities Quality Agency (AUQA). Under the AUQA process, an external panel assessed whether the University had sufficient quality assurance and improvement processes to set achievable goals and monitor its own progress.

The final report on the 2011 audit was published in February 2012 by the new Tertiary Education Quality and Standards Agency (TEQSA), which has subsumed the responsibilities and functions of AUQA.

The report was extremely positive, and recognised the significant change at the University since the previous AUQA audit in 2004, including the establishment of the new governance and management structures described above, and changes to the Academic Board in 2009. The summary of the audit findings report said: “The new structures have successfully incorporated broader academic input into University decision-making and they promote evidence-led reform, mutual accountability and transparency.”

In all, the University received 18 commendations relating to the achievement (or progress towards the achievement of) its stated goals, 7 affirmations and 11 recommendations for action, which mostly related to areas already subject to review or reform as part of the University’s Strategic Plan 2011–15. In particular, the University was commended for its strategic embrace of, and broad engagement with, Indigenous matters as evidenced by recent growth in Indigenous employment, the appointment of a Deputy Vice-Chancellor (Indigenous Strategy and Services), the attention given to Indigenous matters in areas such as health, and its commitment to forging links with international Indigenous communities.

The final audit report is available in PDF form (2MB) on the TEQSA website: www.teqsa.gov.au/sites/default/files/auditreport_usyd_2012.pdf

INTERNAL REVIEWS

The University has in place a range of review and internal audit systems to facilitate the achievement of its strategic plan and to protect it from unnecessary risk.

The Academic Board oversees a review process of faculties’ academic activities (see page 35), while the Audit and Risk Management (ARM) unit conducts audits that have a financial and administrative focus, and that assess compliance with rules, procedures and controls.

In 2011, ARM completed final reports for audits in 17 areas of the University, and draft reports for a further four. Another audit remained in progress. ARM also finalised six reviews to assess the efficiency and effectiveness of an operation from a management and administrative perspective. Draft reports were issued for another two reviews, and another remained in progress at year-end. ARM also completed two information systems audits, to assess the pre- and post-implementation phases of developing information systems and to assess associated issues (such as security and environment).

ARM reports to the Finance and Audit Committee of Senate in respect to its audit activities. During 2011 the audit reports issued by ARM included approximately 350 recommendations. By the end of 2011 University management had had the opportunity to assess 323 of those recommendations, of which 310, or 96 percent, were accepted. The 13 recommendations that were not accepted were minor in nature, and ARM accepted the view of management in each case.

EXECUTIVE PERFORMANCE

The University's management is led by an executive team, comprising the Vice-Chancellor and deputy vice-chancellors. The Senate's Human Resources Committee (see pages 20 to 21) reviews the performance and determines the remuneration of the Vice-Chancellor, and also reviews and approves the Vice-Chancellor's recommendations in relation to the remuneration, terms of employment and performance assessment of his direct reports, which include the deputy vice-chancellors.

The following section summarises the performance of the executive team in 2011, drawing on material submitted to and approved by the Senate Human Resources Committee on 16 April 2012. It includes a report of bonus payments made in recognition of executive performance in 2011. More information about the matters referred to below is provided in the review of operations on pages 26 to 34.

OVERALL ACHIEVEMENTS AND PERFORMANCE ASSESSMENT

2011 was a difficult year in which the University began to address the unsustainability of its underlying cost structure. Nevertheless, substantial advances were made in the implementation of the Strategic Plan 2011–15. The revised governance structure in the establishment of academic divisions and committees of the Senior Executive Group (SEG) was achieved. The curriculum renewal process pilot began in four faculties. Two elements of the Sydney Student program went live, relating to web-based student enquiries. The University hosted many distinguished international visitors, most notably United Nations Secretary-General His Excellency Ban Ki-moon. The Learning Space Networks and Virtual Desktop projects began to roll out. The University appointed the first Deputy Vice-Chancellor (Indigenous Strategy and Services). As well as such achievements and strategic innovations, the University participated in the first Excellence in Research for Australia (ERA) exercise and the Australian Universities Quality Agency (AUQA) audit with notable success.

Vice-Chancellor and Principal

Dr Michael Spence
BA LLB *Sydney* DPhil PGDipTheol *Oxf*

Remuneration \$744,143 Performance bonus \$167,432
This remuneration figure includes use of a residence owned by the University. The residence is required to be available and is used regularly for official University functions and promotional activities.

In the first year of the University's new strategic plan, Dr Spence oversaw embedding of the new divisional structure and the process of negotiating divisional and faculty plans and compacts. He successfully concluded negotiation with the federal government of the University's first full mission-based compact and received a most positive report on the AUQA quality audit of the University, which focused particularly on research and research training, and internationalisation. The China Studies Centre was established and hosted the inaugural Sydney China Business Forum, attended by leading figures from Australia and China in the fields of government, business, finance and industry. The new centre for education and research in obesity, diabetes and cardiovascular disease, now named as the Charles Perkins Centre, was strengthened by a significant share of the more-than \$19 million received from the sale of Picasso's *Jeune fille endormie*. This was part of \$79.4 million received in philanthropic support during 2011, a record for an Australian university.

Provost and Deputy Vice-Chancellor

Professor Stephen Garton
BA *Sydney* PhD *UNSW*, FAHA FASSA FRAHS

Remuneration \$540,799 Performance bonus \$82,000
Professor Garton led the reform of the academic governance structures through the establishment of the academic divisions and, through the Curriculum and Course Planning Committee, developed the new course review and renewal process. He led the development of new policies in staffing, academic titles and gift management and was line manager of the deans of faculty. During 2011 Professor Garton managed the recruitment of new deans of the Sydney Conservatorium of Music and the University of Sydney Business School and the executive director of the China Studies Centre.

Deputy Vice-Chancellor (Education) and Registrar

Professor Derrick Armstrong
BA Lond MA PhD *Lanc*

Remuneration \$456,300 Performance bonus \$50,000

Professor Armstrong led a review of learning and teaching spaces, progress towards the completion of new 'learning hubs' in the Carslaw and PNR buildings and began the roll-out of the 'Virtual Desktop' project. He established the collaborative alliance with the University of New England in the Pathways program and further expanded the Compass program to encourage, support and recruit students from high schools in low socioeconomic status areas. Jointly with the Provost and through the SEG Curriculum and Course Planning Committee he established a new course approval process to ensure new courses are consistent with the University's strategic direction.

Deputy Vice-Chancellor (Indigenous Strategy and Services)

Professor Shane Houston
PhD *Curtin*

Remuneration \$400,000 Performance bonus \$41,250
Professor Houston joined the University in April 2011, hence his bonus is pro-rated at 75 percent.

Professor Houston was appointed as the first Deputy Vice-Chancellor (Indigenous Strategy and Services) and rapidly established his office as a source of support, advice, guidance and innovation in the area of Aboriginal and Torres Strait Islander strategic policy, research and education, and community engagement. He developed and gained support for an 'integrated strategy' to guide, expand and improve the University's recruitment and retention of Aboriginal and Torres Strait Islander students and staff and grow our research partnerships with Aboriginal and Torres Strait Islander communities and organisations to reposition Indigenous issues as integral to the University's core business.

Deputy Vice-Chancellor (International)

Professor John Hearn
MSc *University College Dublin* PhD *ANU*

Remuneration \$523,106 Performance bonus \$50,000

Professor Hearn continued to represent the University in many quarters both overseas and at home. This strengthened the University's relationships, in particular with international organisations (including the United Nations Educational, Scientific and Cultural Organization, the Organisation for Economic Cooperation and Development, the World Health Organization, the Asian Development Bank, and the World Bank), the federal Department of Foreign Affairs and Trade, and the World Universities Network (of which he is the Chief Executive). As well, Professor Hearn's International Portfolio developed action plans focused on specific regions and countries to guide the University's broader international engagement.

Deputy Vice-Chancellor (Research)

Professor Jill Trewhella
MSc *UNSW* PhD *Sydney*, FAAAS FNSSA FRSNSW

Remuneration \$456,300 Performance bonus \$64,000

Professor Trewhella led negotiations to agree compacts in research support with each of the faculties and divisions to establish greater transparency in decision-making and enable the funds from block-funding schemes and program levies to be better focused on faculty and University strategic priorities. In addition, she was able to formalise the University's relationships with the various medical research institutes with which so much of our medical research is inextricably linked. She led the preparation of the University's submissions for the ERA exercise, supported by the Research Analytics and Data Strategy group, and refocused the Research Portfolio teams to deliver more comprehensive and better integrated research support services.

Deputy Vice-Chancellor (Strategic Management) CEO, Centre for Continuing Education and Sydney Learning Pty Ltd

Professor Ann Brewer
BA *Macquarie* MCom PhD *UNSW*

Remuneration \$443,728 Performance bonus \$61,000

Professor Brewer continued to coordinate the University-shared 'Work Slate' of reform projects, coordinated the substantial University-wide audit under AUQA, and continued the crucial reorganisation of the University's administration as Chair of the University Services Steering Committee.

UNIVERSITY OFFICERS AND ORGANISATIONAL CHART

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Chair: Professor Colin Rhodes

FACULTY OF ARCHITECTURE, DESIGN AND PLANNING

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SYDNEY CONSERVATORIUM OF MUSIC

Professor Kim Walker
Premier Prix de Virtuosité *Conservatoire de Music de Genève*

DIVISION OF BUSINESS

Chair: Professor Gwynnyth Llewellyn

THE UNIVERSITY OF SYDNEY BUSINESS SCHOOL

Professor Tyrone Carlin (acting)
MCom *UNSW* LLM *Sydney* PhD *Macquarie*, GradDipFin *SIA*, CA CPA FFin MFP

DIVISION OF ENGINEERING AND INFORMATION TECHNOLOGIES

Chair: Professor Tyrone Carlin

FACULTY OF ENGINEERING AND INFORMATION TECHNOLOGIES

Professor Archie Johnston
PhD *H-W*, FTSE FIEAust EngExec FICE FAICD

DIVISION OF HEALTH SCIENCES

Chair: Professor Archie Johnston

FACULTY OF HEALTH SCIENCES

Professor Gwynnyth Llewellyn
BA MEd *UNE* PhD *Sydney* DipContEd *UNE* DipOT *NSWColIOT*

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Chair: Professor Gillian Triggs

FACULTY OF ARTS AND SOCIAL SCIENCES

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BA *McGill* MSc PhD *LSE*

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LLB *Melbourne* LLM *SMU* PhD *Melbourne*

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Chair: Professor Bruce Robinson

FACULTY OF DENTISTRY

Professor Chris Peck
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MD BS MSc *Sydney*, FRACP

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BEd *SCAE* MEd *Sydney* PhD *Adelaide* AssDipNEd *Cumb*, RN RM

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Professor Iqbal Ramzan
MSc PhD *Sydney* DipPharm *CIT(NZ)*, MPS

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Chair: Professor Trevor Hambley

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Professor Mark Adams
BSc PhD *Melbourne*

FACULTY OF SCIENCE

Professor Trevor Hambley
BSc *UWA* PhD *Adelaide*, FRACI CChem

FACULTY OF VETERINARY SCIENCE

Professor Rosanne Taylor
BVSc DipVetClinStud PhD GradCertHighE *Sydney*



STUDENT STATISTICS

AS AT 31 MARCH 2011

UNDERGRADUATE ENROLMENTS BY ATTENDANCE AND GENDER

ATTENDANCE	GENDER	ENROLMENTS
Full time	Women	16,389
	Men	12,493
Part time	Women	2050
	Men	1461
Total undergraduate		32,393

POSTGRADUATE ENROLMENTS BY ATTENDANCE AND GENDER

ATTENDANCE	GENDER	ENROLMENTS
Full time	Women	5223
	Men	3794
Part time	Women	4435
	Men	3175
Total postgraduate		16,627

POSTGRADUATE ENROLMENTS BY COURSE LEVEL

COURSE LEVEL	ENROLMENTS
Cross-institutional postgraduate	26
Doctorate (coursework)	80
Doctorate (research)	3464
Graduate certificate	707
Graduate diploma	1151
Higher doctorate	2
Master's (research)	876
Master's (coursework)	10,012
Non-award (PG)	309
Total postgraduate	16,627

ENROLMENTS BY FACULTY OF COURSE REGISTRATION AND COURSE LEVEL

FACULTY	POSTGRADUATE	UNDERGRADUATE	TOTAL
Agriculture, Food and Natural Resources	124	488	612
Architecture, Design and Planning	658	570	1228
Arts and Social Sciences	2031	7128	9159
Business (Business School)	3305	3861	7166
Dentistry	108	421	529
Education and Social Work	985	2061	3046
Engineering and Information Technologies	1258	3387	4645
Health Sciences	1516	3013	4529
Koori Centre	7	53	60
Law (Sydney Law School)	1856	758	2614
Medicine (Sydney Medical School)	2105	1176	3281
Nursing (Sydney Nursing School)	505	645	1150
Pharmacy	250	1088	1338
Rural Management	4	7	11
Science	1221	4856	6077
Special programs	85	692	777
Sydney College of the Arts	243	550	793
Sydney Conservatorium of Music	195	694	889
Veterinary Science	171	945	1116
Total enrolments	16,627	32,393	49,020

* Special programs includes enrolments in Exchange Program, Study Abroad Program and Summer School only.

Student enrolment, student load and human resource figures included in this publication are based on a reference date of 31 March 2011. This is the data currently used to inform the University's institutional targets.

Source: Planning and Information Office

STUDENT FEEDBACK AND CONSUMER RESPONSE

STUDENT FEEDBACK

During 2011 the quality of teaching across the University, as judged by feedback from students, rose to its highest level since the University began collecting data on students' perceptions of their teaching and learning experience in 1999.

Results from the 2011 Student Course Experience Questionnaire showed that almost 50 percent of undergraduate students agreed or strongly agreed that they had experienced good teaching in their degree. For the first time since data collection began, less than 20 percent of students disagreed or strongly disagreed that they had experienced good teaching. The overall percentage of students agreeing has risen 10 percent since 1999.

Postgraduate coursework students reported a similar increase in agreement in relation to good teaching (to 57 percent) and decrease in disagreement (to 15 percent). Since 2000, postgraduate agreement scores have risen by 11 percent and disagreement scores have fallen by 9 percent.

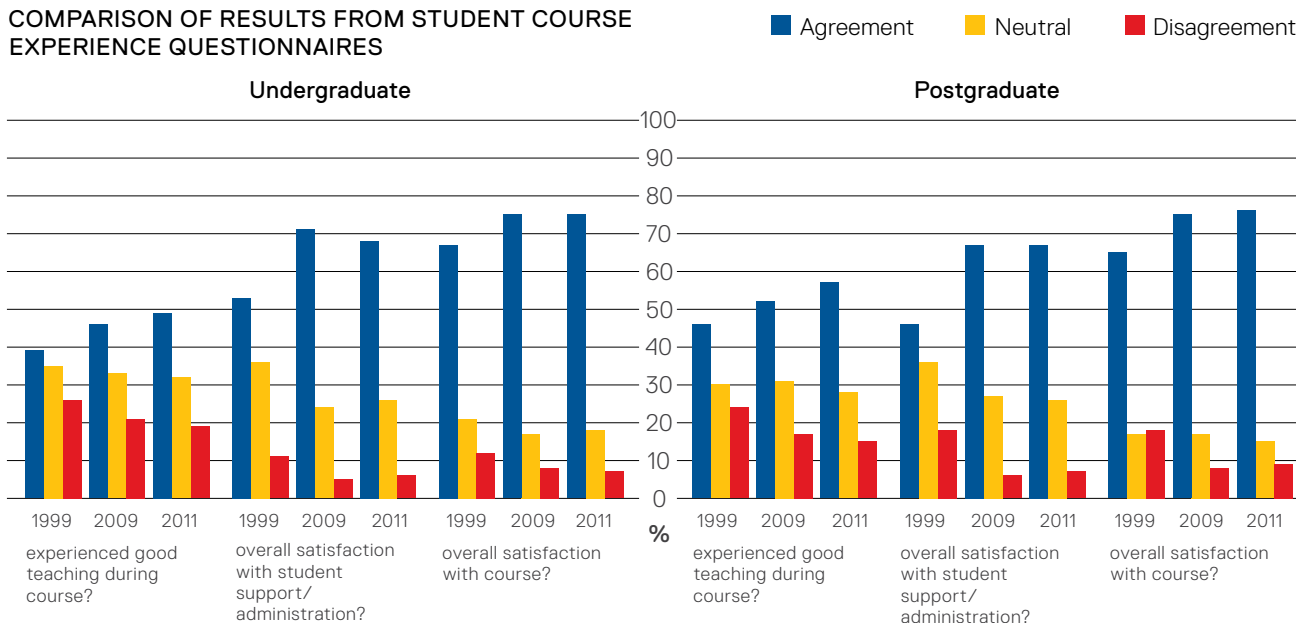
Teaching excellence at unit of study level is present across the University. In 2011 there were units in five faculties where more than 95 percent of students agreed/strongly agreed that they had high-quality learning experiences on all key learning indicators. These included large postgraduate courses in the Business School and large Arts and Science undergraduate units, as well as small classes and postgraduate niche offerings.

CONSUMER RESPONSE

There were 28 complaints to the Vice-Chancellor's Office in 2011 from students, staff and other people external to the University. Of these, nine were resolved by the provision of further explanation, information or an apology; seven were referred to established appeals processes; three led to the amendment of an administrative process or outcome; four were withdrawn following mediation and five were dismissed following investigation and assessment on the basis of established University policy and accepted community standards.

The majority of complaints (nine) were about alleged staff misconduct or standards of service; five alleged discrimination (of which three were withdrawn and the other two referred to formal processes for resolution), three related to public comment by academics; and two each to teaching standards, parking and noise; one each to disputed academic assessment, plagiarism and admission to a course. The remaining two complaints related to other miscellaneous matters.

COMPARISON OF RESULTS FROM STUDENT COURSE EXPERIENCE QUESTIONNAIRES



HUMAN RESOURCES

INDUSTRIAL RELATIONS POLICIES AND PRACTICES

During 2011, the University's Human Resources (HR) team continued to monitor the implementation of the University of Sydney Enterprise Agreement 2009–2012. This included ongoing consultation with the Management and Staff Consultative Committee (MSCC), which was initiated through the agreement.

Managing excess annual leave

Significant consultation took place to manage the University's excess annual leave liability. Through fostering a workplace culture where annual leave planning was integrated into workload planning, the University achieved significant reductions in excess annual leave balances. The combined efforts of managers and staff resulted in an 86 percent reduction in the number of hours of 'unmanaged' excess annual leave and a 56 percent reduction in the number of staff with excess annual leave balances.

Casual academic staff

Under Clause 60 of the enterprise agreement, 'Employment conditions applicable to casual academic staff only', the University made an undertaking to annually review the incidence of casual academic employment within each faculty. It aimed to identify situations where more than 5 percent of face-to-face teaching at Level B or higher was being undertaken by academic casual staff (excluding staff who were students or who had other primary occupations).

In March 2011, HR reported to the MSCC that on average 2.32 percent of face-to-face teaching at Level B and above was undertaken by academic casual staff (excluding staff who were students or who had other primary occupations). Only two faculties recorded percentages of 5 percent or higher. The incidence of casual academic employment in these two faculties is being monitored.

Availability of information

During 2011, the HR website was further developed to provide staff and managers with easy access to information about the University's employment provisions, procedures and forms.

HUMAN RESOURCES POLICIES AND PRACTICES

HR policy review and development continued throughout 2011 in response to strategic initiatives and legislative change.

- A new External Interests Policy came into effect. The policy recognises that staff and affiliates engage in a wide variety of external activities, and considers these are in the public interest and of benefit to the University and

the individuals involved. The policy provides for staff to declare their external interests, which then allows executive supervisors to determine if there is any actual, potential or perceived conflict of interests with the staff member's role at the University.

- A new Smoke-Free Environment Policy was approved, following extensive consultation with staff, students and other members of the University community. The policy bans smoking on University campuses in all but a few discrete locations from early 2012. This initiative supports the University's aim of ensuring the health and wellbeing of its staff, students, affiliates and visitors.
- Updates were made to policies regarding parental leave, visa and work rights, recruitment and selection, flexible salary packaging, and outside earnings. In addition a new policy was introduced to facilitate conversion from fixed-term to continuing employment.
- Following widespread consultation, SEG approved a new performance management and development (PM&D) system for academic staff, which will be rolled out in 2012. Consultation, development and implementation of a new PM&D system for general staff will also take place in 2012.

Other HR initiatives included the introduction of a new competitive travelling scholarship to provide general staff with learning and professional development opportunities in an international environment. Scholarship recipients travel to international universities to benchmark best practice and investigate innovative approaches to policies, systems, and procedures. The professional experience and exposure to new ways of doing things is invaluable both to the individual and to the University.

Finally, an online exit survey was introduced to provide feedback from staff and to contribute to the development of HR attraction, retention and workforce planning strategies.

EQUAL EMPLOYMENT OPPORTUNITY

See pages 48 to 51.

OCCUPATIONAL HEALTH AND SAFETY

See pages 54 to 55.

STAFF STATISTICS

AS AT 31 MARCH 2011

STAFF LEVEL AND SALARY RANGES AS AT 31 MARCH 2011

ACADEMIC STAFF		GENERAL STAFF	
Level E & above	\$159,906+	HEO 10 & above	\$103,212+
Level D	\$124,138 – \$136,757	HEO 9	\$96,556 – \$101,881
Level C	\$103,099 – \$118,880	HEO 8	\$83,259 – \$93,898
Level B	\$84,165 – \$99,944	HEO 7	\$74,386 – \$81,039
Level A	\$58,915 – \$79,950	HEO 6	\$67,734 – \$73,054
		HEO 5	\$58,865 – \$65,959
		HEO 4	\$54,430 – \$57,535
		HEO 3	\$47,779 – \$53,099
		HEO 2	\$45,560 – \$46,891
		HEO 1 & below	<=\$44,229

COMBINED TOTALS OF ACADEMIC AND GENERAL STAFF POSITIONS 2011 BY APPOINTMENT TERM AND GENDER (SHOWN AS A PERCENTAGE)

APPOINTMENT TERM	WOMEN (%)	MEN (%)
Continuing	53	47
Fixed term	57	43
Total	55	45

GENERAL STAFF POSITIONS 2011 BY APPOINTMENT TERM, LEVEL AND GENDER (SHOWN AS A PERCENTAGE)

APPOINTMENT TERM	WOMEN (%)	MEN (%)
Continuing		
HEO 10 & above	52	48
HEO 9	47	53
HEO 8	50	50
HEO 7	65	35
HEO 6	66	34
HEO 5	71	29
HEO 4	65	35
HEO 3	40	60
HEO 2	51	49
HEO 1 & below	100	0
Subtotal	60	40
Fixed term		
HEO 10 & above	36	64
HEO 9	64	36
HEO 8	66	34
HEO 7	67	33
HEO 6	71	29
HEO 5	74	26
HEO 4	80	20
HEO 3	81	19
HEO 2	60	40
HEO 1 & below	33	67
Subtotal	68	32
Total general	63	37

ACADEMIC STAFF POSITIONS 2011 BY APPOINTMENT TERM, LEVEL AND GENDER (SHOWN AS A PERCENTAGE)

APPOINTMENT TERM	WOMEN (%)	MEN (%)
Continuing		
Level E & above	24	76
Level D	37	63
Level C	47	53
Level B	52	48
Level A	57	43
Subtotal	42	58
Fixed term		
Level E & above	18	82
Level D	36	64
Level C	51	49
Level B	55	45
Level A	51	49
Subtotal	46	54
Total academic	44	56

COMBINED TOTALS OF ACADEMIC AND GENERAL STAFF POSITIONS 2008–11 BY APPOINTMENT TERM AND GENDER

	2008			2009			2010			2011		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing	1882	1681	3563	1955	1754	3709	2023	1793	3816	1989	1772	3761
Fixed term	1638	1178	2816	1813	1332	3145	1894	1336	3230	1853	1392	3245
Total	3520	2859	6379	3768	3086	6854	3917	3129	7046	3842	3164	7006

ACADEMIC STAFF POSITIONS 2008–11 BY APPOINTMENT TERM, LEVEL AND GENDER

	2008			2009			2010			2011		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing												
Level E & above	53	203	256	57	205	262	65	202	267	69	215	284
Level D	67	150	217	75	153	228	86	176	262	103	177	280
Level C	213	240	453	220	257	477	219	255	474	224	250	474
Level B	244	202	446	237	209	446	225	199	424	208	193	401
Level A	38	16	54	36	17	53	34	21	55	26	20	46
Subtotal	615	811	1426	625	841	1466	629	853	1482	630	855	1485
Fixed term												
Level E & above	20	112	132	32	136	168	37	162	199	40	187	227
Level D	34	62	96	42	74	116	46	74	120	50	90	140
Level C	85	101	186	99	100	199	114	108	222	114	110	224
Level B	222	207	429	236	211	447	234	215	449	244	201	445
Level A	280	247	527	308	276	584	337	258	595	303	296	599
Subtotal	641	729	1370	717	797	1514	768	817	1585	751	884	1635
Total academic	1256	1540	2796	1342	1638	2980	1397	1670	3067	1381	1739	3120

GENERAL STAFF POSITIONS 2008–11 BY APPOINTMENT TERM, LEVEL AND GENDER

	2008			2009			2010			2011		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing												
HEO 10 & above	62	60	122	71	82	153	70	81	151	80	73	153
HEO 9	72	80	152	76	86	162	79	88	167	78	87	165
HEO 8	134	135	269	154	156	310	156	158	314	161	162	323
HEO 7	190	126	316	206	131	337	237	139	376	246	135	381
HEO 6	308	170	478	332	181	513	361	193	554	338	177	515
HEO 5	271	106	377	272	99	371	274	104	378	247	103	350
HEO 4	136	62	198	126	52	178	121	58	179	109	59	168
HEO 3	50	83	133	47	87	134	59	81	140	57	84	141
HEO 2	35	48	83	38	39	77	31	38	69	38	37	75
HEO 1 & below	9	-	9	8	-	8	6	-	6	5	-	5
Subtotal	1267	870	2137	1330	913	2243	1394	940	2334	1359	917	2276
Fixed term												
HEO 10 & above	38	51	89	34	59	93	44	61	105	39	68	107
HEO 9	42	36	78	50	39	89	46	37	83	51	29	80
HEO 8	120	71	191	129	67	196	144	66	210	134	70	204
HEO 7	152	53	205	193	89	282	199	94	293	185	92	277
HEO 6	235	94	329	274	122	396	248	118	366	264	108	372
HEO 5	272	85	357	288	101	389	305	93	398	278	97	375
HEO 4	75	24	99	71	31	102	70	25	95	84	21	105
HEO 3	46	12	58	43	13	56	54	11	65	56	13	69
HEO 2	6	7	13	12	6	18	15	7	22	9	6	15
HEO 1 & below	11	16	27	2	8	10	1	7	8	2	4	6
Subtotal	997	449	1446	1096	535	1631	1126	519	1645	1102	508	1610
Total general	2264	1319	3583	2426	1448	3874	2520	1459	3979	2461	1425	3886

Note: Data is for full-time and fractional full-time staff (staff on leave without pay and casuals are excluded). "Staff positions" refers to the number of appointments as some fractional full-time staff may occupy more than one position.

Student enrolment, student load and human resource figures included in this publication are based on a reference date of 31 March 2011. This is the data currently used to inform the University's institutional targets.

Source: Planning and Information Office

EQUAL EMPLOYMENT OPPORTUNITY

The University of Sydney is committed to attracting, rewarding and retaining staff of outstanding quality and international standing by removing barriers to employment and supporting fair participation of equity target groups, including Aboriginal and Torres Strait Islander people, people with disabilities, people from a language background other than English, and women.

This work is an important element in fulfilling the statement of purpose at the heart of the University's 2011–15 Strategic Plan (cf page 5). The Staff and Student Equal Opportunity Unit (SSEOU) supports this goal through policy development, affirmative action programs, training and education, and monitoring and reporting on equal opportunity outcomes.

A number of initiatives, including the 2011–15 Equal Employment Opportunity/Affirmative Action (EEO/AA) Management Plan, the Indigenous Employment Strategy and the integrated strategy developed by the Deputy Vice-Chancellor (Indigenous Strategy and Services), seek to translate the strategic plan objectives into more detailed operational strategies.

The EEO/AA Management Plan has been prepared and lodged with the Public Service Commission, in accordance with Part 9A of the *Anti-Discrimination Act 1977* (NSW). The objectives of the plan include:

- producing accurate EEO data, including quantitative and qualitative material
- supporting contributions from EEO target groups to decision-making at all levels
- monitoring University agreements, policies and practice in order to support equal opportunity and prevent discrimination
- promoting career progression for EEO target groups
- targeting EEO groups in recruitment strategies and practices
- evaluating current key EEO initiatives and using evaluation in planning.

The following sections outline some of the many initiatives undertaken in 2011 to eliminate discrimination and promote equity in employment.

HARASSMENT AND DISCRIMINATION PREVENTION

In 2011 the University continued to take a proactive approach to promoting a positive workplace and preventing harassment and discrimination.

Staff from the following areas participated in training sessions incorporating this focus: the faculties of Agriculture, Food and Natural Resources (including the Narrabri teaching facility); Dentistry; Education and Social Work; Engineering and Information Technologies; Health Sciences;

Nursing; Veterinary Science; the School of Physics; the School of Rural Health (Dubbo and Orange facilities); the Sydney Conservatorium of Music; Human Resources; the University Library.

In addition to several open sessions for all University staff, a number of sessions were conducted for staff from the University's residential colleges, focusing on promoting a positive environment for students, and preventing harassment and discrimination. Members of the Students' Representative Council and the Sydney University Postgraduate Representative Association participated in similarly targeted sessions.

INDIGENOUS EDUCATION AND EMPLOYMENT

One of the 17 headline strategies in the University's Strategic Plan 2011–15 is the promotion of Indigenous participation, engagement, education and research. As a central part of this strategy, Professor Shane Houston took up the new position of Deputy Vice-Chancellor (Indigenous Strategy and Services) in April 2011, becoming the first Indigenous Australian to be appointed to such a position in any Australian university.

A University-wide integrated strategy to advance this goal has been developed to address recommendations of the 2009 Review of Indigenous Education and a committee of SEG has been established to coordinate activity in this area. In preparation for implementation of the strategy, a webpage (sydney.edu.au/about/profile/indigenous) has been developed to provide links to staff and student resources on Indigenous participation and support.

In addition to the development of the integrated strategy, the University continued partnerships with organisations such as the Australian Indigenous Mentoring Experience (AIME), which was founded by a Sydney alumnus. Supported by financial backing from the University, more than 100 University of Sydney student mentors work with Indigenous high school students to improve rates of high school completion and university admission.

Faculty initiatives in 2011 included preparation for the Indigenous Australian Engineering Summer School program in January 2012, aimed at giving Aboriginal and Torres Strait Islander high school students nationwide the opportunity to experience a week in the life of an engineering student. The program was created by Engineering Aid Australia to engage with young people wanting to explore a career in engineering, and supported by the Faculty of Engineering and Information Technologies. The 23 students participating in the 2012 program were selected on a competitive basis. Participation is free, and expenses for travel, meals and accommodation are covered.

SUPPORTING WOMEN IN THE WORKPLACE

In 2011 the University was recognised for the eighth consecutive year as an Employer of Choice for Women by the federal government's Equal Opportunity for Women in the Workplace Agency. Work continued throughout the year to attract and retain female staff.

Career development support

The University awarded five Thompson Fellowships for 2011. These provide academic employment opportunities for women at levels C and D and prepare them for roles at the more senior levels D and E, where they remain significantly underrepresented. The University also awarded two Brown Fellowships, which aim to assist researchers whose careers have been interrupted by sustained primary caring duties to re-establish or enhance their academic research credentials.

Training programs and events

The University offered several career development programs specifically designed for female staff. These included:

- the Women in Leadership program, which aims to foster the professional development of women who aspire to, or are in, leadership or management roles at the University
- courses on negotiating and influencing skills for academic and professional women, tailored in response to feedback
- a career development workshop for women in 'non-traditional' areas (the first in what is planned to be several sessions was held for women at levels A to C in the faculties of Agriculture, Food and Natural Resources; Architecture, Design and Planning; Engineering and Information Technologies; Science; and Veterinary Science).

The Faculty of Science's Women in Science Project ran a number of events in 2011, including a seminar series and lunchtime opportunities for junior women academics to network with senior faculty management and researchers.

SUPPORTING PEOPLE WITH A DISABILITY

In 2011, the University started to convene a group with representatives from across its academic divisions to develop the University's new disability action plan throughout 2012. The University will also follow up a 2011 'Accessible Environments Audit' by consulting with faculty groups to analyse audit results, and to prioritise accessible environment remediation plans for each city campus in line with the University's campus masterplan.

Staff education and training

The Staff and Student Equal Opportunity Unit produced a video to educate staff about the University's approach to disability-related issues (as explained below). The video explains how the University accommodates staff with

disabilities in order to minimise their challenges and maximise their capacities in the workplace.

In May 2011 the Australian Network on Disability provided 'disability confidence' training to the University to explain different types of disability and the business case for employing people with disabilities. The training also provided advice on interview skills, appointment criteria, employers' legal obligations and the nature of 'reasonable adjustments', and explained support systems and coaching available for HR professionals, managers and employees working with people with disabilities. Further training will be offered in 2012.

Support for staff with disabilities

The SSEOU maintains a 'reasonable accommodation fund' to assist staff with a disability who need workplace modifications and adjustments, while the University's human resources advisers act as staff disability liaison officers and are the first point of contact for staff with disabilities regarding related workplace matters or concerns.

The Laffan Fellowships are offered to academics who currently have (or have experienced) a significant disability, with the aim of helping them to re-establish or enhance their research careers. The fellowships provide academic staff with relief from routine teaching and administrative responsibilities (research-only staff receive funding to secure technical assistance), for up to two semesters.

Support for students with disabilities

The University has a dedicated unit to help current and prospective students with a disability to access reasonable adjustments. A new online system to register and manage the needs of students with a disability was rolled out for student use in early 2011, making it easier for students to lodge service requests and enabling more timely administration of high volume requirements. In addition to improving service provision, the new system also facilitates the University's reporting to the Department of Education, Employment and Workplace Relations.

Significant staff appointment

The 2011 Senior Australian of the Year, Professor Ron McCallum AO, was re-elected for another two years as Chair of the United Nations Committee on the Rights of Persons with Disabilities. Professor McCallum, dean of Sydney Law School from 2002 to 2007, was the first totally blind person appointed to a full professorship at an Australian university.

SUPPORTING AND ENCOURAGING LINGUISTIC AND CULTURAL DIVERSITY

See the Multicultural Policies and Services Program report on pages 52 to 53.

REPRESENTATION OF GROUPS

The following tables show data for 2011 and the previous three years on the representation of equal opportunity groups and the distribution of each group in academic and general staff subgroups.

TRENDS IN THE REPRESENTATION OF EEO GROUPS – ACADEMIC STAFF

EEO TARGET GROUP	PERCENTAGE OF TOTAL ACADEMIC STAFF				
	Benchmark or target (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)
Academic staff					
Women	50	45	45	46	44
Aboriginal and Torres Strait Islander people	2.6*	0.9	0.6	0.7	0.4
People whose first language was not English	19	9	6	5	6
People with a disability	**	2	2	2	2
People with a disability requiring work-related adjustment***	1.1 (2011) 1.3 (2012) 1.5 (2013)	0.1	0.4	0.2	0.2

TRENDS IN THE REPRESENTATION OF EEO GROUPS – GENERAL STAFF

EEO TARGET GROUP	PERCENTAGE OF TOTAL GENERAL STAFF				
	Benchmark or target (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)
General staff					
Women	50	64	63	63	63
Aboriginal and Torres Strait Islander people	2.6*	0.6	0.7	1	0.7
People whose first language was not English	19	12	5	6	6
People with a disability	**	2	2	2	2
People with a disability requiring work-related adjustment	1.1 (2011) 1.3 (2012) 1.5 (2013)	0.1	0.2	0	0.2

* Minimum target by 2015

** Percent employment levels are reported but a benchmark level has not been set

*** Minimum annual incremental target

TRENDS IN THE DISTRIBUTION OF EEO GROUPS – ACADEMIC STAFF

EEO TARGET GROUP	DISTRIBUTION INDEX*				
Academic staff	Benchmark or target	2008	2009	2010	2011
Women	100	79	80	80	81
Aboriginal and Torres Strait Islander people	100	n/c	n/c	n/c	n/c
People whose first language was not English	100	92	96	97	100
People with a disability	100	111	100	100	92
People with a disability requiring work-related adjustment	100	n/c	n/c	n/c	n/c

TRENDS IN THE DISTRIBUTION OF EEO GROUPS – GENERAL STAFF

EEO TARGET GROUP	DISTRIBUTION INDEX*				
General staff	Benchmark or target	2008	2009	2010	2011
Women	100	95	94	94	94
Aboriginal and Torres Strait Islander people	100	71	77	83	84
People whose first language was not English	100	97	96	98	97
People with a disability	100	96	97	101	98
People with a disability requiring work-related adjustment	100	n/c	n/c	n/c	n/c

Notes

n/c: distribution index not calculable due to the small number of staff in the indicated EEO group

These tables exclude casual staff. The data shows a marked difference between 2008 and 2009 in the percentages of people whose first language was not English. This relates to a change in the human resources information system used by the University.

* A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values of less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency, the lower the index. Values of greater than 100 indicate that the EEO group is less concentrated at lower salary levels.

Data as at 31 March 2011.

MULTICULTURAL POLICIES AND SERVICES PROGRAM REPORT

The University of Sydney is committed to supporting and fully engaging all members of its culturally, linguistically and religiously diverse staff, student and alumni communities.

KEY MULTICULTURAL STRATEGIES FOR 2012

The statement of purpose at the heart of the University's 2011–15 Strategic Plan aims to “create and sustain a university in which, for the benefit of both Australia and the wider world, the brightest researchers and the most promising students, whatever their social or cultural background, can thrive and realise their full potential.”

The University's key multicultural strategies proposed for 2012 are embodied in initiatives listed in that plan. These include continuing to:

- implement the recommendations of the University's review of support for international students, which seeks to offer increased support to and improve the experience of international students at the University
- attract and support promising students from a diversity of social and cultural backgrounds, and to ensure appropriate support for the retention and achievement of students from underrepresented groups
- expand and diversify opportunities for students to develop as global citizens through greater exchange opportunities, and through attracting overseas students and academics
- prioritise international engagement to support the effective development of University-wide partnerships and networks
- continue to implement the 2011–15 Equal Employment Opportunity/Affirmative Action Management Plan (see page 48).

2011 ACTIVITIES AND DEVELOPMENTS

ENCOURAGING MULTICULTURAL DIVERSITY IN TEACHING, LEARNING AND RESEARCH

- The Sydney World Program held a number of international forums in 2011 (see page 32) with different regional focuses and community attendance.
- The Institute of Teaching and Learning, in collaboration with the Social Inclusion Unit, offered a series of Widening Participation Grants to support curriculum renewal, research into issues of inclusion/exclusion in teaching and learning, and initiatives to build community partnerships.
- The University signed seven new student cotutelle agreements with universities in Brazil, China, France, Hong Kong, Italy, and the United Kingdom, enabling students to add an international dimension to their studies and achieve simultaneous degree candidature at two universities.
- The University developed a new short-term exchange program, for launch in 2012/13, to create opportunities for students from disciplines that have traditionally found it difficult to go on exchange. The programs will include an education program in Sweden, a psychology program in Norway and a Latin American culture program in Colombia.
- As a part of a global leadership initiative, the Scholarships Office and the Careers Centre collaborated with the community organisation Global Voices to sponsor two University of Sydney students to attend either the G20 conference in Paris or the Asia-Pacific Economic Cooperation conference in Hawaii.

Initiatives in faculties included the following.

- The Sydney University Research Community for Latin America in the Faculty of Arts and Social Sciences hosted a symposium about the place of indigenous knowledge in higher education. The project aims to help academics in Australia and Latin America to identify opportunities to integrate relevant aspects of indigenous knowledge into their research, teaching and learning.
- The Business School instigated tutor development modules themed with enhanced learning through embracing diversity for all sessional staff. It also ran a forum for staff in teaching roles to share how their ‘Knowing your students’ initiative enhances their teaching. (The initiative provides information such as students’ place of origin, languages spoken and language spoken at home.)
- The Faculty of Education and Social Work presented a conference on *Multiculturalism: perspectives from Australia, Canada and China*, for students and academics. Scholars from Australia, Canada and China discussed possibilities and challenges in providing educational experiences and social services to diverse populations.

- The Faculty of Engineering and Information Technologies launched the new Dr Abdul Kalam International Scholarships scheme, which promotes diversity, celebrates future leaders in engineering and IT, and provides greater access to study for high-achieving students from around the globe. Ten merit-based scholarships will be awarded annually.
- The Sydney Medical Program Office of Global Health (OGH) offered more scholarships to medical students to enable as many as possible to have a global health experience. The associated cultural immersion helps to ensure graduates are culturally competent.
- The Faculty of Veterinary Science conducted a survey of its undergraduate and postgraduate students with the aim of assessing the faculty's culture around matters of diversity in the student body and among teaching staff.
- Sydney Conservatorium of Music students studying non-Western music travelled to Bali to learn Gamelan and dance. A saxophone quartet from the Conservatorium performed in Shenzhen, China in 2011 as part of the Universidade.

STUDENT SUPPORT SERVICES

The University's Learning Centre offers designated courses for students from non-English speaking backgrounds, covering grammar, academic reading and writing, oral presentation skills, and discussion skills. In 2011, approximately 70 percent of almost 2000 students enrolled in the centre's workshops were from non-English speaking backgrounds. The centre also ran teaching programs in 13 faculties for almost 3000 students, with approximately 40 percent specifically targeting students from a language background other than English.

Funding from the federal government's Higher Education Participation and Partnerships Program allowed the centre to offer an increased number of workshops to support transition to university for students from diverse socioeconomic backgrounds. This funding also supported a program in academic written and oral communication for first-year students in the Faculty of Pharmacy. In 2012 the centre will develop and run a face-to-face and online bridging program in academic literacy for disadvantaged students, and students from rural and remote backgrounds.

During 2011 the international student orientation program was realigned to better introduce the social and academic components of University life. Arrival, welcome and orientation programs were developed by Student Support Services and the International Student Office, in conjunction with the University of Sydney Union. Counselling and Psychological Services provided additional local outreach and support programs to families and accompanying partners of international students.

PROMOTING SOCIAL INCLUSION

The Compass Program's volunteer reading and literacy programs continued to deliver reading support to newly arrived migrants and refugees in schools across Sydney.

Compass parent newsletters are currently written in English, printed and sent to partner schools. In 2012 the program aims to 'go electronic' and include translated versions of the newsletter in several community languages (target languages include Arabic, Vietnamese and Cantonese).

In conjunction with Sydney University Law Society, Compass also delivered an interactive law activity for Liverpool Boys High School. The Year 9 to Year 11 students who attended the activity were on the school's refugee transition program, from non-English speaking backgrounds and with low reading and writing competencies.

Compass has been involved in the Sydney Widening Participation in Higher Education Forum. The project aims to encourage parents from southwest Sydney to participate in higher education. Selected community liaison officers (CLOs) – a term that includes Aboriginal Education Officers – were given training sessions covering topics such as finance, scholarships, support services, pathways and University life. Additionally, the CLOs received printed materials translated into Arabic, Chinese and Vietnamese to use in parent training sessions.

COMMUNITY ENGAGEMENT

During the year the University ran more than 30 alumni events in 18 international cities and engaged more than 1500 alumni worldwide.

Compass hosted a series of parent visits to the University's Camperdown/Darlington Campus, attracting many parents and their families, mainly from non-English speaking backgrounds. Each group arrived with their community liaison officer, who translated the talks and presentations.

Within the University's museums and art galleries, the University Art Gallery produced a bilingual catalogue in English and Japanese to accompany the exhibition *Japan in Sydney: Professor Sadler and Modernism 1920–30s* and associated talks. The Nicholson Museum produced a bilingual welcome to the museum in English and Chinese. The Macleay Museum held family activities and talks in Mandarin and English as part of the City of Sydney's 2011 Chinese New Year Festival. The museum also hosted a Pacific Islander community day, and welcomed four interns from Chinese University Hong Kong and Baptist University Hong Kong.

OCCUPATIONAL HEALTH AND SAFETY

In 2011 the University undertook a range of strategies to achieve its aim of maintaining a safe and healthy workplace. These and other strategies emphasised the importance of safety, health and wellbeing to the University. The University has encouraged all staff to embrace this commitment.

GOVERNANCE

In 2011 the University strengthened its governance of occupational health and safety (OHS). The Safety and Risk Management Committee (SRMC) of Senate, established in 2010, met regularly to monitor OHS performance and compliance. (See page 22 for membership and terms of reference.)

OHS issues moved to the top of the Senate agenda, with the Vice-Chancellor providing a summary report at the start of each meeting. OHS also became a standing item on the agenda of the newly established divisional boards.

The Central OHS Committee, chaired by the Director of Human Resources, became a subcommittee of the Senior Executive Group (SEG) under the University's new management governance structure. It continued its function of monitoring OHS performance and ensuring a coordinated approach to University-wide OHS issues. Membership of the committee was expanded to add representatives of the faculty deans. For full membership details and terms of reference, see sydney.edu.au/senior_executive_group

The University reviewed its network of OHS committees, which had been operating for many years. The review recommended changes to the existing OHS consultation arrangements, with zone OHS committees to be phased out and replaced by health and safety representatives (HSRs). HSR elections were conducted in preparation for these representatives to assume their new role in 2012. The revised arrangements retain the primary level of communication and consultation between a worker and their immediate supervisor.

Planning for 2012 capital works included consideration of OHS aspects. Final priorities favoured those projects that would deliver improved health and safety on campus.

PERFORMANCE MONITORING

AUDITING

The biennial high-risk OHS audit was conducted in 2011, covering risks from working with chemicals, biologicals, radiation, noise, contractors, outdoor work and fieldwork. Results across the 44 areas audited showed that there had been a significant improvement in the past two years. Fieldwork and noise exposure were the main risk areas identified as needing further improvement.

A detailed machinery safety audit was conducted, looking at mechanical workshops across the University. The audit found that the workshops were generally well equipped for the services they provided and workshop staff were also well qualified. Areas for improvement included standardisation of safe methods across the University, including transposing best practices to reduce risks and enhance productivity.

INSPECTIONS AND LICENSING

The Institutional Biosafety Committee monitored the University's research involving gene technology. Physical containment facilities were inspected and certified by the Office of the Gene Technology Regulator, while researchers involved with biological hazards received biosafety training.

University facilities used for work with ionising radiation and irradiating apparatus were also registered as required with the NSW Department of Environment and Climate Change and Water. The University's Radiation Safety Committee met regularly in 2011 to monitor the research and clinical use of ionising radiation and promote safe work practices.

TRAINING

On the training front, the University's online OHS induction training was enhanced and completed by all new employees. OHS compliance training modules were also made available online. Online videos were developed to guide supervisors about how to respond to incidents and hazards reported to them.

Specialist OHS training programs were also provided to staff and students working in key risk areas, such as with hazardous substances, ionising radiation and biological hazards (see 'Inspections and licensing', above), as well as more general training in manual handling, first aid, CPR, emergency management and OHS risk management.

STUDENT SAFETY

During 2011 the University translated 'student safety tips' into the seven most common languages spoken by students. The translated tips and related notices are available online (sydney.edu.au/current_students/student_services/safety), and have been published in the *Student Guide 2011*

and popular student publications. The University also used social media to communicate and consult with students, such as using Facebook to canvass support for a smoke-free University environment (see 'Health and wellbeing' below).

Research students were also given access to the University's online induction training (previously only available to employees).

HEALTH AND WELLBEING

Following widespread consultation during 2011, the University introduced a Smoke-Free Environment Policy that commenced on 30 January 2012. The policy bans smoking on all campuses, except for designated smoking areas, and also bans the sale of cigarettes on campus. By limiting the areas where smoking can occur, the University will protect its community from second-hand smoke and reduce the environmental impact of discarded cigarette butts.

A total of 51 staff participated in the University's first 'Weight Watchers at Work' program during 2011. Collectively the participants lost 210 kg with an average weight loss of 4.11kg per person.

Training was introduced in workplace mental health awareness. This training continues to be rolled out to key work groups. The University's Employee Assistance Program was also maintained via service provider PPC Worldwide.

OHS AWARD

The University presents an annual Peter Dunlop Memorial OHS Award in recognition of outstanding contributions to OHS. The winner of the 2011 award was Louise Atkins, from the Science Marketing and Communication Unit within the Division of Natural Sciences.

Louise was recognised for her active management of OHS risks related to student recruitment and community engagement activities on and off campus, including completion of site risk assessments for recruitment events. She has been actively involved in local emergency management and advocates strongly for the health and wellbeing of her fellow workers. Louise has helped find practical solutions for numerous health and safety issues and promotes a shared responsibility for OHS among staff.

OHS INCIDENTS IN 2011

There were 765 reports of incidents and hazards in 2011. Of these, 71 percent involved employees and 24 percent involved students. A total of 496 of the reported incidents resulted in injuries.

WORKERS COMPENSATION

CLAIMS

During the year the University reported 460 staff injuries to its workers compensation insurer. Of these, 101 claims incurred costs and the remaining 309 were notifications of potential injuries. At 31 December 2011, 42 claims lodged during the year remained open.

The total gross claims cost was \$944,624 (2010: \$1,384,337) and the net claims cost (premium impacting) was \$657,160 (2010: \$684,493). The average cost per claim was \$2054 (2010: \$6435).

The University attributes the drop in claim costs to the recruitment of qualified injury management staff, who have delivered otherwise costly rehabilitation services internally.

The average time loss per claim was 31.83 hours (4.24 days), compared to 41.62 hours in 2010. The most common injury types were slips, trips and falls (which accounted for 25.2 percent of claims and 27.1 percent of incurred claim costs) and body stressing from manual handling or repetitive movement, which accounted for 22.2 percent of claims by count and 22.5 percent of incurred claim costs.

Psychological claims were the next most costly claim type, accounting for 21.7 percent of incurred costs and 22 percent of total time lost. However, they accounted for only 7.8 percent of the number of all claims reported. There was an average of 11 days lost per psychological claim (compared to an average of 4.42 days lost across all injury types).

INSURANCE ARRANGEMENTS

In November 2011 the University learned that it had been accepted into the NSW Retro Paid Loss (RPL) workers compensation scheme for 2012. The RPL scheme incurs a lower yearly premium, however it carries some greater potential risks (the cost-of-claim cap increases to \$350,000 per claim). Only 43 employers in NSW have been allowed to enter the scheme since its inception in 2008.

INJURY PREVENTION

The University conducted a number of injury prevention initiatives in 2011. Ergonomic assessments were carried out in all high-risk areas and a total of 261 ergonomic assessments were completed across the University. Staff took part in 25 manual handling training sessions across different areas of the University. The University also conducted training for managers and supervisors in psychological health to assist in reducing psychological incidents and claims.

REGULATORY ACTION

There were no prohibition or improvement notices issued in 2011 to the University of Sydney by WorkCover NSW (the OHS regulator).

LEGAL AFFAIRS AND RISK MANAGEMENT

CHANGES TO LEGISLATION

Tertiary Education Quality and Standards Agency Act 2011 (Cth)

The *Tertiary Education Quality and Standards Agency Act 2011* (Cth) ('TEQSA Act') commences operation in 2012. The principal objectives of the Act are to:

- (a) provide for national consistency in the regulation of higher education
- (b) regulate higher education using a standards-based quality framework.

An entity must be registered before it can offer or confer an Australian higher education award, or an overseas higher education award related to a course of study provided in Australia. The University of Sydney is a registered higher education provider under the TEQSA Act, and is required to apply for re-registration within seven years of the commencement of the Act.

TEQSA registers higher education providers, accredits courses, and regulates higher education using a standards-based quality framework.

Registered higher education providers must have their courses of study accredited before those courses can be provided in connection with regulated higher education awards. The University is authorised to self-accredit its courses of study.

Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill 2011 (Cth)

The *Higher Education Support Amendment (Demand Driven Funding System and Other Measures) Bill 2011* received royal assent on 26 September 2011. The consequential amendments to the *Higher Education Support Act 2003* ('HESA Act') – including some that commenced on the date of royal assent and others on 1 January 2012 – essentially bring into effect a recommendation of the 2008 Bradley Report for the Australian government to 'uncap' the supply of Commonwealth Supported Places (CSPs) in universities and introduce a demand-driven system.

The amendments allow higher education providers to determine the number of students they choose to admit to undergraduate courses of study, with some exceptions for designated courses of study, for which the Minister for Tertiary Education will continue to allocate a specified number of CSPs to the provider. The current designated courses are: non-research postgraduate courses, undergraduate courses in medicine, and other courses the Minister may designate by legislative instrument. However, the amendments do provide a safeguard mechanism for the government to specify a 'maximum basic grant' to

providers for non-designated courses, which it may include as part of the conditions of their funding in the future. Accordingly, funding for non-designated CSPs may have certain limitations.

The Student Learning Entitlement has also been abolished. This means that eligible students are no longer limited to the equivalent of approximately seven years of full-time study as Commonwealth-supported students.

Further, the amendments require higher education providers to enter into 'mission-based compacts' with the government each year, for which a grant is paid. The compacts establish a broad range of performance funding targets for improvement in areas such as teaching and learning, undertaking research, and research training and innovation. The government has also enshrined the principle of free intellectual enquiry in relation to learning, teaching and research into the HESA Act. A higher education provider must have a policy that upholds this principle.

Higher Education Legislation Amendment (Student Services and Amenities) Act 2011 (Cth)

The *Higher Education Legislation Amendment (Student Services and Amenities) Bill 2011* received royal assent on 3 November 2011. The consequential amendments to the *Higher Education Support Act 2003* allow higher education providers to charge students an annual compulsory Student Services and Amenities fee ('SSA fee') from 1 January 2012. The amount of the fee will be determined by higher education providers in accordance with Administrative Guidelines made under section 238-10 of the HESA Act. The SSA fee is an initiative to increase student support services of a non-academic nature in Australian universities. Higher education providers must not spend the SSA fee for any purpose outside those prescribed by the legislation.

A new component of HELP is 'SA-HELP', which will assist eligible students to access a loan for the SSA fee. In addition, higher education providers that receive funding for student places under the Commonwealth Grant Scheme are required to comply with special requirements for student services and amenities of a non-academic nature (such as orientation programs, health, welfare, advocacy services).

Autonomous Sanctions Act 2011

The *Autonomous Sanctions Act 2011*, which supplements and supports the *Charter of the United Nations Act 1948*, commenced on 26 May 2011. The purpose of the new Act is to allow Australia greater flexibility in the range of autonomous sanctions it can apply in its own right, and provide for the enforcement of those sanctions.

In summary, the legislation is concerned with measures applied as autonomous sanctions to specific goods, services, and persons and entities. Relevant to the university sector, the legislation targets the provision of sanctioned services (including technical advice, assistance or training) to students and other people from prescribed countries. The Act prohibits the provision of services, such as research training and other educational services, particularly in the higher research area, which involve or touch upon the use or manufacture of prescribed materials, to persons from the prescribed countries.

The sanctions are variously applied in relation to the following countries: Iran, Syria, Burma, Democratic Republic of Korea, Fiji, the former Federal Republic of Yugoslavia, Zimbabwe, and Libya.

Personal Property Securities Act 2009 (Cth)

The *Personal Property Securities Act 2009* ('PPSA Act') aims to bring different systems regarding security interests in personal property established in various federal and state jurisdictions into one national system. It does this by unifying the law into a single Commonwealth Act with the support of a single national register for the registration of security interests in personal property. Personal property in this context covers tangible and intangible goods, including intellectual property. It applies to transactions that secure payment or the performance of an obligation.

The PPSA register commenced operation on 30 January 2012. The University is evaluating its arrangements that involve 'personal property', in particular intellectual property and equipment hire agreements, to ensure that its interests are registered.

Work Health and Safety Act 2011 (NSW)

The *Work Health and Safety Act 2011* ('WHS Act') commenced on 1 January 2012. It replaces the *Occupational Health and Safety Act 2000* and implements uniform national model work health and safety laws in New South Wales.

Key changes with operational implications for the University include:

- an extension of the obligations currently applicable in respect of employees to cover other workers including contractors, subcontractors and their respective employees and voluntary workers
- new arrangements for workplace representation and consultation, including provision for staff-elected health and safety representatives who are able to conduct workplace inspections, issue provisional improvement notices and direct that unsafe work cease.

During 2011 the University prepared new policies and procedures to ensure compliance with the WHS Act by its commencement date.

Occupational Health and Safety Amendment Act 2011 (NSW)

The *Occupational Health and Safety Amendment Act 2011* commenced on 7 June 2011. This Act accelerated the implementation of some aspects of the uniform national model work health and safety laws, including immunity from prosecution for officers acting in a voluntary capacity.

RISK MANAGEMENT

In 2011 the implementation of the University's risk management framework continued at a significant rate. The framework now consists of: local risk registers for each faculty, professional services unit and administrative portfolio; a consolidated University risk register; risk registers for each of the Senior Executive Group (SEG) committees; a process for identifying, recording and monitoring emerging risk issues; and a rolling three-year risk management plan.

In addition a governance structure has been established to oversee the framework. Under this structure any changes to the framework are initially assessed and endorsed by the SEG Finance and Infrastructure Committee before being considered and approved by the Safety and Risk Management Committee of Senate.

Under the framework the local and consolidated risk registers are directly linked to the University's strategic plan and, where appropriate, to the projects on the Vice-Chancellor's Work Slate.

The local risk registers are updated annually in first semester each year. The consolidated University register is updated twice a year: once in the first semester using information obtained through the local risk register update, and again in the second semester using information gathered in respect of emerging risks.

In the next stage of the process the SEG committees take responsibility for reviewing and managing mitigation plans for the risks that fall within their terms of reference. Full implementation of this process is a key objective of the risk management framework for 2012.

PRIVACY AND PERSONAL INFORMATION

The *Annual Reports (Statutory Bodies) Regulation 2010* (NSW) requires the University to report on the actions it has taken to comply with the *Privacy and Personal Information Protection Act 1998* (NSW) (the Act) and to provide statistical details of any review conducted by it or on its behalf.

The steps the University has taken to comply with the privacy legislation include:

- adding privacy notices on electronic and hard-copy forms used to collect personal information
- adding links to privacy statements from the University's websites
- considering privacy issues in the development of University systems, policies, procedures and guidelines with particular emphasis on the development and implementation of the Sydney Student system (see page 27)
- adding warnings against the unauthorised disclosure of personal information to login screens of corporate computer systems
- administering an awareness and training program on privacy legislation and related matters
- maintaining a privacy website with links to the University's Privacy Management Plan and other sources of information, at sydney.edu.au/arms/privacy
- incorporating a section on privacy in the *University Recordkeeping Manual* (available in hard-copy format and electronically)
- revising the access and security regime for the University's corporate recordkeeping system to further enhance information privacy
- providing accurate and timely advice on privacy matters to members of the University community.

REVIEWS CONDUCTED UNDER PART 5 OF THE PRIVACY AND PERSONAL INFORMATION PROTECTION ACT

Four reviews were conducted under part 5 of the Act during 2011. Two related to the same matter and were dealt with together.

Access to information

A former postgraduate student and staff member alleged that not all relevant personal information had been released to him following an access application in November 2010. As part of the review, the search for information concerning the applicant was repeated. A local staff file was located in the relevant faculty office and some additional payroll data was retrieved from the HR system. Copies of the additional information were supplied to the applicant.

Email

In August 2011 two separate, but similar, events occurred during the sending of routine email messages to all participants in two research studies. In independent circumstances, a postgraduate student and a staff member accidentally placed their list of research participants' email addresses in the 'to' field of their email message instead of the 'bcc' field. As a consequence every recipient was able to view the email addresses of all other participants in the study. An apology was sent to the participants in each study, explaining how the error occurred, asking them to delete the message, and outlining steps the University was taking to prevent any recurrence of the mistake. Two participants wrote to express concern about what had happened – these cases were treated as applications for review under the privacy legislation.

The University's Ethics Office was notified and advice was sought from the University's Office of General Counsel and the University's Privacy Officer. In addition the University notified the Acting Privacy Commissioner about what had occurred, and outlined the steps that had already been taken in response, and those which were yet to be taken.

Part of the University's response was a review by its Human Research Ethics Committee. Following the advice given by the Acting Privacy Commissioner as part of the review process, the University sought legal advice on its responsibility for students' actions while conducting publicly funded research and confirming any privacy obligations affecting such students.

The University's Information and Communication Technology unit commissioned a report from a Microsoft Exchange consultant on the options for dealing with bulk email in a way that protects the privacy of recipients.

Meetings were also held between the University's privacy staff and the Human Ethics Committee Executive to discuss the privacy awareness aspect of the human research ethics approval process. A briefing paper was prepared on the privacy responsibilities of students, which will be attached to the human ethics approval form. Additionally, steps are being taken to provide privacy awareness and training for all research students undertaking human-based research, similar to the briefings for supervisors. The human ethics application process, which was reviewed during the year, was also examined by privacy staff to highlight the personal information management aspects.

Access to exam script

After sitting an examination deemed to be 'confidential' (meaning the questions would be reused in future), a student wished to access his examination script. He was provided with supervised access to his completed examination script on two occasions, in accordance with the University's Academic Board Resolution on 'Assessment and Examination of Coursework'. The student then requested that he be given a copy of his examination script and to that end he made an access application under the Act.

The University's response was that copies of the script would not be provided, on the grounds that the examination was confidential and to release a copy of the questions would undermine the University's ability to use the questions again.

This decision was consistent with the Act, which imports restrictions on access to information from the *Government Information (Public Access) Act (NSW)*. The student did not accept this decision and requested it be reviewed.

The University considered the matter again and came to the view that the access requirements of the Act had been complied with as the student has access to the exam paper under the Academic Board resolution referred to above. The Act requires that access be given without unreasonable expense or delay; it does not specify how access should be provided in response to a request.

FREEDOM OF INFORMATION GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT

STATISTICAL INFORMATION ABOUT ACCESS APPLICATIONS

PROGRAM FOR THE RELEASE OF INFORMATION 1. Release of information

The *Government Information (Public Access) Act 2009* (the Act) requires the University to review, at least annually, its program for the release of information that is in the public interest to be made publicly available without imposing unreasonable additional costs on the agency.

The *Government Information (Public Access) Regulation 2010* requires that details of this review be included in the University's Annual Report.

It is routine for University initiatives or changes, such as new buildings, units, staff appointments or events, to be accompanied by a website providing information to the public about each initiative, along with contact details for further information. The website updates are also generally accompanied by media releases, which result in wider public coverage of the University's activities.

In the development of new systems, or the revision of existing ones, the University is constantly making more information available to the general public or to individuals, within the constraints of privacy and other considerations that may weigh against the public disclosure of particular kinds of information.

Below are some of the major initiatives from 2011 that have resulted in increased release information.

2. Business systems

The University regularly revises existing and introduces new electronic business systems. A feature of the web-based systems is the increased level of access they provide to the information they contain. While the Act is concerned with making information publicly available without any restrictions, the objectives of the Act are also met by enhancing the ability of individual members of the public to access information about themselves that is held by the University. With more than 49,000 current students and around 8000 staff, changes to electronic business systems provide significant benefits to many people.

The most significant new business system is Sydney Student, which manages and records all aspects of each student's candidature at the University. In 2011 the new Sydney Courses module was launched (sydney.edu.au/courses). This provides students and the public with improved access to complete information on the University's academic offerings. Over the coming years Sydney Student will provide students with a greatly enhanced online administration system that manages their relationship with the University of Sydney.

Other new systems include:

Policy Register: During 2011 the University engaged in a major redesign and review of its web-based policy database, Policy Online. The site has now been recreated as the Policy Register, a more complete and comprehensive resource that is easier to search and contains a section detailing all recent policy changes (see sydney.edu.au/policies).

Events Calendar: The University constantly conducts events of interest not just to its own community but also the general public. A new web-based events calendar launched in late 2011 provides public access to information about current, past and future events at the University (see sydney.edu.au/events).

University Archives: The University Archives is the repository for all administrative records dating back to 1850, along with the papers of individuals and organisations closely associated with the University. The Archives has developed a public web-based search facility, which will provide the public with improved access to this information (see sydney.edu.au/archives).

3. Major building projects

The University is engaged in the largest building program in its history. The Campus Infrastructure and Services (CIS) unit has an interactive map on its website with information about each project and contact details for the relevant project teams (see sydney.edu.au/facilities/projects/about).

4. Research data

The University is currently reviewing its existing policies, procedures and guidelines to ensure effective management of, and enhancement of public access to, its research data. This data will be managed through University data and metadata stores and then shared through Research Data Australia, a discovery service for Australian data (see services.ands.org.au).

5. University management

2011 saw the introduction of a new Senior Executive Group (SEG) and a revised management structure for the University (see pages 26 and 36). SEG's website contains extensive details on the membership and terms of reference for the new committees and boards. Following each SEG meeting, information necessary for the functioning of the University is made available to the staff through various channels. Much of this information is also available to the public (see sydney.edu.au/senior_executive_group).

TOTAL NUMBER OF ACCESS APPLICATIONS

There have been 24 applications from 1 January to 31 December 2011.

APPLICATIONS REFUSED UNDER SCHEDULE 1 OF THE ACT

The University must report the total number of access applications it refused during the reporting year, either wholly or partly, because the applications were for the disclosure of information referred to in Schedule 1 to the Act ('Information for which there is conclusive presumption of overriding public interest against disclosure'). There were four such applications in 2011.

TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector businesses	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	2	2	1	1	0	0	0	1
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	3	10	1	3	0	3	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny Whether information is held	Application withdrawn
Personal information applications	0	1	0	0	0	0	0	0
Access applications (other than personal information applications)	5	9	2	4	0	1	0	1
Access applications that are partly personal information applications and partly other	0	2	0	0	0	2	0	1

* A 'personal information application' is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

TABLE C: INVALID APPLICATIONS

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 TO ACT

	Number of times consideration used*
Overriding secrecy laws	2
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	2
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE:
MATTERS LISTED IN TABLE TO SECTION 14 OF ACT**

	Number of occasions when application not successful
Responsible and effective government	2
Law enforcement and security	0
Individual rights, judicial processes and natural justice	9
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

TABLE F: TIMELINESS

	No of applications
Decided within the statutory timeframe (20 days plus any extensions)	18
Decided after 35 days (by agreement with applicant)	5
Not decided within time (deemed refusal)	0
Total	23

**TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT
(BY TYPE OF REVIEW AND OUTCOME)**

	Decision varied	Decision upheld	Total
Internal review	1	2	3
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	1	2	3

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)

	No of applications for review
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

INTERNATIONAL PROMOTION

The Vice-Chancellor and the Deputy Vice-Chancellor (International) are the two main senior officials who travel internationally to promote the University. The lists on this page describe the overseas visits they made in 2011 for promotional purposes.

In addition, the International Student Office, which is responsible for international student recruitment, undertook a range of missions throughout 2011 to conduct interviews, train offshore agents, visit local schools and universities, and recruit students. Missions were conducted in the following countries: Austria, Bangladesh, Brazil, Cambodia, Canada, Chile, China, Colombia, Denmark, Ecuador, Germany, Hong Kong, India, Indonesia, Iran, Japan, Kazakhstan, Kenya, Korea, Malaysia, Mexico, New Zealand, Norway, Oman, Pakistan, Papua New Guinea, Philippines, Saudi Arabia, Singapore, South Africa, Sri Lanka, Sweden, Taiwan, Thailand, Turkey, UAE, United Kingdom, the United States and Vietnam.

The range of students targeted included Foundation, full-degree undergraduate, postgraduate and research, Study Abroad, AusAID and other sponsored students.

OVERSEAS PROMOTIONAL VISITS IN 2011 BY THE VICE-CHANCELLOR

11–17 MARCH

Beijing

- Conferral of visiting professorship by National Academy of Education Administration (NAEA)
- Meeting with Australian government officials
- Alumni event hosted by the Australian Ambassador
- Business lunch with selected Chinese university leaders
- Alumni event with Assistant Director General, Ministry of Health
- Dinner hosted by Australian Ambassador
- Media interviews with CNTV

Guangzhou

- Development meeting

31 MARCH – 6 APRIL

New York

- Development and alumni meetings
- Meeting with President of the USA Foundation

Philadelphia

- 5th Global Colloquium of University Presidents

5–14 MAY

London

- Meetings, media briefings ahead of Picasso auction
- Vice-Chancellor's London Forum
- Alumni and development meetings
- Alumni reception hosted by High Commissioner to London

16–24 JUNE

London

- Media briefings for Picasso auction
- Development events

17–22 JULY: NSW PREMIER'S MISSION TO CHINA

Beijing

- Meeting with industry and business representatives, Mayor of Beijing, consuls general, Australian Ambassador, Ministry of Education

Shanghai

- Meeting with Mayor of Shanghai
- Hosted University of Sydney/Shanghai Jiao Tong University roundtable

Guangzhou

- Meetings regarding China Studies Centre and Sydney China Forum
- Business lunch hosted by Governor of Guangdong Province

12–14 AUGUST

Shenzhen

- World University Presidents Forum
- Speaker at opening ceremony of the 26th Universiade as a representative of University Presidents

18–23 OCTOBER

Beijing

- Graduation ceremony
- University of Sydney reception
- Lecture at Graduate University of the Chinese Academy of Sciences (GUCAS)
- Meeting with Australian Ambassador to China
- Delivered welcome remarks at Chinese Academy of Science Frontiers of Knowledge Symposium

OVERSEAS PROMOTIONAL VISITS IN 2011 BY THE DEPUTY VICE-CHANCELLOR (INTERNATIONAL)*

4–25 FEBRUARY

Europe

- Meetings with University College London (UCL) and universities of Southampton, Bristol, Leeds and Sheffield
- Meetings with Times Higher Education editors, scientific adviser to UK Department for International Development, Perrett Laver Talent executives
- Conference on higher education hosted by the Organisation for Economic Cooperation and Development (OECD)
- Meeting with OECD directors and steering group

San Francisco

- Meetings with Australian government officials and the University of Washington, Seattle
- US Association of International Education conference on international strategies in higher education

9–18 MARCH**Hong Kong**

- Meetings on partnership with Beijing Genomics Institute
- Visits to universities of Shenzhen, Hong Kong and Science and Technology
- ‘Going Global’ higher education conference organised by UK government British Council
- Australian Consulate awards ceremony
- Meeting with Australian government officials on international partnerships

Beijing

- Meeting with Australian Ambassador
- VIP alumni dinner
- Visits to universities of Beijing and Tsinghua
- Meetings and briefings on ‘Leaders Program’, preparations for Sydney October delegations

30 MARCH – 5 APRIL**Paris**

- Meeting with OECD Deputy Secretary General, Director Futures Program, OECD Higher Education Governing Board
- Meeting of OECD Expert Group on ‘Managing Internationalisation’
- Meeting with the Australian Ambassador and staff, AEI staff and UNESCO Director, International Association of Universities

17 MAY – 17 JUNE**Shanghai**

- Worldwide Universities Network (WUN) World Conference, annual general meeting, and associated events

Europe

- Speech at OECD Forum 2011
- University of Geneva meetings and VIP alumni reception

- Meetings with international agencies including World Health Organization (WHO), World Economic Forum (WEF), (International Labour Organisation (ILO), International Organization for Migration (IOM), Office of the United Nations High Commissioner for Refugees (UNHCR) and Office of the High Commissioner for Human Rights (OHCHR)
- Memorandum of understanding signed with École polytechnique fédérale de Lausanne (EPFL)
- Meeting with ETH Zurich, business roundtable with Austrade, launch of Swiss Australia Academic Network
- Roundtable at Australian Embassy in Brussels with European Commission representatives, senior-level meeting with Australian Ambassador and Commission officials exploring access to the EU Horizons Program
- Meetings with WUN universities, UCL, Royal Society, Institute of Education

19–22 JULY**Cape Town**

- Meetings with universities of Cape Town and Stellenbosch
- WUN ‘Understanding Cultures’ conference

Pretoria

- Meetings with AusAID, funding agency GRM and RUTEGA Education Services on scholarships and Australia’s engagement with Africa

7–16 SEPTEMBER**Singapore**

- Meeting with Australian High Commissioner
- Frontiers of Knowledge symposium and alumni reception
- Meeting with ETH Zurich Research Campus, Singapore Institute of Management, and Association of Pacific Rim Universities (APRU) Secretary General
- Capital Markets CRC forum at Singapore Stock Exchange

Paris

- Advisory group meetings for OECD program on Innovation, Higher Education and Research for Development
- Global Forum on the Knowledge Economy

16–23 OCTOBER**Hong Kong**

- Meetings with Chinese University of Hong Kong, Australian Consul General, and Ministry of Education

Beijing

- Graduations ceremony and programs for academic events, government and media

29 OCTOBER – 6 NOVEMBER**Shanghai**

- 7th World Universities Conference

Beijing

- Keynote speaker at Beijing Forum 2011 (China’s top education forum)

11–16 DECEMBER**Beijing**

- Confucius Institute conference
- Meetings with Hanban (Chinese National Office for Teaching Chinese as a Foreign Language) and students

London

- Meetings with Perrett Laver, Institute of Education and Association of Commonwealth Universities

Lund

- Delivered keynote address at OECD/Lund University conference on internationalisation of higher education

* Forty percent of the travel costs of the Deputy Vice-Chancellor (International) are reimbursed by the Worldwide Universities Network (WUN). Some conference participation is also funded by the hosts.

RESEARCH PERFORMANCE

The University of Sydney supported more than 3000 academic staff in 2011, across one of the broadest range of disciplines in Australia. Their research makes a real difference, reaching beyond our campuses to bring tangible benefits to the wider community, both locally and internationally.

This section presents a snapshot of notable institution-level successes in 2011. For more information about the University's research impact, visit sydney.edu.au/research

EXCELLENCE IN RESEARCH FOR AUSTRALIA

In January 2011, the Australian government announced the outcomes of its first Excellence in Research for Australia (ERA) initiative, which rated more than 90 percent of the University's fields of research at world standard or above.

The University was rated at or above world standard in all 24 of the broad discipline areas in which it was rated, and scored well above the world average with a maximum of five out of five across a wide spectrum of discipline areas: Mathematical Sciences, Physical Sciences, Biomedical and Clinical Health Sciences, History and Archaeology and Philosophy and Religious Studies.

HIGHER EDUCATION RESEARCH DATA COLLECTION

The University collects all research publications published by staff, students, and honorary associates. This data is reported on an annual basis as required by the federal Department of Innovation, Industry, Science and Research (DIISR). The Higher Education Research Data Collection (HERDC) is a key contributor towards University funding, and HERDC data is used to calculate performance based funding allocations.

The University's 2011 HERDC submission (covering 2010) reported 4629 publications.

NATIONAL COMPETITIVE GRANTS SUCCESS

Researchers from across the University submit successful grant applications each year for funding from granting bodies listed on the federal government's Australian Competitive Grants Register, positioning the University as one of the highest recipients of competitive funding in Australia.

The primary sources of national competitive funding for the University of Sydney are grants awarded by the Australian Research Council (ARC) and the National Health and Medical Research Council (NHMRC).

Recent success in attracting competitive funding for 2011 and beyond includes the following.

ARC GRANTS AND FELLOWSHIPS

- Two new Australian Laureate Fellowships (see page 12).
- 21 new Future Fellowships awarded to mid-career researchers worth a total of \$15.8 million over five years out of the \$143.8 million awarded to 200 successful applicants nationally.
- 36 Discovery Early Career Researcher Awards (DECRA) (worth \$375,000 to each project over three years). Almost a fifth of our 194 applications were among the 277 successful grant recipients nationwide announced in 2011 for funding in 2012 and beyond – the highest number of any university and well ahead of the national average success rate of 12.8 percent.
- 22 Career Fellowships (15 Postdoctoral; 4 Research/QEII; 3 Professorial).
- 102 ARC Project Grants, worth \$33 million in funding over the life of the grants.
- 28 ARC Linkage Grants, worth \$9 million in funding over the life of the grants (in addition to this the University can expect to receive at least \$18.9 million in contributions from partner organisations as well as further 'in-kind' contributions).
- ARC Equipment funding for 7 University of Sydney-led projects.

NHMRC GRANTS AND FELLOWSHIPS

- 100 NHMRC grants for 2011 and beyond, worth \$92.1 million in funding over the life of the grants. These included:
 - 91 Project Grants
 - 4 Program Grants
 - 2 Centres of Clinical Research Excellence
 - 3 NHMRC Partnerships
- University-linked researchers were also awarded NHMRC fellowships worth \$19.1 million over the life of the grants. These included: 18 Early Career (11 in Australia; 7 overseas); 4 Career Development; 15 Established Career (including an Australia Fellowship); 1 International Exchange.

For more information about recent research funding successes, visit sydney.edu.au/research_support/funding/success

AWARDS AND PRIZES

Researchers across the University received external awards and prizes in 2011. Visit sydney.edu.au/about/profile/accolades_2011 to see a selection of these successes.

HONORARY AWARDS AND PROMOTIONS TO PROFESSOR

HONORARY AWARDS CONFERRED AT 2011 GRADUATIONS

15 APRIL

Emeritus Professor Kenneth John Eltis AM

Former dean of the University's Faculty of Education and senior deputy vice-chancellor
Doctor of Education (honoris causa)

15 APRIL

Clive Lucas OBE

Director of Clive Lucas, Stapleton and Partners Pty Ltd, a Sydney-based architecture and heritage consultancy
Doctor of Science in Architecture (honoris causa)

6 MAY

Dr Brian Stanley Fisher AO PSM

Managing Director of BAEconomics Pty Ltd
Doctor of Science in Agriculture (honoris causa)

20 MAY

Dr APJ Abdul Kalam

Engineer and technologist and former president of India
Doctor of Engineering (honoris causa)

14 OCTOBER

Michael Challis

Secretary/Treasurer of the Sydney University Graduates Union of North America (SUGUNA)
Honorary Fellow of the University

14 OCTOBER

Gillian Hutchinson

Convenor of the Chancellor's Committee Shop
Honorary Fellow of the University

25 NOVEMBER

Professor John Prineas

Former professor in the Department of Neurosciences of the United Medical and Dental University of New Jersey, New Jersey Medical School
Doctor of Medicine (honoris causa)

PROMOTIONS TO PROFESSOR 2011

FACULTY OF ARTS AND SOCIAL SCIENCES

Professor Will Christie

FACULTY OF EDUCATION AND SOCIAL WORK

Professor Jennifer O'Dea

FACULTY OF ENGINEERING AND INFORMATION TECHNOLOGIES

Professor Andrew Harris

School of Chemical and Biomolecular Engineering

Professor Seokhee Hong

School of Information Technologies

Professor Andrew Ruys

School of Aerospace, Mechanical and Mechatronic Engineering

Professor Salah Sukkarieh

School of Aerospace, Mechanical and Mechatronic Engineering

Professor Liaquat Hossain

School of Civil Engineering

FACULTY OF HEALTH SCIENCES

Professor Lindy Clemson

Professor Michelle Lincoln

Professor Roger Stancliffe

Professor Leanne Togher

FACULTY OF PHARMACY

Professor Mary Collins

FACULTY OF SCIENCE

Professor David Alais

School of Psychology

Professor Stephen Bartlett

School of Physics

Professor Justin Harris

School of Psychology

Professor Alexander Molev

School of Mathematics and Statistics

Professor Sebastien Perrier

School of Chemistry

SYDNEY LAW SCHOOL

Professor Luke Nottage

Professor Ben Saul

Professor Cameron Stewart

Professor Anne Twomey

SYDNEY MEDICAL SCHOOL

Professor Kate Conigrave

Central Clinical School

Professor Diona Damian

Central Clinical School

Professor Gustavo Duque

Nepean Clinical School

Professor Jonathan Iredell

Westmead Clinical School

Professor Rebecca Ivers

School of Public Health

Professor Christopher Bond Little

Northern Clinical School

Professor Petra Macaskill

School of Public Health

Professor Michael Nicholas

Northern Clinical School

Professor Christopher O'Neill

Northern Clinical School

Professor Anushka Patel

George Institute for Global Health

Professor Stanley Baldev Sidhu

Northern Clinical School

Professor Jie Jin Wang

Westmead Clinical School

THE UNIVERSITY OF SYDNEY

BUSINESS SCHOOL

Professor John Buchanan

WASTE AND SUSTAINABILITY

REDUCING WASTE GENERATION, RESOURCE RECOVERY AND USE OF RECYCLED MATERIAL

Following a 2010 audit that highlighted the need to reduce the amount of waste the University sent to landfill, the University's Campus Infrastructure and Services unit (CIS) focused on improving sustainable waste management outcomes in 2011.

The University produced 1960 tonnes of general waste in 2011. Following changes introduced in June 2011, general waste previously sent direct to the Veolia Bioreactor landfill site at Goulburn is now diverted to an Advanced Resource Recovery Facility at Kemps Creek, where 40 to 60 percent of waste by weight is recovered. Dry waste components (eg plastics, aluminium cans and other metals) are separated from wet organic waste component. Separated organic waste is aerobically composted in enclosed tunnels to produce marketable compost. A limited amount of residual waste is sent to landfill.

The University continued to collect separately all office paper (35 percent of the University's general waste stream) and send it to the VISY Materials Recovery Facility at Botany for pulping and processing into high-grade office paper and other recycled paper products.

As a result of the above changes the University's overall diversion from landfill rate (of both general waste and office paper), has increased to around 75 percent of all waste produced.

Further waste management improvements and key recycling initiatives in 2011 included the following.

- A total of 33 tonnes of e-waste was collected in 2011. Until November, the University sent its e-waste to the Sims E-Recycling plant at Villawood (with a 94 percent recovery rate). In November, the University started to send its e-waste to Reverse E-Waste (part of the Beverich Holdings Group) for processing. In December, the first month of the new agreement, Reverse E-waste collected 9 tonnes, with a 99 percent recovery rate.
- CIS grounds staff composted garden waste at the Camperdown/Darlington Campus, providing quality compost for use around the University. During 2011 approximately 2000 cubic metres of organic material was composted and reused on site.
- Toner cartridges from printers and multifunction devices were recycled by Corporate Express, Planet Ark and Cartridge Rescue. Batteries were collected for recycling from more than a dozen locations around the Camperdown/Darlington and Cumberland campuses.

HAZARDOUS WASTE

The total volume of chemical and clinical/biological waste generated during 2011 was 74 tonnes, a 6 percent increase from 2010. There were increased volumes of both chemical and clinical/biological waste. The volume of waste varies from year to year depending on the University's activities.

The increased volumes of chemical waste can be generally attributed to the completion of the biennial High Risk OHS Audit program in 2011, with many departments disposing of significant volumes of unwanted chemicals in preparation for the audit. The University's largest chemical waste stream, flammable solvents, are mixed with similar waste from other organisations and reused as an alternative fuel source for industrial cement kilns. Increasingly, other chemical waste streams, such as batteries, oils and chemical packaging, are being diverted to resource recovery processes.

The increased volumes of clinical/biological waste can be attributed to the ongoing shift away from onsite decontamination for low-risk biological waste. There was also a short-term diversion of clean animal waste to the clinical/biological waste stream while the incinerator at the Camden Campus underwent a period of major maintenance.

Further hazardous waste is disposed of by other means, such as bulk liquid waste disposal and incineration.

SUSTAINABILITY INITIATIVES

The University has been working closely with other Go8 universities on a project to model the sources and projections of carbon emissions and identify potential paths to reduce/offset these emissions. Other sustainability initiatives in 2011 included the following.

- The 'Sustainable Workplace' staff engagement program to improve office sustainability at the University, in operation since 2009, currently includes around 50 volunteer staff.
- Four new water refill stations were installed in public areas during 2011 with the aim of reducing emissions and waste from bottled water purchases. More will be added in 2012.
- The University is leasing four Envirobank reverse vending machines for PET 1 & 2 and aluminium cans. Located in high-traffic areas across the Camperdown/Darlington Campus, they have been collecting 11,000 units per annum.
- To encourage more bicycle use and alleviate overcrowding on existing storage racks, 480 new bicycle parking spaces were installed on the Camperdown/Darlington Campus.

ANNUAL REPORT 2011
FINANCIAL REPORTS
AND STATEMENTS



INDEPENDENT AUDITOR'S REPORT

The University of Sydney

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of The University of Sydney (the University), which comprise the statement of financial position as at 31 December 2011, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University, and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2011, and of the financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2011 Reporting Period' (the DEEWR Guidelines), issued by the Australian Government Department of Education, Employment and Workplace Relations (now administered by the Department of Industry, Innovation, Science, Research and Tertiary Education), pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

My opinion should be read in conjunction with the rest of this report.

University Senate's Responsibility for the Financial Statements

The Senate of the University is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the DEEWR Guidelines and for such internal control as the Senate determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Senate, as well as evaluating the overall presentation of the financial statements.

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

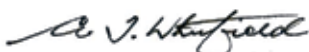
My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



A T Whitfield
Deputy Auditor-General

15 March 2012
SYDNEY



Dr Michael Spence
Vice-Chancellor and Principal

13 March 2012

STATEMENT BY APPOINTED OFFICERS

In accordance with a resolution of the Senate of The University of Sydney dated 4 February 1991 and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that to the best of our knowledge and belief:

1. The financial statements present a true and fair view of the financial position of the University at 31 December 2011 and the financial performance of the University for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2011 Reporting Period" issued by the Australian Government Department of Education, Employment, and Workplace Relations (now administered by the Department of Industry, Innovation, Science, Research and Tertiary Education)
3. The financial report has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
4. We are not aware of any circumstances which would make any details included in the financial statements to be misleading or inaccurate.
5. There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.
6. The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was granted and the University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

Dr Michael Spence
Vice-Chancellor and Principal

Alec Brennan
Chair Finance and
Audit Committee

**ANNUAL FINANCIAL
STATEMENTS 2011**

START OF AUDITED
FINANCIAL STATEMENTS

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Revenue and income from continuing operations					
Australian government financial assistance					
Australian government grants	2	692,312	642,012	692,300	642,012
HECS-HELP -- Australian government payments	2	115,951	126,746	115,951	126,746
FEE-HELP	2	44,037	42,838	44,037	42,838
New South Wales government financial assistance	3	19,745	15,936	19,745	15,936
HECS-HELP -- student payments		34,234	36,336	34,234	36,336
Fees and charges	4	370,199	346,890	369,929	346,680
Investment revenue	5	76,151	88,525	76,142	88,477
Royalties, trademarks and licences	6	2,379	2,619	2,379	2,619
Consultancy and contract research	7	80,644	88,464	80,644	88,464
Other revenue	8	85,242	44,234	85,177	44,077
Total revenue from continuing operations		<u>1,520,894</u>	<u>1,434,600</u>	<u>1,520,538</u>	<u>1,434,185</u>
Gains/(losses) on disposal of assets	9	200	445	200	510
Investments accounted for using the equity method	43	(4,136)	(5,169)	0	0
Other income	8	78,527	73,206	76,402	70,943
Total revenue and income from continuing operations		<u>1,595,485</u>	<u>1,503,082</u>	<u>1,597,140</u>	<u>1,505,638</u>
Expenses from continuing operations					
Employee-related expenses	10	896,490	848,199	894,861	845,039
Depreciation and amortisation	11	104,171	70,466	103,830	70,103
Repairs and maintenance	12	61,535	53,744	61,392	53,550
Borrowing costs	15	0	1,087	0	1,087
Impairment of assets	13	854	35	860	5,987
Other expenses	14	199,603	196,039	198,908	195,249
Grant and scholarship expenses		90,511	84,997	90,506	85,009
Consultants and contractors		38,419	36,547	37,804	35,988
Teaching and research grants		95,538	95,861	96,567	95,951
Total expenses from continuing operations		<u>1,487,121</u>	<u>1,386,975</u>	<u>1,484,728</u>	<u>1,387,963</u>
Operating result before income tax and impairment of available-for-sale assets					
		<u>108,364</u>	<u>116,107</u>	<u>112,412</u>	<u>117,675</u>
Income tax benefit/(expense)	16	(40)	(1)	0	0
Impairment of available-for-sale assets		(19,808)	(3,939)	(19,808)	(3,939)
Operating result after income tax and impairment of available-for-sale assets for the year*		<u>88,516</u>	<u>112,167</u>	<u>92,604</u>	<u>113,736</u>
Operating result attributable to members of the University of Sydney					
	34(b)	<u>88,516</u>	<u>112,167</u>	<u>92,604</u>	<u>113,736</u>
Operating result attributable to members from:					
Continuing operations	34(b)	88,516	112,167	92,604	113,736
Total	34(b)	<u>88,516</u>	<u>112,167</u>	<u>92,604</u>	<u>113,736</u>

* Includes net operating result of 2011 \$61,975K (2010 \$23,018K) received from sources with specific restrictions in use, such as bequests, trusts etc. (Refer to Note 33 'Restricted funds').

The above income statement should be read in conjunction with the accompanying notes.

The University of Sydney
Statement of comprehensive income
For the year ended 31 December 2011

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Operating result after income tax for the year and impairment of available-for-sale for the year		88,516	112,167	92,604	113,736
Other comprehensive income					
Gain/(loss) on revaluation of land and buildings, net of tax	34(a)	8,548	9,939	8,548	9,939
Realised (gains)/loss transferred from reserves	34(a)	(24,641)	(37,627)	(24,641)	(37,627)
Gain/(loss) on fair value of available-for-sale financial assets	34(a)	(32,193)	1,307	(32,193)	1,307
Defined benefit actuarial gains/(losses)	34(b)	(11,286)	(3,572)	(11,286)	(3,572)
Reserve transfer relating to associates and joint ventures, net of tax	34(a)	1,289	0	0	0
Reserve transfer relating to impairment of available-for-sale-assets	13	19,808	3,939	19,808	3,939
Total other comprehensive income		<u>(38,475)</u>	<u>(26,014)</u>	<u>(39,764)</u>	<u>(26,014)</u>
Total comprehensive income		<u>50,041</u>	<u>86,153</u>	<u>52,840</u>	<u>87,722</u>
Total comprehensive income attributable to non-controlling interest		0	0	0	0
Total comprehensive income attributable to members of the University of Sydney		<u>50,041</u>	<u>86,153</u>	<u>52,840</u>	<u>87,722</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	17	210,866	163,350	210,676	163,240
Receivables	18	90,145	77,359	91,643	84,023
Inventories	20	365	454	344	441
Available-for-sale financial assets	21	10,415	66,015	10,415	66,015
Other current assets	19	10,733	0	10,733	0
Total current assets		322,524	307,178	323,811	313,719
Non-current assets					
Receivables	18	1,052,339	734,955	1,052,339	734,955
Investments accounted for using the equity method	43	4,949	7,796	0	0
Available-for-sale financial assets	21	718,386	727,964	718,386	727,964
Investment properties	23	0	13,832	0	13,832
Property, plant and equipment	24	1,789,069	1,765,309	1,788,490	1,764,743
Deferred tax assets	29	11	16	0	0
Intangible assets	28	72,192	58,113	72,192	58,076
Other financial assets	22	2,165	4,165	2,165	4,165
Other non-financial assets	30	3,454	3,306	3,454	3,306
Heritage assets	25	237,385	228,099	237,385	228,099
Library collections	26	427,037	472,279	427,037	472,279
Works in progress	27	157,897	61,286	157,897	61,286
Total non-current assets		4,464,884	4,077,120	4,459,345	4,068,705
Total assets		4,787,408	4,384,298	4,783,156	4,382,424
LIABILITIES					
Current liabilities					
Trade and other payables	31	160,873	146,025	161,554	151,882
Provisions	32	144,585	132,777	144,533	132,684
Income tax payable		35	0	0	0
Total current liabilities		305,493	278,802	306,087	284,566
Non-current liabilities					
Provisions	32	1,115,892	789,514	1,115,853	789,482
Total non-current liabilities		1,115,892	789,514	1,115,853	789,482
Total liabilities		1,421,385	1,068,316	1,421,940	1,074,048
Net assets		3,366,023	3,315,982	3,361,216	3,308,376
EQUITY					
Parent entity interest					
Restricted funds	33	751,438	689,463	751,438	689,463
Reserves	34(a)	250,628	277,817	248,730	277,208
Retained earnings	34(b)	2,363,957	2,348,702	2,361,048	2,341,705
Parent entity interest		3,366,023	3,315,982	3,361,216	3,308,376
Total equity		3,366,023	3,315,982	3,361,216	3,308,376

The above statement of financial position should be read in conjunction with the accompanying notes.

The University of Sydney
Statement of changes in equity
for the year ended 31 December 2011

	Consolidated			Parent				
	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2010	757,117	304,808	2,167,904	3,229,829	757,117	300,709	2,162,828	3,220,654
Change in restricted funds presentation refer note 33	(91,677)	0	91,677	0	(91,677)	0	91,677	0
Balance as restated	665,440	304,808	2,259,581	3,229,829	665,440	300,709	2,254,505	3,220,654
Profit or loss	24,023	0	88,144	112,167	24,023	0	89,713	113,736
Revaluation of land and buildings, net of tax	0	9,939	0	9,939	0	9,939	0	9,939
Reserves transferred to retained earnings	0	(1,059)	1,059	0	0	(1,059)	1,059	0
Realised (gain)/loss transferred from reserves	0	(37,627)	0	(37,627)	0	(37,627)	0	(37,627)
Change in fair value or available-for-sale financial assets	0	1,307	0	1,307	0	1,307	0	1,307
Reserve transfer relating to associates and joint venture, net of tax	0	(3,490)	3,490	0	0	0	0	0
Reserve transfer relating to impairment of available-for-sale assets	0	3,939	0	3,939	0	3,939	0	3,939
Actuarial gains/(losses) defined benefit plan	0	0	(3,572)	(3,572)	0	0	(3,572)	(3,572)
Total comprehensive income	24,023	(26,991)	89,121	86,153	24,023	(23,501)	87,200	87,722
Balance at 31 December 2010	689,463	277,817	2,348,702	3,315,982	689,463	277,208	2,341,705	3,308,376
Balance at 1 January 2011	689,463	277,817	2,348,702	3,315,982	689,463	277,208	2,341,705	3,308,376
Profit or loss	61,975	0	26,541	88,516	61,975	0	30,629	92,604
Revaluation of land and buildings, net of tax	0	8,548	0	8,548	0	8,548	0	8,548
Realised (gain)/loss transferred from reserves	0	(24,641)	0	(24,641)	0	(24,641)	0	(24,641)
Change in fair value or available-for-sale financial assets	0	(32,193)	0	(32,193)	0	(32,193)	0	(32,193)
Reserve transfer relating to associates and joint venture, net of tax	0	1,289	0	1,289	0	0	0	0
Reserve transfer relating to impairment of available-for-sale assets	0	19,808	0	19,808	0	19,808	0	19,808
Actuarial gains/(losses) defined benefit plan	0	0	(11,286)	(11,286)	0	0	(11,286)	(11,286)
Total comprehensive income	61,975	(27,189)	15,255	50,041	61,975	(28,478)	19,343	52,840
Balance at 31 December 2011	751,438	250,628	2,363,957	3,366,023	751,438	248,730	2,361,048	3,361,216

The above statement of changes in equity should be read in conjunction with the accompanying notes.

The University of Sydney
Statement of cash flows
for the year ended 31 December 2011

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash flows from operating activities					
Australian government grants received	2(h)	852,114	816,267	852,114	816,267
New South Wales government grants received	3	19,745	15,936	19,745	15,936
HECS-HELP -- student payments		34,234	36,335	34,234	36,336
Receipts from student fees and others		670,742	615,980	669,092	615,032
Dividends received		31,302	11,681	31,302	11,681
Interest received		25,789	25,121	25,780	25,121
Other investment income received		3,984	10,433	3,984	10,433
Payments for employee-related expenses		(878,684)	(836,455)	(878,282)	(835,981)
Payments to suppliers (inclusive of goods and services tax)		(553,946)	(525,299)	(553,086)	(524,596)
Net cash provided by/(used in) operating activities	44	205,280	169,999	204,883	170,229
Cash flows from investing activities					
Proceeds from sale of shares, managed funds and fixed income securities		430,768	205,968	430,768	205,968
Proceeds from sale of property, plant and equipment		658	1,634	658	1,619
Receipts/(payments) for joint venture partnership and associates		(3,296)	274	(3,296)	54
Payments for property, plant and equipment		(170,852)	(97,605)	(170,535)	(97,524)
Payments for shares, managed funds and fixed income securities		(415,866)	(245,522)	(415,866)	(245,522)
Net cash provided by/(used in) investing activities		(158,588)	(135,251)	(158,271)	(135,405)
Cash flows from financing activities					
Repayment of borrowings		0	(1,087)	0	(1,087)
Net cash provided by/(used in) financing activities		0	(1,087)	0	(1,087)
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of financial year		163,350	130,106	163,240	129,920
Effects of exchange rate changes on cash and cash equivalents		824	(417)	824	(417)
Cash and cash equivalents at the end of the financial year	17	210,866	163,350	210,676	163,240
Non-cash financing and investing activities	46				

The above statement of cash flows should be read in conjunction with the accompanying notes.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2011

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years reported, unless otherwise stated. The financial statements include separate financial statements for the University of Sydney as the parent entity and the consolidated entity consisting of the University of Sydney and its subsidiaries.

The principal address of the University of Sydney is: The University of Sydney, NSW 2006.

The financial statements were authorised for issue, under the delegation of the Senate, on 12 March 2012.

(a) Basis of preparation

These financial statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards (including Australian Accounting Standards Board (AASB) interpretations), the requirements of the Department of Education, Employment and Workplace Relations (DEEWR) (now administered by the Department of Industry, Innovation, Science, Research and Tertiary Education) and with the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*.

The financial statements are prepared in Australian dollars. Any items payable or receivable in foreign currency that were outstanding at year-end have been converted to Australian currency using the applicable year end exchange rate.

Compliance with International Financial Reporting Standards (IFRS)

The financial statements and notes of the University of Sydney comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit (NFP) entities that are inconsistent with IFRS requirements.

- Accounting for government grants. Under AASB 1004 'Contributions' a not-for-profit (NFP) entity is required to recognise government grants upon receipt, irrespective of whether these grants have been expended in the year of receipt.
- Impairment of assets. Under AASB 136 'Impairment of Assets' a not-for-profit (NFP) entity is entitled to recognise any impairment loss on a revalued asset directly against the available revaluation reserve in respect of the same class of asset.
- Assets received at nil or nominal value. Under AASB 102 'Inventories', AASB 138 'Intangible Assets', AASB 140 'Investment Properties', and AASB 116 'Property Plant and Equipment', a not-for-profit (NFP) entity is entitled to recognise an asset acquired at no cost or nominal cost at its fair value as at the date of acquisition.
- Property held to meet service delivery objectives. Under AASB 140 'Investment Property', a not-for-profit (NFP) entity is entitled to hold investment property to meet service delivery objectives and as such must account for these assets under AASB 116 'Property Plant and Equipment'.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. These are detailed in the notes that follow.

Accrual basis of accounting

The financial statements have been prepared on an accrual accounting basis and on the basis of historical costs and, except where stated in notes 1(a) and 1(i), does not take into account changing money values or current valuations of non-current assets.

Consolidated financial statements

The consolidated financial statements are prepared in accordance with AASB 127 'Consolidated and Separate Financial Statements'. The Financial Statement includes the accounts of the parent entity, the University of Sydney, and the accounts of the economic entity, comprising the University of Sydney and the entities it controlled at the end of or during the financial year, as shown in Note 41. The balances and effects of transactions between subsidiaries included in the consolidated financial statements have been eliminated. Separate financial statements are also prepared by the University's subsidiaries and are audited by the Audit Office of New South Wales.

(b) Insurance

The University and its subsidiaries have insurance policies for coverage of properties, public liability, professional indemnity, clinical trials, veterinary malpractice, directors and officers, personal accident/travel, motor vehicles, workers compensation, aviation hull and liability, principal controlled contract works, marine hull and liability, marine transit and crops. There are elements of self-insurance within the overall insurance program including cover for University staff and students engaged in medical and other clinical activities.

1 Summary of significant accounting policies

(c) Income tax

The University is exempt from income tax under Commonwealth income tax legislation. Within the consolidated entity there are entities that are not exempt from income tax. For these entities, the income tax expense or revenue for the period is the tax payable on the current period's taxable income, 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statements of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

(d) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable assets. Acquisition-related costs are expensed as incurred.

When the parent acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the parent's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it is remeasured.

(e) Revenue recognition

(i) Operating revenue

The University's operating activity income primarily consists of Commonwealth grants, Higher Education Contribution Scheme Commonwealth payments, Higher Education Loan Program student payments, NSW state government grants, other research grants and consultancy and contracts, investment income, and fees and charges.

Revenue is recognised where it can be reliably measured. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes.

(ii) Government grants

The University treats operating grants received from Australian government entities as income in the year of receipt, irrespective of whether these grants have been expended in the year of receipt.

(iii) Fees and charges

Student fees are recognised as debtors in the relevant session. Revenue from rendering services is recognised in the period in which the service is provided, having regard to the stage of completion of the service.

(iv) Investment income

Investment income is recognised as it is earned.

1 Summary of significant accounting policies

(v) Rental income

Rental income is recognised as it is earned over the period that the properties are leased to third parties.

(vi) Asset sales

Net realised gains/(losses) are included as income/(expenses) and are further analysed in Note 9.

(vii) Other revenue and income

Represents donations, bequests and contributions from external organisations and miscellaneous income not derived from core operations which are recognised when the University becomes entitled to receive the contribution and the contribution can be reliably measured. Miscellaneous income is brought to account as it is earned and is recognised when the goods and services are provided.

(f) Goods and Services Tax (GST)

Revenues, expenses and fixed assets are recognised net of the amount of goods and services tax (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 the item of expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(g) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Available-for-sale financial assets with a maturity date of three months or less, from the date of deposit or issue and where there is an insignificant risk of a change in value, are re-classified to cash and cash equivalents.

(i) Valuation of assets

Property, plant and equipment

In accordance with AASB 116 the University has chosen to apply the "cost model" to value its plant and equipment, library collections and non-commercial teaching and research land, buildings and infrastructure. Cost includes expenditure directly attributable to acquisition of items. After recognition these classes of assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. Non-commercial land, buildings and Infrastructure are identified as assets that are subject to specific restrictions for example land grants, zoned specific use and specific contractual arrangements. In regard to commercial teaching and research land, buildings, infrastructure, farms, student housing and heritage the University has determined given these assets classes can be reliably measured to apply the revaluation model. After recognition these classes of assets are recorded at their fair value and carried at a revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Under the revaluation model revaluations are undertaken of all classes of assets with sufficient regularity to ensure the carrying amount does not differ materially from the value determined using fair value at the reporting date. At the date of revaluation the accumulated depreciation is eliminated against the gross carrying amount of the assets and the net amount restated to the revalued amount of the assets. Any increase in the asset class-carrying amount is credited to the revaluation reserve. Commercial teaching and research land, buildings, and infrastructure are externally revalued every three years and in the remaining two years by an internal valuer.

Subsequent 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 University and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the headings of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, increases of the same revaluation surpluses in equity to the extent of the remaining reserve attributable to the asset are charged to the income statement.

Commercial teaching and research properties

Investment in commercial teaching and research properties are land and buildings carried at fair value and are used by the University to meet service delivery obligations.

1 Summary of significant accounting policies

Infrastructure

Infrastructure includes roads, paths and paving, ovals, playing fields, perimeter fencing, boundary gates, farm fencing (wire, electric or post and rail), water, electricity, gas, telecommunications services, sewerage, drainage, bridges, pedestrian ramps, surface car parks, power generation plants, reservoirs, dams and landscaping. The University applies the cost basis for its non-commercial infrastructure and the fair value basis for commercial teaching and research infrastructure.

Commercial farms

The University's commercial farms have been revalued at 31 December 2011.

Student housing

The University's student housing has been revalued at 31 December 2011.

Plant and equipment

The University's plant and equipment are recorded at historical cost.

Embedded plant and equipment in buildings

Embedded plant and equipment in buildings includes assets that are capitalised with the building, and can be separately identified and depreciated at a different rate than the host building.

Motor vehicles

The University's motor vehicles are recorded at historical cost less accumulated depreciation.

Heritage assets

Valuations for the University's heritage assets were provided by the curators of each collection. The valuation of the University's rare books collection was as at 31 December 2011. The Power Collection of Contemporary Art is owned by the University and is on loan under a management agreement with the Museum of Contemporary Art. The collection was last valued in 2008 by the Museum of Contemporary Art Limited and is recorded on the University's books at a value of \$28,890,000. The valuations for the other collections are provided annually by the curators of each collection and are based on current market value using a combination of prices at auction of similar works, the curator's experience and appropriate indexation. Where assets are valued in a foreign currency they are translated into their Australian dollar equivalent at reporting date. These assets are not subject to depreciation. With the application of AASB116 the valuations are arrived at by curators using the fair value method.

Library

Valuations for the University's libraries were provided by University librarians. The University's research and undergraduate collections were capitalised at 31 December 1998 at market value. Under AASB 116, the library collections continue to be valued using the cost model less impairment.

Works in progress

Works in progress represent the cost of unoccupied and incomplete building projects and other major capital works projects at reporting date. It also includes the costs of major information technology (IT) systems developments that had not been implemented as at the reporting date.

Agriculture assets

Agriculture assets comprise livestock and other living assets such as crops. The University values its agriculture assets at value less cost to sell.

Inventories

Inventories consist of store stock and unsold crops in silos. Inventories are valued at cost. Costs have been assigned to inventory quantities on hand at reporting date using the 'first in first out' basis. The lower of cost and net of realisable value.

Trade and other receivables

Trade receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debtor uncollectability 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 the receivable.

The following matters are considered when assessing the level of impairment in relation to receivables: the level of financial difficulty of the debtor, the probability that the debtor will enter bankruptcy or financial organisation, default or delinquency in payments (more than 30 days overdue).

1 Summary of significant accounting policies

Bad debts are written off against the allowance account if provided for and any change in the allowance account is recognised in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable securities, unit trusts and debt instruments are non derivative financial assets. They are included in non-current assets unless the maturity date of the asset is within 12 months of the balance date.

Available-for-sale financial assets (see Note 20) are initially recognised at fair value. Subsequent increases or decreases in the fair value are recognised directly in equity in the asset revaluation reserve, until de-recognised. On de-recognition or impairment, the cumulative gain or loss is recognised in the income statement.

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

The University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date (Level 1). The fair values of quoted investments are based on current bid prices.

If the market for a financial asset is not active (and for unlisted securities), the University establishes fair value by using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same (Level 2). Other techniques that are not based on observable market data (Level 3) such as discounted cash flow analysis, and option pricing models refined for the issuer's specific circumstances, are used to determine fair value for the remaining financial instruments.

Other financial assets

The University has investments in a number of companies that are unlisted. These are brought to account at cost as there is no available market value. Based on the latest available published financial accounts the University estimates that the recoverable amounts are greater than cost.

Impairment of assets

The University assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity instruments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss -- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss -- is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Investment properties

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the University. Where the investment property is acquired at no cost or for nominal consideration, its cost is deemed to be its fair value as at the date of acquisition.

Subsequent to initial recognition, investment property is carried at fair value, which is based on comparable market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the University uses alternative valuation methods such as recent prices in less comparable markets or discounted cash flow projections. These valuations are reviewed annually. Changes in fair value are recorded in the income statement as part of other income.

(j) Trade and other payables

Trade payables are measured at amortised cost. Due to their short-term nature, they are not discounted.

Trade and other payables, including accruals not yet billed, represent liabilities for goods and services provided to the economic entity prior to the end of the reporting period. These amounts are unsecured and are usually settled within 30 days of recognition.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statements over the period of the borrowings using the effective interest method.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

1 Summary of significant accounting policies

Borrowings are classified as current liabilities unless the economic entity has an unconditional right to defer settlement of the liability for at least 12 months after the statements of financial position date and does not expect to settle the liability for at least 12 months after the statements of financial position date.

(l) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the economic entity's outstanding borrowings during the year.

(m) Foreign currency transactions

Foreign currency transactions are translated into Australian currency at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currency at reporting date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the income statement.

Foreign exchange difference relating to available-for-sale financial assets that are not monetary items are recognised directly in the asset revaluation reserve. On de-recognition of such an asset, the cumulative exchange difference previously recognised in equity is recognised in the income statement.

(n) Intangible assets

Intangibles include major IT computer software, the digitalised library collection and the right to use specific assets (cyclotron), which represents the cost to the University of major information technology systems, the digitalised library and the right to use assets that have been purchased/developed and/or implemented.

Major IT software is recorded at historic cost and depreciated at 40 percent per annum. Digitalised library collections are held by perpetual licence and not expected to be subject to technical obsolescence or incur maintenance costs. They are recorded at historic costs and are not depreciated as they are deemed to have an indefinite useful life. The right to use a cyclotron was acquired at cost and is depreciated over its effective life, which is 20 years.

(o) Employee benefits

(i) Annual leave

Liabilities for annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Accrued annual leave is treated as a current liability.

(ii) Long service leave

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit cost method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on notional government bonds with monthly terms to maturity that match, as closely as possible the estimated future cash outflows. An actuarial valuation of the University's liability was undertaken by Alea Actuarial Consulting Pty Limited as at 31 December 2011.

Accrued long service leave is treated as both a current and a non-current liability.

(iii) Superannuation

The University provides for superannuation based on information and formulae provided by the Superannuation Administration Corporation in respect of contributors to the defined benefit schemes administered by the SAS Trustee Corporation. These schemes include the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non-Contributory Scheme. In addition the University contributes to the Superannuation Scheme for Australian Universities, which is a fully funded defined benefits scheme that also provides an Accumulation Superannuation Plan. The University also contributes to the University of Sydney Professorial Superannuation Scheme.

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined obligation at the reporting date less the fair value of the superannuation fund's assets at the date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, trends of employee departures and periods of service.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions on all superannuation funds are recognised in the period in which they occur, outside of the income statement, in the statement of comprehensive income.

1 Summary of significant accounting policies

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible the estimated future cash outflows.

Past service costs are recognised immediately in the income statement, unless the changes to the superannuation funds are on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

A liability or asset in respect of the defined benefit superannuation plan for UniSuper has not been recognised in the balance sheet based on advice from UniSuper that the defined benefit plan is a contribution fund for the purposes of AASB 119 due to the amendment of the trust deed during 2006 (clause 34 of the UniSuper Trust Deed). The plan has been classified as a contribution plan in the parent entity's accounts.

(p) Depreciation

Depreciation is calculated on a straight-line basis. The depreciation rates are based on the estimated useful lives of the various classes of assets employed. Pro-rata depreciation is charged in the year of purchase and disposal. Depreciation rates by class of assets are as follows:

	Per annum
Plant and equipment*	5%-10%
Computing equipment**	20%-25%
Motor vehicles	15%
Buildings and infrastructure	2%
Embedded plant and equipment in buildings	
- Embedded mechanical and electrical install	6.7%
- Embedded plant and equipment	10%
Intangibles - computer software***	14.29% & 40%
Commercial teaching and research farms	2%
Commercial teaching and research student housing	2%
Leasehold improvements	2%
Library collections****	10%

A review of the estimated useful lives of plant and equipment, computer equipment and computer software was undertaken to determine the efficacy of the depreciation rates applied to these asset categories.

The outcome of this review which took effect from 1 January 2011 was:

* The depreciation rates applied to plant and equipment have been changed to 5% for laboratory equipment and 6.67% for all other plant and equipment from 10% which is still applicable to 2010 figures.

** The depreciation rate applied to computer equipment has been changed from 25% to 20%.

*** The amortisation rate for computer software has been changed from 40% to 14.29%, 7 years for major software products.

The impact of these depreciation rate changes was a reduction in the depreciation charges for equipment purchased prior to 1 January 2011 and equipment purchased during 2011 of \$17,789K as shown in the following table.

	Equipment owned 1 Jan 2011 \$'000	Equipment purchased 2011 \$'000	Total \$'000
Property plant and equipment	7,412	544	7,956
Computer software	7,923	1,680	9,603
Computer equipment	214	16	230
	<u>15,549</u>	<u>2,240</u>	<u>17,789</u>

It is anticipated that the change in the estimated useful lives of these assets will have similar impacts on the profit or loss in future periods.

Leasehold improvements are depreciated at 2%, or over the life of the lease, if the lease is for a period less than 50 years.

****Library collections

In 2011 a review was performed of the effective useful lives of the library collections. The review found due to the combined effects of changes in technology and the growing demand for more online services, fundamental changes in the effective lives of the research and undergraduate collections had occurred.

1 Summary of significant accounting policies

The research and undergraduate library collections were included in the University's accounts as non-current assets together with property plant and equipment. Traditionally, the research collections were not depreciated, and the undergraduate collection was depreciated at 20 percent per annum.

The review determined that both collections be called "library collections" and the estimated effective useful life as of 1 January 2011 be 10 years.

This change in the effective useful life of the library collection will be applied prospectively in the 2011 accounts. The following table summarises the transitional adjustments made in the statement of comprehensive income and statement of financial position upon implementation of the changes in effective lives.

	2011	
	Economic entity	Parent entity
	\$'000	\$'000
Effect on the statement of comprehensive income:		
Depreciation prior to reassessment	953	953
Additional depreciation on reassessment of effective useful lives	<u>46,655</u>	<u>46,655</u>
Revised depreciation	<u>47,608</u>	<u>47,608</u>
The effect on the statement of financial position is as follows:		
Library collections	543,240	543,240
Accumulated depreciation	<u>(90,474)</u>	<u>(90,474)</u>
Accumulated impairment	<u>(25,729)</u>	<u>(25,729)</u>
Net book value of library collections	<u>427,037</u>	<u>427,037</u>

It is anticipated the change in estimated useful lives of the library collections will have similar impacts on the profit or loss in future periods.

(q) Make good provisions

The University leases a number of properties which include 'make good' requirements at the expiry of the lease.

Provisions for make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The liability is reassessed each reporting period and the resulting change in value is recorded as a finance cost.

On initial recognition of the make good provision a leasehold improvement asset is recognised to record the future economic outflows required to perform the restoration.

Changes to the estimated future costs of the restoration are recognised in the statement of financial position by adjusting the cost of the related asset.

(r) Leases

The University leases various plant and equipment under operating leases. Under these arrangements a significant portion of the risks and rewards of ownership are retained by the lessor. The costs in relation to these are presented in Note 14 'Other expenses' as 'Operating lease and rental expenses'.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

(s) Restricted funds

Restricted funds are funds or assets granted by external parties under conditions that they may only be utilised for specified expenditure purposes and cannot be allocated to general purpose expenditure. The grantor of the funds specifies how the funds are supposed to be used.

1 Summary of significant accounting policies

(t) Reserves

The University has the following reserves:

(i) Asset revaluation reserve

This reserve is used to account for the increases or decreases in the value of assets as a result of revaluations.

Increases in the value of reserves are in accordance with valuation of assets policies stated in Note 1(i). Decrements in reserves are either on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 'Impairment of Assets' where a revaluation reserve had existed for that asset class.

(ii) Associates' reserves

This represents the reserves held by associated entities and is recognised in the consolidated financial statements using the equity method of accounting (see Note 42).

In addition an initial asset valuation reserve was created in 1992 for the purpose of bringing to account the University's assets for the first time. This includes the transfer of properties between the University and the Department of School Education in 1994; this transfer did not involve any cash transactions. This initial asset valuation reserve is included in retained earnings.

(u) Joint ventures and cooperative research centres

The University's CRC involvement is reported in Note 37(d) 'CRC commitments'.

When the University has an interest in joint venture partnership it is accounted for using the equity method. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statements, and the share of movements in reserves is recognised in reserves in the balance sheets. At the date of this report the University does not have an interest in joint venture partnerships.

(v) Associates

Associates are entities over which the University has significant influence, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for in the parent entity using the cost method and in the consolidated financial statements using equity method of accounting.

The University's share of an associate's post-acquisition profits or losses is recognised in the income statement and its share of post acquisition movements in reserves is recognised in the associate reserve. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Dividends received from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

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

(w) Private sector participation in the provision of student accommodation

The University of Sydney entered into an arrangement where, under a long-term lease of its land in Carillon Avenue, Newtown, a student university village (SUV) has been constructed and is being operated in partnership with the private sector. This 650-bed SUV was opened in January 2003. Under the terms of the project deed, ownership in the accommodation complex reverts to the University 40 years after the opening of the SUV. At this stage the emerging share of the asset is not material.

(x) New accounting standards and AASB interpretations

A number of new accounting standards, amendments and interpretations have been issued during 2011 but are not yet effective. The University has not elected to early adopt any of these new standards or amendments or interpretations. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the University, unless stated otherwise hereunder:

AASB 124 Related Party Disclosures. We believe that this standard would have an immaterial impact on the financial position or performance of the economic entity.

AASB 2009-14 Amendments to Australian Interpretation -- Prepayments of Minimum Funding Requirement. We believe that this standard would have an immaterial impact on the financial position or performance of the economic entity.

AASB 2010-4 Amendments to Australian Accounting Standards arising from Annual Improvement Project (AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13)

1 Summary of significant accounting policies

AASB 2010-5 This standard makes numerous editorial changes to a range of accounting standards. We believe that this standard would have an immaterial impact on the financial position or performance of the economic entity.

AASB 2010-6 The amendments increase the disclosure requirements for transactions involving transfers of financial assets under AASB 7. We believe that this standard would have an immaterial impact on the financial position or performance of the economic entity.

The University and its controlled entities have not adopted AASB 9 Financial Instruments. The mandatory adoption date for the standard is 1 January 2013. The adoption of this standard will result in the reclassification of available-for-sale financial assets to various other asset categories. The adoption of the standard may have a material impact on the results of the University. At the date of this report we have been unable to quantify the impact of the change.

Revised AASB 101 Presentation of Financial Statement -- This revised standard requires items in the Statement of Comprehensive Income to be segregated between those that will be eventually realised in the income statement in future periods and those that will not. The Revised AASB 101 is mandatory for adoption by the University in the year ending 31 December 2013. The changes relate to presentation only and are not expected to have a financial impact on the University.

AASB 10 Consolidated Financial Statements -- This new standard changes the criteria for determining which entities are to be consolidated. It is mandatory for adoption by the University in the year ending 31 December 2013. The financial impact to the University of adopting this standard has not yet been quantified.

AASB 11 Joint Arrangements -- This new standard changes the criteria for determining which entities are to be accounted for using the equity method and which entities are to be accounted for using the proportionate consolidation method. AASB 11 is mandatory for adoption by the University in the year ending 31 December 2013. The financial impact to the University of adopting this standard has not yet been quantified.

AASB 12 Disclosure of Interests in Other Entities -- This new standard changes the disclosure requirements relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. AASB 12 is mandatory for adoption by the University in the year ending 31 December 2013. This standard is not expected to have a financial impact on the University.

AASB 13 Fair Value Measurement -- This new standard establishes a single source of guidance for determining the fair value of assets and liabilities. The new standard requires quantitative and qualitative disclosures of all fair value measurements. AASB 13 is mandatory for adoption by the University in the year ending 31 December 2013. The financial impact to the University of adopting this standard has not yet been quantified.

Revised AASB 119 Employee Benefits -- This revised standard requires that liabilities arising from defined benefit plans are recognised in full (i.e. eliminates the "corridor method") and requires remeasurements of assets and liabilities from defined benefit plans to be presented in other comprehensive income. Under the revised AASB 119, the amount recognised in profit or loss will be determined using a risk-free rate rather than expected earnings. This revised standard is mandatory for adoption by the University in the year ending 31 December 2013. The financial impact to the University of adopting this standard has not yet been quantified.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements -- This standard makes amendments to remove individual key management personnel disclosure requirements in AASB 124. This standard is mandatory for adoption by the University in the year ending 31 December 2014. The changes relate to disclosures and are not expected to have a financial impact on the University.

(y) Charitable Fundraising Act 1991 (CFA)

The *Charitable Fundraising Amendment (Exemption) Regulation 2007* authorises universities to conduct fundraising appeals without holding an authority under CFA. This exemption does not extend to subsidiaries of the University.

2 Australian government financial assistance including HECS-HELP and FEE-HELP

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(a) Commonwealth Grants Scheme and other grants	49.1				
Commonwealth Grants Scheme		264,456	258,108	264,456	258,108
Indigenous Support Program		1,292	1,495	1,292	1,495
Partnership and Participation Program		2,704	1,535	2,704	1,535
Disability Support Program		148	233	148	233
Workplace Productivity Program		0	1,216	0	1,216
Capital Development Pool		5,663	6,283	5,663	6,283
Diversity and Structural Adjustment Program		2,140	1,783	2,140	1,783
Transition Cost Program		248	540	248	540
Total Commonwealth Grants Scheme and other grants		<u>276,651</u>	<u>271,193</u>	<u>276,651</u>	<u>271,193</u>
(b) Higher Education Loan Programs	49.2				
HECS-HELP		115,951	126,746	115,951	126,746
FEE-HELP		44,037	42,838	44,037	42,838
Total Higher Education Loan Programs		<u>159,988</u>	<u>169,584</u>	<u>159,988</u>	<u>169,584</u>
(c) Scholarships	49.3				
Australian Postgraduate Awards		20,665	17,037	20,665	17,037
International Postgraduate Research Scholarships		2,093	2,105	2,093	2,105
Commonwealth Education Costs Scholarships		3,642	227	3,642	227
Commonwealth Accommodation Scholarships		5	5	5	5
Indigenous Access Scholarships		65	55	65	55
Total scholarships		<u>26,470</u>	<u>19,429</u>	<u>26,470</u>	<u>19,429</u>
(d) DIISR -- Research	49.4				
Joint Research Engagement Program		35,522	36,803	35,522	36,803
Research Training Scheme		63,815	62,641	63,815	62,641
Research Infrastructure Block Grants		28,150	26,845	28,150	26,845
Implementation Assistance Program		0	184	0	184
Commercialisation Training Scheme		710	585	710	585
DEEWR SRE Threshold 2		11,039	7,966	11,039	7,966
DEEWR SRE Base and Threshold 1		3,588	1,861	3,588	1,861
Total DIISR -- Research		<u>142,824</u>	<u>136,885</u>	<u>142,824</u>	<u>136,885</u>
(e) Other capital funding	49.5				
Education Investment Fund		22,600	17,500	22,600	17,500
Total other capital funding		<u>22,600</u>	<u>17,500</u>	<u>22,600</u>	<u>17,500</u>

2 Australian government financial assistance including HECS-HELP and FEE-HELP

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(f) Australian Research Council	49.6				
(i) Discovery	49.6(a)				
Projects		39,563	39,353	39,563	39,353
Future fellowships		8,940	2,645	8,940	2,645
Federation fellowships		1,945	2,429	1,945	2,429
Indigenous researchers		126	130	126	130
DEEWR ARC Super Science Fellowship		471	186	471	186
Total discovery		<u>51,045</u>	<u>44,743</u>	<u>51,045</u>	<u>44,743</u>
(ii) Linkages	49.6(b)				
Linkage -- infrastructure		2,588	5,460	2,588	5,460
International researcher exchange		0	13	0	13
Laureate fellowships		3,561	2,481	3,561	2,481
Projects		8,997	9,756	8,997	9,756
Total linkages		<u>15,146</u>	<u>17,710</u>	<u>15,146</u>	<u>17,710</u>
(iii) Networks and centres	49.6(c)				
Centres		6,501	4,335	6,501	4,335
Total networks and centres		<u>6,501</u>	<u>4,335</u>	<u>6,501</u>	<u>4,335</u>
(g) Other Australian government financial assistance					
Education, science and training		7,849	15,505	7,837	15,505
Human services and health		113,372	97,140	113,372	97,140
Industry, technology and regional development		770	7,837	770	7,837
Primary industry and energy		11,631	8,216	11,631	8,216
Other		1,149	1,519	1,149	1,519
Capital grant other		16,304	0	16,304	0
Total other Australian government financial assistance		<u>151,075</u>	<u>130,217</u>	<u>151,063</u>	<u>130,217</u>
Total Australian government financial assistance		<u>852,300</u>	<u>811,596</u>	<u>852,288</u>	<u>811,596</u>
Reconciliation					
Australian government grants [(a) + (c) + (d) + (e) + (f) + (g)]		692,312	642,012	692,300	642,012
HECS-HELP payments		115,951	126,746	115,951	126,746
FEE-HELP -- other Australian government loan programs		44,037	42,838	44,037	42,838
Total Australian government financial assistance		<u>852,300</u>	<u>811,596</u>	<u>852,288</u>	<u>811,596</u>
(h) Australian government grants received -- cash basis					
Commonwealth Grants Scheme and other grants		277,046	271,193	277,046	271,193
Higher Education Loan Programs		159,373	174,224	159,373	174,224
Scholarships		26,470	19,429	26,470	19,429
DIISR -- Research		142,824	136,885	142,824	136,885
ARC -- Discovery		51,045	44,743	51,045	44,743
ARC -- Linkages		15,146	17,710	15,146	17,710
ARC -- Networks and centres		6,501	4,335	6,501	4,335
Other Australian government financial assistance		151,063	130,217	151,063	130,217
Other capital funding		22,600	17,500	22,600	17,500
Total Australian government grants received -- cash basis		<u>852,068</u>	<u>816,236</u>	<u>852,068</u>	<u>816,236</u>
OS-HELP liability to Australian government (net)		46	31	46	31
Total Australian government funding received -- cash basis		<u>852,114</u>	<u>816,267</u>	<u>852,114</u>	<u>816,267</u>

3 New South Wales state government financial assistance

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
State government research grants	17,961	14,062	17,961	14,062
Other	1,784	1,874	1,784	1,874
Total state government financial assistance	19,745	15,936	19,745	15,936

4 Fees and charges

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Course fees and charges				
Fee-paying overseas students	277,141	261,472	277,141	261,472
Continuing education	11,476	9,259	11,221	9,075
Fee-paying domestic postgraduate students	21,075	21,283	21,075	21,283
Fee-paying domestic undergraduate students	6,786	9,398	6,786	9,398
Students undertaking non-award courses	6,888	4,791	6,888	4,791
Course fees	15,663	12,093	15,648	12,067
Law extension course fees	2,140	2,182	2,140	2,182
Summer School fees	12,947	12,098	12,947	12,098
Total course fees and charges	354,116	332,576	353,846	332,366
Other fees and charges				
Hire of equipment and venues	2,387	1,861	2,387	1,861
Fees late enrolment	129	122	129	122
Library fines	0	4	0	4
Parking fees	2,793	2,481	2,793	2,481
Rental -- other	1,672	1,659	1,672	1,651
Student residences	6,582	6,146	6,582	6,146
Library service charges	625	263	625	263
Miscellaneous	1,895	1,778	1,895	1,786
Total other fees and charges	16,083	14,314	16,083	14,314
Total fees and charges	370,199	346,890	369,929	346,680

5 Investment revenue

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Distributions from managed funds	26,396	14,262	26,396	14,262
Dividends received	14,297	10,988	14,297	10,988
Rental income from investment properties	19	557	19	557
Interest and discount from investments	25,650	26,537	25,922	26,537
Realised gains/(losses)	9,771	34,272	9,771	34,272
Unrealised gains/(losses) and other investment income	18	1,909	(263)	1,861
Total investment revenue	76,151	88,525	76,142	88,477

6 Royalties, trademarks and licences

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Licence, trademarks and royalty income	<u>2,379</u>	<u>2,619</u>	<u>2,379</u>	<u>2,619</u>
Total royalties, trademarks and licences	<u>2,379</u>	<u>2,619</u>	<u>2,379</u>	<u>2,619</u>

7 Consultancy and contract research

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Local collaborative and other research	18,527	22,372	18,527	22,372
Consultancy	9,674	10,342	9,674	10,342
Research grants industry	20,815	17,161	20,815	17,161
Research grants individuals and foundations	15,111	19,052	15,111	19,052
Research grants overseas organisations	<u>16,517</u>	<u>19,537</u>	<u>16,517</u>	<u>19,537</u>
Total consultancy and contracts research	<u>80,644</u>	<u>88,464</u>	<u>80,644</u>	<u>88,464</u>

8 Other revenue and income

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Other revenue				
Philanthropic income*	79,368	38,933	79,368	38,933
Sponsorship income	<u>5,874</u>	<u>5,301</u>	<u>5,809</u>	<u>5,144</u>
Total other revenue	<u>85,242</u>	<u>44,234</u>	<u>85,177</u>	<u>44,077</u>
Other income				
Veterinary/medical practice income	13,300	12,754	13,300	12,754
Recovery of expenses from external organisations	488	479	488	479
Commission received	807	738	807	738
Memberships and subscriptions	270	153	270	153
Contributions (external organisations)	31,095	28,370	30,691	27,819
Shop sales (incl. commercial services)	5,764	7,473	4,342	5,966
Other	23,601	20,524	23,302	20,319
Farms	<u>3,202</u>	<u>2,715</u>	<u>3,202</u>	<u>2,715</u>
Total other income	<u>78,527</u>	<u>73,206</u>	<u>76,402</u>	<u>70,943</u>
Total other revenue and income	<u>163,769</u>	<u>117,440</u>	<u>161,579</u>	<u>115,020</u>

* Income received as donations, bequests and other philanthropic sources.

9 Gains/(losses) on disposal of assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Disposal of property plant and equipment				
Proceeds from sale	658	1,634	658	1,619
Carrying amount of assets sold	(458)	(1,189)	(458)	(1,109)
Total of net gain/(loss) on disposal of assets	200	445	200	510

The consolidated net gain on disposal of property, plant and equipment in 2011 includes a gain of \$190K on motor vehicles and a gain of \$10K on property plant and equipment.

10 Employee-related expenses

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Academic				
Salaries	378,166	355,502	378,166	355,497
Contributions to superannuation and pension schemes:	57,214	52,043	57,214	52,043
Payroll tax	24,066	22,925	24,066	22,925
Workers' compensation	2,327	2,191	2,327	2,191
Long service leave expense	16,800	9,877	16,800	9,877
Annual leave	2,170	1,981	2,170	1,981
Total academic	480,743	444,519	480,743	444,514
Non-academic				
Salaries	331,651	326,150	330,418	323,764
Contributions to superannuation and pension schemes:	47,687	45,226	47,448	44,791
Payroll tax	20,686	20,516	20,521	20,203
Workers' compensation	1,621	1,579	1,622	1,581
Long service leave expense	11,713	7,904	11,712	7,899
Annual leave	2,052	1,583	2,060	1,565
Total non-academic	415,410	402,958	413,781	399,803
Deferred employment benefits for superannuation*	337	722	337	722
Total employee-related expenses	896,490	848,199	894,861	845,039

* Includes \$130K (2010 \$94K) of Professorial Superannuation Scheme and \$207K (2010 \$628K) of State Authorities Non-contributory Scheme.

11 Depreciation and amortisation

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Depreciation				
Buildings	26,157	25,773	26,157	25,773
Plant and equipment	18,283	24,241	17,979	24,012
Leasehold improvements	2,624	2,307	2,624	2,307
Motor vehicles	950	1,124	950	1,124
Computer equipment	452	852	452	852
Infrastructure	3,355	3,342	3,355	3,342
Library collection*	47,609	940	47,609	940
Commercial T & R buildings/infrastructure	1,042	1,000	1,042	1,000
Total depreciation	<u>100,472</u>	<u>59,579</u>	<u>100,168</u>	<u>59,350</u>
Amortisation				
Intangibles -- computer software	<u>3,699</u>	<u>10,887</u>	<u>3,662</u>	<u>10,753</u>
Total depreciation and amortisation	<u>104,171</u>	<u>70,466</u>	<u>103,830</u>	<u>70,103</u>

* Effective 1 January 2011, the library collections were combined and depreciated at 10%.

12 Repairs and maintenance

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Maintenance of buildings and grounds	33,393	26,652	33,363	26,621
Other buildings and grounds expenses	28,142	27,092	28,029	26,929
Total repairs and maintenance	<u>61,535</u>	<u>53,744</u>	<u>61,392</u>	<u>53,550</u>

13 Impairment of assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Bad debts	149	202	121	422
Doubtful debts	705	(407)	739	5,325
Impairment of library assets	0	240	0	240
Total impairment of debts and library assets	<u>854</u>	<u>35</u>	<u>860</u>	<u>5,987</u>
Impairment of available-for-sale assets	<u>19,808</u>	<u>3,939</u>	<u>19,808</u>	<u>3,939</u>
Total impairment of assets	<u>20,662</u>	<u>3,974</u>	<u>20,668</u>	<u>9,926</u>

14 Other expenses

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-capitalised equipment	25,059	21,678	24,983	21,660
Advertising, marketing and promotional expenses	4,230	3,504	4,228	3,478
Audit fees, bank charges, legal costs, insurance and taxes	10,706	9,554	10,685	9,482
Printing, postage and stationery	11,704	12,651	11,646	12,598
Operating lease expenses	15,562	14,810	15,544	14,794
Rent and room hire	5,972	4,261	5,818	4,109
Telecommunications	11,134	10,328	11,106	10,295
Travel and related staff development and training	35,819	37,004	35,845	36,992
Farm operations	5,912	5,735	5,912	5,676
Laboratory, medical supplies and materials	24,126	24,517	24,109	24,493
Library materials	4,660	4,811	4,660	4,811
Licences, patents, copyright and commissions	12,908	12,840	12,893	12,816
Miscellaneous expenses	17,473	16,058	17,385	15,920
Retired assets at net book value	3,373	7,236	3,373	7,172
Equipment repairs and maintenance	10,965	11,052	10,721	10,953
Total other expenses	199,603	196,039	198,908	195,249

15 Borrowing costs

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Borrowing costs	0	1,087	0	1,087
Total borrowing costs	0	1,087	0	1,087

16 Income tax (benefit)/expense

	Economic entity [Consolidated]	
	2011 \$'000	2010 \$'000
(a) Income tax (benefit)/expense		
Income tax expense (income) is attributable to:		
Deferred tax	72	1
Adjustment for current tax of the prior year	(32)	0
	<u>40</u>	<u>1</u>
Income tax (benefit)/expense	40	1
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Operating result from continuing operations before income tax expense	88,556	112,168
Tax at the Australian tax rate of 30% (2011 -- 30%)	26,567	33,650
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income net income (loss) of the tax-exempt entities.	(27,808)	(34,016)
Differential on tax attributed to equity accounted entities	1,241	1,551
Less: tax effect of exempt income included in the taxable entities results	0	(1,788)
Reversal of prior period deferred tax assets	(32)	0
Current period tax losses not brought to account	72	604
Total income tax expense	40	1

17 Cash and cash equivalents

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash at bank and on hand*	52,668	58,233	52,647	58,123
Cash equivalents**	158,198	105,117	158,029	105,117
Total cash and cash equivalents	210,866	163,350	210,676	163,240

* These are interest bearing at a variable average rate of 3.94% (2010 3.67%).

** These are reclassified investments with a maturity date of three months or less from the date of deposit and have an insignificant risk of a change in value.

Reconciliation to cash at the end of the year

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

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Gross cash balance	210,866	163,350	210,676	163,240
Balances per cash flow statement	210,866	163,350	210,676	163,240

Included in the cash/bank balances of the University are the following foreign currency accounts. The balances shown are the Australian-dollar equivalent as at 31 December 2011. The accounts and balances are:

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Australian dollars	208,861	155,421	208,671	155,311
US dollars	721	1,977	721	1,977
UK pounds	90	685	90	685
Euros	1,194	5,267	1,194	5,267
	210,866	163,350	210,676	163,240

18 Receivables

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Receivables				
Student fees	3,304	4,947	3,304	4,947
Provision for impaired receivables	(224)	(176)	(224)	(176)
Total receivables	3,080	4,771	3,080	4,771
GST recoverable				
GST recoverable	7,255	5,988	7,199	5,977
Total GST recoverable	7,255	5,988	7,199	5,977
Debtors				
Debtors	50,294	45,243	49,876	44,558
Provision for impaired receivables	(3,468)	(3,101)	(3,453)	(3,045)
Total debtors	46,826	42,142	46,423	41,513
Other				
Student loans	859	851	858	850
Amount due from associated company	14,461	9,028	14,461	9,028
Amount due from controlled entities	0	0	2,370	7,369
Total other	15,320	9,879	17,689	17,247
Other current receivables				
Accrued income	17,664	14,579	17,252	14,515
Total other receivables	17,664	14,579	17,252	14,515
Total current receivables	90,145	77,359	91,643	84,023
Non-current				
Deferred government contribution for superannuation (refer to Note 40)	1,046,509	722,061	1,046,509	722,061
Super Asset Plan (State Authorities Superannuation Trustee Corporation)	702	12,703	702	12,703
Prepaid lease*	5,000	0	5,000	0
Student loans	128	191	128	191
Total non-current receivables	1,052,339	734,955	1,052,339	734,955
Total receivables	1,142,484	812,314	1,143,982	818,978

* The prepaid lease relates to a payment made in respect of a 40-year lease for a portion of the Lifehouse building at the Royal Prince Alfred Hospital. The lease period will start at the completion of the building in late 2012.

(a) Impaired receivables

As at 31 December 2011 current receivables with a nominal value of \$3,692K (2010 \$3,277K) were impaired.

The amount of the provision that relates to specific provisions was \$3,165K (2010 \$2,973K).

The individually impaired receivables mainly relate to private sector organisations, which are in unexpectedly difficult economic situations. The remaining provision of \$527K (2010 \$304K) is a general provision for receivables over 90 days. It was assessed that a portion of the receivable is expected to be recovered.

18 Receivables

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
3 to 6 months	469	645	470	645
Over 6 months	<u>3,223</u>	<u>2,632</u>	<u>3,207</u>	<u>2,576</u>
	<u>3,692</u>	<u>3,277</u>	<u>3,677</u>	<u>3,221</u>

As at 31 December 2011, trade receivables of \$14,052K (2010: \$8,190K) were past due but not impaired.

These relate to a number of independent customers on which there is no recent history of defaults.

The ageing analysis of these receivables is as follows:

Under 3 months	10,174	5,537	10,148	5,451
3 to 6 months	1,998	2,308	1,910	2,235
Over 6 months	<u>1,880</u>	<u>345</u>	<u>1,880</u>	<u>345</u>
	<u>14,052</u>	<u>8,190</u>	<u>13,938</u>	<u>8,031</u>

Movements in the provision for impaired receivables are as follows:

At 1 January	3,277	3,851	3,221	3,799
Provision for impaired recognised during the year	766	(208)	751	(210)
Receivables written off during the year as uncollectible	<u>(351)</u>	<u>(366)</u>	<u>(295)</u>	<u>(368)</u>
At 31 December	<u>3,692</u>	<u>3,277</u>	<u>3,677</u>	<u>3,221</u>

The creation and release of the provision for impaired receivables has been included in 'impairment of assets' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. 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.

(b) Foreign exchange and interest rate risk

The carrying amounts of the consolidated and parent entity's current and non-current receivables are denominated in Australian dollars, and are non-interest bearing.

19 Other current assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Workers' compensation -- security deposit*	<u>10,733</u>	<u>0</u>	<u>10,733</u>	<u>0</u>

* Effective 1 January 2011, the University and its controlled entities joined the WorkCover NSW Retro Paid Loss scheme for workers compensation. This scheme required the lodgement of a security deposit with a bank nominated by WorkCover.

20 Inventories

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Harvested crops and feedstock	<u>365</u>	<u>454</u>	<u>344</u>	<u>441</u>
Total inventories	<u>365</u>	<u>454</u>	<u>344</u>	<u>441</u>

21 Available-for-sale financial assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Summarised by maturity date				
Within 3 months	102	0	102	0
Within 4 to 12 months	10,313	66,015	10,313	66,015
Within 1 to 5 years	89,352	90,632	89,352	90,632
More than 5 years	51,570	120,418	51,570	120,418
No maturing date (shares, convertible notes, property trusts, etc.)	577,464	516,914	577,464	516,914
At end of year	<u>728,801</u>	<u>793,979</u>	<u>728,801</u>	<u>793,979</u>

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Investment securities at fair value:				
Fixed interest bonds	10,313	66,015	10,313	66,015
Other	102	0	102	0
Total unlisted securities in other corporations	<u>10,415</u>	<u>66,015</u>	<u>10,415</u>	<u>66,015</u>
Total current available-for-sale financial assets	<u>10,415</u>	<u>66,015</u>	<u>10,415</u>	<u>66,015</u>

Non-current				
Investment securities at fair value:				
Listed securities	220,793	208,873	220,793	208,873
External fund managers*	353,908	315,280	353,908	315,280
Unlisted securities	2,760	2,940	2,760	2,940
Fixed interest bonds	105,959	138,591	105,959	138,591
Floating rate notes	24,250	50,939	24,250	50,939
Secured company loans	6,812	7,186	6,812	7,186
Convertible notes	3,904	4,155	3,904	4,155
Total non-current available-for-sale financial assets	<u>718,386</u>	<u>727,964</u>	<u>718,386</u>	<u>727,964</u>
Total available-for-sale financial assets	<u>728,801</u>	<u>793,979</u>	<u>728,801</u>	<u>793,979</u>

* Includes listed/unlisted unit trusts, listed property trusts and listed managed investment schemes.

22 Other financial assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Shares in associates and other companies	2,165	2,165	2,165	2,165
Unsecured company loan	0	2,000	0	2,000
Total other financial assets	<u>2,165</u>	<u>4,165</u>	<u>2,165</u>	<u>4,165</u>

23 Investment properties

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
At fair value				
Opening balance at 1 January	13,832	13,300	13,832	13,300
Sale of asset	(13,832)	0	(13,832)	0
Net gain/(loss) from fair value adjustment	0	532	0	532
Closing balance at 31 December	<u>0</u>	<u>13,832</u>	<u>0</u>	<u>13,832</u>

The University of Sydney
Notes to the financial statements
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24 Property, plant and equipment

Economic entity (Consolidated)	T & R land \$'000	Non-com T & R bldg \$'000	Investment CT & R properties \$'000	Embedded P & E in bldg \$'000	Non-com T & R infra \$'000	Com T & R infra \$'000	Commercial farms \$'000	Student housing \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Computer equipment \$'000	Leasehold improvements \$'000	Total \$'000
As at 1 January 2010													
Cost	162,440	1,223,271	0	64,810	158,438	0	0	0	201,162	8,475	14,424	50,870	1,883,890
At valuation	3,644	4,153	205,714	0	0	198	18,338	60,735	0	0	0	0	292,782
Accumulated depreciation	0	(220,457)	(477)	(6,842)	(36,589)	(1)	(12)	(134)	(115,139)	(4,125)	(12,839)	(3,535)	(400,150)
Net book amount	<u>166,084</u>	<u>1,006,967</u>	<u>205,237</u>	<u>57,968</u>	<u>121,849</u>	<u>197</u>	<u>18,326</u>	<u>60,601</u>	<u>86,023</u>	<u>4,350</u>	<u>1,585</u>	<u>47,335</u>	<u>1,776,522</u>
Year ended 31 December 2010													
Opening net book amount	166,084	1,006,967	205,237	57,968	121,849	197	18,326	60,601	86,023	4,350	1,585	47,335	1,776,522
Revaluation increment/ (decrement)	(765)	(323)	2,191	0	0	5	358	726	0	0	0	0	2,192
Additions/ recategorisations	3,434	(9,308)	(7,437)	9,631	(213)	0	0	7,453	18,760	547	223	1	23,091
Add/less completed capital works	0	21,543	2,896	306	1,187	0	0	475	0	0	0	3,069	29,476
Disposals/retirements	0	(7,022)	(530)	0	0	0	(12)	0	(7,376)	(1,321)	(1,311)	0	(17,572)
Depreciation charge	0	(25,773)	(2,741)	(6,101)	(3,342)	(5)	(80)	(915)	(15,396)	(1,124)	(855)	(2,307)	(58,639)
Write back accumulated depreciation	0	1,794	0	0	0	0	0	0	6,150	868	1,427	0	10,239
Closing net book amount	<u>168,753</u>	<u>987,878</u>	<u>199,616</u>	<u>61,804</u>	<u>119,481</u>	<u>197</u>	<u>18,592</u>	<u>68,340</u>	<u>88,161</u>	<u>3,320</u>	<u>1,069</u>	<u>48,098</u>	<u>1,765,309</u>
At 31 December 2010													
Cost	165,874	1,228,586	0	74,747	159,412	0	0	0	212,377	7,701	13,335	53,843	1,915,875
At valuation	2,879	3,728	200,055	0	0	198	18,605	68,506	0	0	0	0	293,971
Accumulated depreciation	0	(244,436)	(439)	(12,943)	(39,931)	(1)	(13)	(166)	(124,216)	(4,381)	(12,266)	(5,745)	(444,537)
Net book amount	<u>168,753</u>	<u>987,878</u>	<u>199,616</u>	<u>61,804</u>	<u>119,481</u>	<u>197</u>	<u>18,592</u>	<u>68,340</u>	<u>88,161</u>	<u>3,320</u>	<u>1,069</u>	<u>48,098</u>	<u>1,765,309</u>

24 Property, plant and equipment

Economic entity (Consolidated)	T & R land \$'000	Non-com T & R bldg \$'000	Investment CT & R properties \$'000	Embedded P & E in bldg \$'000	Non-com T & R infra \$'000	Com T & R infra \$'000	Commercial farms \$'000	Student housing \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Computer equipment \$'000	Leasehold improvements \$'000	Total \$'000
Year ended 31 December 2011													
Opening net book amount	168,753	987,878	199,616	61,804	119,481	197	18,592	68,340	88,161	3,320	1,069	48,098	1,765,309
Revaluation increment/ (decrement)	(8)	0	1,309	0	0	1	81	2,431	0	0	0	0	3,814
Additions/donations received	5,121	0	0	0	658	0	0	0	19,677	895	636	1,067	28,054
Additions/ recategorisations	0	0	0	0	0	0	0	0	0	0	0	0	0
Add/(less) completed capital works	0	39,676	459	0	250	0	0	0	207	0	0	5,539	46,131
Disposals/ retirements	0	(1,510)	0	0	0	0	0	0	(8,745)	(1,394)	(1,922)	0	(13,571)
Depreciation charge	0	(26,157)	(2,489)	(7,314)	(3,355)	(5)	(82)	(955)	(8,480)	(950)	(452)	(2,624)	(52,863)
Write back accumulated depreciation due to retirement	0	420	0	0	0	0	0	0	7,914	1,011	1,912	0	11,257
Write back accumulated depreciation due to recategorisation	0	175	(161)	0	(7)	0	0	(13)	(9)	0	9	0	(6)
Transfers/recategorisation	(2,489)	(19,400)	9,806	10,780	140	0	0	1,302	828	0	(23)	0	944
Closing net book amount	<u>171,377</u>	<u>981,082</u>	<u>208,540</u>	<u>65,270</u>	<u>117,167</u>	<u>193</u>	<u>18,591</u>	<u>71,105</u>	<u>99,553</u>	<u>2,882</u>	<u>1,229</u>	<u>52,080</u>	<u>1,789,069</u>
At 31 December 2011													
Cost	170,995	1,251,080	0	85,527	160,460	0	0	0	224,298	7,202	12,027	60,450	1,972,039
Valuation	382	0	208,978	0	0	194	18,605	71,272	0	0	0	0	299,431
Accumulated depreciation	<u>0</u>	<u>(269,998)</u>	<u>(438)</u>	<u>(20,257)</u>	<u>(43,293)</u>	<u>(1)</u>	<u>(14)</u>	<u>(167)</u>	<u>(124,745)</u>	<u>(4,320)</u>	<u>(10,798)</u>	<u>(8,370)</u>	<u>(482,401)</u>
Net book amount	<u>171,377</u>	<u>981,082</u>	<u>208,540</u>	<u>65,270</u>	<u>117,167</u>	<u>193</u>	<u>18,591</u>	<u>71,105</u>	<u>99,553</u>	<u>2,882</u>	<u>1,229</u>	<u>52,080</u>	<u>1,789,069</u>

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2011

24 Property, plant and equipment

Parent entity (University)	Investment											Total \$'000	
	T & R land \$'000	Non-com T & R bldg \$'000	Investment CT & R properties \$'000	Embedded P & E in bldg \$'000	Non-com T & R infra \$'000	Com T & R infra \$'000	Commercial farms \$'000	Student housing \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Computer equipment \$'000		Leasehold improvements \$'000
At 1 January 2010													
Cost	162,440	1,223,271	0	64,810	158,438	0	0	0	199,776	8,475	14,415	50,774	1,882,399
Valuation	3,644	4,153	205,714	0	0	198	18,338	60,735	0	0	0	0	292,782
Accumulated depreciation	0	(220,457)	(477)	(6,842)	(36,589)	(1)	(12)	(134)	(114,543)	(4,125)	(12,833)	(3,439)	(399,452)
Net book amount	<u>166,084</u>	<u>1,006,967</u>	<u>205,237</u>	<u>57,968</u>	<u>121,849</u>	<u>197</u>	<u>18,326</u>	<u>60,601</u>	<u>85,233</u>	<u>4,350</u>	<u>1,582</u>	<u>47,335</u>	<u>1,775,729</u>
Year ended 31 December 2010													
Opening net book amount	166,084	1,006,967	205,237	57,968	121,849	197	18,326	60,601	85,233	4,350	1,582	47,335	1,775,729
Revaluation increment/ (decrement)	(765)	(323)	2,191	0	0	5	358	726	0	0	0	0	2,192
Additions/ recategorisations Add/(less) completed capital works	3,434	(9,215)	(7,437)	9,631	(213)	0	0	7,453	18,681	547	220	1	23,102
Disposals/ retirements	0	21,543	2,896	306	1,187	0	0	475	0	0	0	3,069	29,476
Depreciation charge	0	(7,022)	(530)	0	0	0	(12)	0	(7,296)	(1,321)	(1,311)	0	(17,492)
Write back accumulated depreciation	0	(25,773)	(2,741)	(6,101)	(3,342)	(5)	(80)	(915)	(15,170)	(1,124)	(852)	(2,307)	(58,410)
Closing net book amount	<u>168,753</u>	<u>987,878</u>	<u>199,616</u>	<u>61,804</u>	<u>119,481</u>	<u>197</u>	<u>18,592</u>	<u>68,340</u>	<u>87,597</u>	<u>3,320</u>	<u>1,067</u>	<u>48,098</u>	<u>1,764,743</u>
As at 31 December 2010													
Cost	165,874	1,228,586	0	74,747	159,412	0	0	0	211,161	7,701	13,324	53,843	1,914,648
Valuation	2,879	3,728	200,055	0	0	198	18,605	68,506	0	0	0	0	293,971
Accumulated depreciation	0	(244,436)	(439)	(12,943)	(39,931)	(1)	(13)	(166)	(123,564)	(4,381)	(12,257)	(5,745)	(443,876)
Net book amount	<u>168,753</u>	<u>987,878</u>	<u>199,616</u>	<u>61,804</u>	<u>119,481</u>	<u>197</u>	<u>18,592</u>	<u>68,340</u>	<u>87,597</u>	<u>3,320</u>	<u>1,067</u>	<u>48,098</u>	<u>1,764,743</u>

24 Property, plant and equipment

Parent entity (University)	Investment											Total \$'000	
	T & R land \$'000	Non-com T & R bldg \$'000	CT & R properties \$'000	Embedded P & E in bldg \$'000	Non-com T & R infra \$'000	Com T & R infra \$'000	Commercial farms \$'000	Student housing \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Computer equipment \$'000		Leasehold improvements \$'000
Year ended 31 December 2011													
Opening net book amount	168,753	987,878	199,616	61,804	119,481	197	18,592	68,340	87,597	3,320	1,067	48,098	1,764,743
Revaluation increment/ (decrement)	(8)	0	1,309	0	0	1	81	2,431	0	0	0	0	3,814
Additions/donations received	5,121	0	0	0	658	0	0	0	19,361	895	636	1,067	27,738
Add/(less) completed capital works	0	39,676	459	0	250	0	0	0	207	0	0	5,539	46,131
Disposals/ retirements	0	(1,510)	0	0	0	0	0	0	(8,746)	(1,394)	(1,922)	0	(13,572)
Depreciation charge	0	(26,157)	(2,489)	(7,314)	(3,355)	(5)	(82)	(955)	(8,176)	(950)	(452)	(2,624)	(52,559)
Write back accumulated depreciation due to Retirement and recategorisation	0	420	0	0	0	0	0	0	7,914	1,011	1,912	0	11,257
Write back accumulated depreciation due to recategorisation	0	175	(161)	0	(7)	0	0	(13)	(9)	0	9	0	(6)
Transfers/recategorisation	(2,489)	(19,400)	9,806	10,780	140	0	0	1,302	827	0	(22)	0	944
Closing net book amount	<u>171,377</u>	<u>981,082</u>	<u>208,540</u>	<u>65,270</u>	<u>117,167</u>	<u>193</u>	<u>18,591</u>	<u>71,105</u>	<u>98,975</u>	<u>2,882</u>	<u>1,228</u>	<u>52,080</u>	<u>1,788,490</u>
At 31 December 2011													
Cost	170,995	1,251,080	0	85,527	160,460	0	0	0	222,810	7,202	12,016	60,450	1,970,540
Valuation	382	0	208,978	0	0	194	18,605	71,272	0	0	0	0	299,431
Accumulated depreciation	0	(269,998)	(438)	(20,257)	(43,293)	(1)	(14)	(167)	(123,835)	(4,320)	(10,788)	(8,370)	(481,481)
Net book amount	<u>171,377</u>	<u>981,082</u>	<u>208,540</u>	<u>65,270</u>	<u>117,167</u>	<u>193</u>	<u>18,591</u>	<u>71,105</u>	<u>98,975</u>	<u>2,882</u>	<u>1,228</u>	<u>52,080</u>	<u>1,788,490</u>

25 Heritage assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Works of art -- University collection	51,526	49,765	51,526	49,765
Rare books	79,713	77,645	79,713	77,645
Museum collection	106,146	100,689	106,146	100,689
Total heritage assets	237,385	228,099	237,385	228,099

The 2010 accounts disclosed the University has received a "significant unique donation", that was undergoing due diligence to ascertain a reliable value for the assets involved. For this reason the donation was not recorded in the 2010 financial statement. In 2011, these assets were sold and the proceeds recorded in philanthropic income.

	Works of art -- University collection \$'000	Rare books \$'000	Museum collection \$'000	Total \$'000
Economic entity (Consolidated) -- 2010				
Balance 1 January	49,197	70,875	100,002	220,074
Revaluation increment/(decrement)	219	6,503	1,025	7,747
Disposals/retirement	0	0	(27)	(27)
Additions/recategorisations	349	267	(311)	305
Balance 31 December	49,765	77,645	100,689	228,099
Economic entity (Consolidated) -- 2011				
Balance 1 January	49,765	77,645	100,689	228,099
Acquisitions	929	316	2,820	4,065
Revaluation increment/(decrement)	978	1,117	2,637	4,732
Disposals/retirement	(146)	0	0	(146)
Transfers/recategorisations	0	635	0	635
Balance 31 December	51,526	79,713	106,146	237,385
Parent entity (University) -- 2010				
Balance 1 January	49,197	70,875	100,002	220,074
Revaluations/increment (decrement)	219	6,503	1,025	7,747
Disposals/retirement	0	0	(27)	(27)
Additions/recategorisations	349	267	(311)	305
Balance 31 December	49,765	77,645	100,689	228,099
Parent entity (University) -- 2011				
Balance 1 January	49,765	77,645	100,689	228,099
Acquisitions	929	316	2,820	4,065
Revaluations/increment (decrement)	978	1,117	2,637	4,732
Disposals/retirement	(146)	0	0	(146)
Transfers/recategorisations	0	635	0	635
Balance 31 December	51,526	79,713	106,146	237,385

26 Library collections

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Library collections	543,240	0	543,240	0
Undergraduate collection	0	45,398	0	45,398
Research collection	0	495,952	0	495,952
Accumulated depreciation - library collections	(90,474)	(43,342)	(90,474)	(43,342)
Accumulated impairment - library collections	(25,729)	(25,729)	(25,729)	(25,729)
Total library collections	427,037	472,279	427,037	472,279

	Library collections \$'000	Undergraduate collection \$'000	Research collection \$'000	Accumulated depreciation- library collections \$'000	Accumulated impairment - library collections \$'000	Total \$'000
Economic entity (Consolidated) -- 2010						
Balance 1 January	0	44,607	492,957	(42,451)	(25,729)	469,384
Acquisitions/donations received	0	840	3,225	0	0	4,065
Disposals/retirement	0	(49)	(230)	49	0	(230)
Depreciation	0	0	0	(940)	0	(940)
Balance 31 December	<u>0</u>	<u>45,398</u>	<u>495,952</u>	<u>(43,342)</u>	<u>(25,729)</u>	<u>472,279</u>
Economic entity (Consolidated) -- 2011						
Balance 1 January	0	45,398	495,952	(43,342)	(25,729)	472,279
Acquisition/donations received	4,614	0	0	0	0	4,614
Disposals/retirement	(2,089)	0	0	0	0	(2,089)
Depreciation	0	0	0	(47,609)	0	(47,609)
Write back accumulated depreciation due to retirement	0	0	0	477	0	477
Transfers/reategorisations	540,715	(45,398)	(495,952)	0	0	(635)
Balance 31 December	<u>543,240</u>	<u>0</u>	<u>0</u>	<u>(90,474)</u>	<u>(25,729)</u>	<u>427,037</u>
Parent entity (University) -- 2010						
Balance 1 January	0	44,607	492,957	(42,451)	(25,729)	469,384
Acquisitions/donations received	0	840	3,225	0	0	4,065
Disposals/retirement	0	(49)	(230)	49	0	(230)
Depreciation	0	0	0	(940)	0	(940)
Balance 31 December	<u>0</u>	<u>45,398</u>	<u>495,952</u>	<u>(43,342)</u>	<u>(25,729)</u>	<u>472,279</u>
Parent entity (University) -- 2011						
Balance 1 January	0	45,398	495,952	(43,342)	(25,729)	472,279
Acquisitions/donations received	4,614	0	0	0	0	4,614
Disposals/retirement	(2,089)	0	0	0	0	(2,089)
Transfers/reategorisations	0	0	0	0	0	0
Depreciation	0	0	0	(47,609)	0	(47,609)
Write back accumulated depreciation due to retirement	0	0	0	477	0	477
Transfers/reategorisations	540,715	(45,398)	(495,952)	0	0	(635)
Balance 31 December	<u>543,240</u>	<u>0</u>	<u>0</u>	<u>(90,474)</u>	<u>(25,729)</u>	<u>427,037</u>

27 Works in progress

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Capital works in progress	106,089	25,264	106,089	25,264
Major IT works in progress	51,808	36,022	51,808	36,022
Total works in progress	157,897	61,286	157,897	61,286

	Capital works in progress \$'000	Major IT works in progress \$'000	Total \$'000
Economic entity (Consolidated) -- 2010			
Balance 1 January	13,119	29,836	42,955
Add: capital works expenditure	42,095	20,067	62,162
Completed capital works -- buildings and infrastructure	(29,476)	0	(29,476)
Projects abandoned	(474)	(47)	(521)
Major IT computer software capitalised	0	(13,834)	(13,834)
Balance 31 December	25,264	36,022	61,286
Economic entity (Consolidated) -- 2011			
Balance 1 January	25,264	36,022	61,286
Add: capital works expenditure	128,287	27,228	155,515
Completed capital works	(45,932)	(11,442)	(57,374)
Projects abandoned	(1,530)	0	(1,530)
Balance 31 December	106,089	51,808	157,897
Parent entity (University) -- 2010			
Balance 1 January	13,119	29,836	42,955
Add: capital works expenditure	42,095	20,067	62,162
Completed capital works -- buildings and infrastructure	(29,476)	0	(29,476)
Projects abandoned	(474)	(47)	(521)
Major IT computer software capitalised	0	(13,834)	(13,834)
Balance 31 December	25,264	36,022	61,286
Parent entity (University) -- 2011			
Balance 1 January	25,264	36,022	61,286
Add: capital works expenditure	128,287	27,228	155,515
Completed capital works	(45,932)	(11,442)	(57,374)
Projects abandoned	(1,530)	0	(1,530)
Balance 31 December	106,089	51,808	157,897

28 Intangible assets

	Computer software \$'000	Other intangible assets \$'000	Digitalised library collections \$'000	Total \$'000
Economic entity (Consolidated) -- 2010				
At 1 January 2010				
At cost	34,315	0	35,405	69,720
Less: accumulated amortisation	<u>(21,584)</u>	<u>0</u>	<u>0</u>	<u>(21,584)</u>
Net book amount	<u>12,731</u>	<u>0</u>	<u>35,405</u>	<u>48,136</u>
Year ended 31 December 2010				
Opening net book amount	12,731	0	35,405	48,136
Add: Completed software projects	13,823	0	0	13,823
Acquisitions/donations received	225	2,100	5,496	7,821
Disposal/retirements	(5,170)	0	0	(5,170)
Less: amortisation charge	(10,826)	(61)	0	(10,887)
Accumulated amortisation write back due to retirement	<u>4,390</u>	<u>0</u>	<u>0</u>	<u>4,390</u>
Closing net book amount	<u>15,173</u>	<u>2,039</u>	<u>40,901</u>	<u>58,113</u>
Accumulated impairment				
Closing net book amount	42,979	2,100	40,901	85,980
Accumulated amortisation and impairment	<u>(27,806)</u>	<u>(61)</u>	<u>0</u>	<u>(27,867)</u>
Net book amount	<u>15,173</u>	<u>2,039</u>	<u>40,901</u>	<u>58,113</u>
Economic entity (Consolidated) -- 2011				
Year ended 31 December 2011				
Opening net book amount	15,173	2,039	40,901	58,113
Add: Completed software projects	11,243	0	0	11,243
Acquisitions/donations received	702	1,155	5,617	7,474
Disposal/retirements	(478)	0	0	(478)
Less: amortisation charge	(3,589)	(110)	0	(3,699)
Accumulated amortisation write back due to retirement	483	0	0	483
Transfers/reategorisation	<u>(944)</u>	<u>0</u>	<u>0</u>	<u>(944)</u>
Closing net book amount	<u>22,590</u>	<u>3,084</u>	<u>46,518</u>	<u>72,192</u>
Accumulated impairment				
Closing net book amount	53,502	3,255	46,518	103,275
Accumulated amortisation and impairment	<u>(30,912)</u>	<u>(171)</u>	<u>0</u>	<u>(31,083)</u>
Net book amount	<u>22,590</u>	<u>3,084</u>	<u>46,518</u>	<u>72,192</u>

28 Intangible assets

	Computer software \$'000	Other intangible assets \$'000	Digitalised library collections \$'000	Total \$'000
Parent entity (University) -- 2010				
As at 1 January 2010				
Cost	33,980	0	35,405	69,385
Less: accumulated amortisation	<u>(21,484)</u>	<u>0</u>	<u>0</u>	<u>(21,484)</u>
Net book amount	<u>12,496</u>	<u>0</u>	<u>35,405</u>	<u>47,901</u>
Year ended 31 December 2010				
Opening net book amount	12,496	0	35,405	47,901
Add: Completed software projects	13,823	0	0	13,823
Acquisitions/donations received	225	2,100	5,496	7,821
Disposal/retirements	(5,170)	0	0	(5,170)
Less: amortisation charge	(10,692)	(61)	0	(10,753)
Accumulated amortisation write back due to retirement	<u>4,454</u>	<u>0</u>	<u>0</u>	<u>4,454</u>
Closing net book amount	<u>15,136</u>	<u>2,039</u>	<u>40,901</u>	<u>58,076</u>
Accumulated impairment				
Cost	42,858	2,100	40,901	85,859
Accumulated amortisation and impairment	<u>(27,722)</u>	<u>(61)</u>	<u>0</u>	<u>(27,783)</u>
Net book amount	<u>15,136</u>	<u>2,039</u>	<u>40,901</u>	<u>58,076</u>
Parent entity (University) -- 2011				
Year ended 31 December 2011				
Opening net book amount	15,136	2,039	40,901	58,076
Acquisitions/donations received	702	1,155	5,617	7,474
Add: Completed software projects	11,243	0	0	11,243
Disposal/retirements	(478)	0	0	(478)
Less: amortisation charge	(3,552)	(110)	0	(3,662)
Accumulated amortisation write back due to retirement	483	0	0	483
Transfers/reclassification	<u>(944)</u>	<u>0</u>	<u>0</u>	<u>(944)</u>
Closing net book amount	<u>22,590</u>	<u>3,084</u>	<u>46,518</u>	<u>72,192</u>
Accumulated impairment				
Closing net book amount	53,381	3,255	46,518	103,154
Accumulated amortisation and impairment	<u>(30,791)</u>	<u>(171)</u>	<u>0</u>	<u>(30,962)</u>
Net book amount	<u>22,590</u>	<u>3,084</u>	<u>46,518</u>	<u>72,192</u>

29 Deferred tax assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Deferred tax asset	<u>11</u>	<u>16</u>	<u>0</u>	<u>0</u>
Total deferred tax assets	<u>11</u>	<u>16</u>	<u>0</u>	<u>0</u>

29 Deferred tax assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in operating result</i>				
Tax losses	13	15	0	0
Deferred tax asset relating to the origination and reversal of temporary differences	(2)	1	0	0
	<u>11</u>	<u>16</u>	<u>0</u>	<u>0</u>
Movements -- [Consolidated]				Tax losses \$'000
At 1 January 2010				17
Tax losses				(1)
At 31 December 2010				<u>16</u>
Movements -- [Consolidated]				Total \$'000
At 1 January 2011				16
Reduction in tax losses				(3)
Adjustment of temporary difference				(2)
At 31 December 2011				<u>11</u>

Unrecognised deferred tax assets \$583K (2010 \$137K).

This benefit will only be obtained if the company derives the necessary future assessable income and capital gains and there are no adverse changes in relevant income tax legislation.

30 Other non-financial assets

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Livestock				
Balance 1 January	3,306	2,393	3,306	2,393
Purchases	18	12	18	12
Natural increase/revaluation	1,024	1,446	1,024	1,446
Sales	(876)	(523)	(876)	(523)
Natural decrease	(18)	(22)	(18)	(22)
Balance 31 December	<u>3,454</u>	<u>3,306</u>	<u>3,454</u>	<u>3,306</u>

31 Trade and other payables

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Creditors	54,404	46,500	54,338	46,401
Prepaid income	41,659	47,518	41,340	46,576
Accrued expenses	47,256	37,289	46,836	37,047
OS-HELP liability to Australian government	475	429	475	429
Amounts due to associates	17,079	14,289	17,079	14,289
Amounts owed to controlled entities	0	0	1,486	7,140
Total trade and other payables current	<u>160,873</u>	<u>146,025</u>	<u>161,554</u>	<u>151,882</u>

Foreign currency risk

The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies:

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Australian dollars	157,107	141,954	157,788	147,811
US dollars	2,339	3,504	2,339	3,504
Canadian dollars	70	1	70	1
Swiss francs	4	9	4	9
Euros	365	98	365	98
UK pounds	962	457	962	457
New Zealand dollars	2	1	2	1
Japanese yen	7	1	7	1
Indonesian rupiah	9	0	9	0
Indian rupee	4	0	4	0
South African rand	4	0	4	0
	<u>160,873</u>	<u>146,025</u>	<u>161,554</u>	<u>151,882</u>

32 Provisions

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	43,089	42,901	43,037	42,808
Long service leave	17,554	16,235	17,554	16,235
Professorial Superannuation Scheme	3,528	3,276	3,528	3,276
Make good provision	90	0	90	0
Subtotal	<u>64,261</u>	<u>62,412</u>	<u>64,209</u>	<u>62,319</u>
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	10,759	10,726	10,759	10,726
Long service leave	69,565	59,639	69,565	59,639
Subtotal	<u>80,324</u>	<u>70,365</u>	<u>80,324</u>	<u>70,365</u>
Total current provisions	<u>144,585</u>	<u>132,777</u>	<u>144,533</u>	<u>132,684</u>

32 Provisions

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-current provisions				
Employee benefits				
Long service leave	27,615	22,675	27,576	22,643
Deferred contribution to superannuation schemes	1,087,300	766,839	1,087,300	766,839
Provision for make good	977	0	977	0
Total non-current provisions	<u>1,115,892</u>	<u>789,514</u>	<u>1,115,853</u>	<u>789,482</u>
Total provisions	<u>1,260,477</u>	<u>922,291</u>	<u>1,260,386</u>	<u>922,166</u>

(a) Movements in provisions

Movements in each class of provision during the financial year are set out below:

	Make good provision \$'000	Total \$'000
Economic entity (Consolidated) -- 2010		
Carrying amount at start last year	<u>0</u>	<u>0</u>
Carrying amount at end of year	<u>0</u>	<u>0</u>
Economic entity (Consolidated) -- 2011		
Carrying amount at start of year	0	0
Additional provision recognised	1,067	1,067
Carrying amount at end of year	<u>1,067</u>	<u>1,067</u>
Parent entity (University) -- 2010		
Carrying amount at start of year	<u>0</u>	<u>0</u>
Balance 31 December	<u>0</u>	<u>0</u>
Parent entity (University) -- 2011		
Carrying amount at start of year	0	0
Additional provisions recognised	1,067	1,067
Balance 31 December	<u>1,067</u>	<u>1,067</u>

33 Restricted funds

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Capital preserved trusts				
Accumulated funds at the beginning of the reporting period	287,271	281,742	287,271	281,742
Total income	18,782	12,234	18,782	12,234
Total expenses	(7,084)	(6,705)	(7,084)	(6,705)
Accumulated funds at 31 December	<u>298,969</u>	<u>287,271</u>	<u>298,969</u>	<u>287,271</u>
Bequests				
Accumulated funds at the beginning of the reporting period	383,791	367,494	383,791	367,494
Total income	59,690	28,043	59,690	28,043
Total expenses	(9,135)	(11,746)	(9,135)	(11,746)
Accumulated funds at 31 December	<u>434,346</u>	<u>383,791</u>	<u>434,346</u>	<u>383,791</u>
Scholarships				
Accumulated funds at the beginning of the reporting period	16,740	15,923	16,740	15,923
Total income	7,465	8,392	7,465	8,392
Total expenses	(7,876)	(7,575)	(7,876)	(7,575)
Accumulated funds at 31 December	<u>16,329</u>	<u>16,740</u>	<u>16,329</u>	<u>16,740</u>
Prizes				
Accumulated funds at the beginning of the reporting period	1,661	1,286	1,661	1,286
Total income	359	560	359	560
Total expenses	(226)	(185)	(226)	(185)
Accumulated funds at 31 December	<u>1,794</u>	<u>1,661</u>	<u>1,794</u>	<u>1,661</u>
Total accumulated funds at 1 January	<u>689,463</u>	<u>666,445</u>	<u>689,463</u>	<u>666,445</u>
Total income	86,296	49,229	86,296	49,229
Total expenses	(24,321)	(26,211)	(24,321)	(26,211)
Net operating result	<u>61,975</u>	<u>23,018</u>	<u>61,975</u>	<u>23,018</u>
Total accumulated funds at 31 December	<u>751,438</u>	<u>689,463</u>	<u>751,438</u>	<u>689,463</u>

Change in presentation of restricted funds

Following consultation with the Department of Education, Employment and Workplace Relations the calculations and disclosure of restricted funds have been changed. Australian government financial assistance, ARC and NHMRC grants are no longer included in the calculation. Only income and expenses relating to philanthropy are included. The effect of this change was to transfer \$91,677K from restricted funds to retained earnings in 2010.

34 Reserves and retained earnings

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(a) Reserves				
Property, plant and equipment revaluation reserve	275,615	267,067	275,615	267,067
Available-for-sale investments revaluation reserve	(26,885)	10,141	(26,885)	10,141
Associates' reserves	1,898	609	0	0
Balance 31 December	<u>250,628</u>	<u>277,817</u>	<u>248,730</u>	<u>277,208</u>
Movements:				
Property, plant and equipment revaluation reserve				
Balance 1 January	267,067	258,187	267,067	258,187
Less: reserves transferred to retained earnings	0	(1,059)	0	(1,059)
Revaluation increments/(decrements)	8,548	9,939	8,548	9,939
Balance 31 December	<u>275,615</u>	<u>267,067</u>	<u>275,615</u>	<u>267,067</u>
Available-for-sale investments revaluation reserve				
Balance 1 January	10,141	42,522	10,141	42,522
Realised (gains)/losses transferred from reserves	(24,641)	(37,627)	(24,641)	(37,627)
Revaluation increments/(decrements) and adjustments	(32,193)	1,307	(32,193)	1,307
Impairment available-for-sale assets	19,808	3,939	19,808	3,939
Balance 31 December	<u>(26,885)</u>	<u>10,141</u>	<u>(26,885)</u>	<u>10,141</u>
Associates reserves				
Balance 1 January	609	4,099	0	0
Less: transfers from reserves	1,289	(3,490)	0	0
Balance 31 December	<u>1,898</u>	<u>609</u>	<u>0</u>	<u>0</u>
(b) Retained earnings				
	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Retained earnings at 1 January*	2,348,702	2,258,576	2,341,705	2,253,500
Plus: net operating result for the year	88,516	112,167	92,604	113,736
Less: amount set aside for restricted funds	(61,975)	(23,018)	(61,975)	(23,018)
Actuarial (gains)/losses Defined Benefit plan	(11,286)	(3,572)	(11,286)	(3,572)
Transfer (to)/from reserves	0	4,549	0	1,059
Total retained earnings	<u>2,363,957</u>	<u>2,348,702</u>	<u>2,361,048</u>	<u>2,341,705</u>

* The opening balance of Retained Earnings has been adjusted by \$91,677K to reflect the change in the treatment of restricted funds. Refer to Note 33.

35 Key management personnel disclosures

(a) Responsible persons, executive officers and other key management personnel

The Senate of the University oversees all major decisions concerning the conduct of the University, including staff appointments and welfare, student welfare and discipline, financial matters and the physical and academic development of the University. Apart from members of staff serving on Senate receiving remuneration as per their employment conditions, the fellows of Senate received no remuneration in their capacity as fellows of Senate.

A list of the fellows of Senate and principal officers are included in the University's Annual Report.

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$	2010 \$	2011 \$	2010 \$
Remuneration of principal officers*				
\$290,000 to \$299,999	1	0	1	0
\$440,000 to \$449,999	0	2	0	2
\$460,000 to \$469,999	0	1	0	1
\$500,000 to \$509,999	3	0	3	0
\$520,000 to \$529,999	0	1	0	1
\$530,000 to \$539,999	0	1	0	1
\$550,000 to \$559,999	1	0	1	0
\$600,000 to \$609,999	1	0	1	0
\$840,000 to \$849,999	0	1	0	1
\$900,000 to \$909,999	1	0	1	0

(b) Key management personnel disclosures

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Aggregate remuneration of executives	<u>3,861</u>	<u>3,260</u>	<u>3,861</u>	<u>3,260</u>

* As a responsibility of office, one executive occupies a residence owned by the University. The residence is required to be available and used regularly for official University functions and promotional activities.

36 Remuneration of auditors

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assurance services				
(a) Audit services				
Fees paid to the Audit Office of NSW				
Audit and review of financial statements and other audit work under the <i>Corporations Act 2001</i>	490	438	464	419
Audit fees for subsidiaries paid by parent entity	12	13	12	13
Audit services by private sector contractors	195	100	194	83
Total remuneration for audit services	697	551	670	515
(b) Non-audit services				
Audit-related services				
Fees paid to the Audit Office of NSW				
Audit of regulatory returns	22	17	22	17
Controls assurance services	3	3	3	3
Total remuneration for audit-related services	25	20	25	20
Total remuneration for audit and audit-related services	722	571	695	535

37 Commitments

(a) Capital expenditure commitments

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>Property, plant and equipment</i>				
Within one year	149,965	53,845	149,965	53,845
Later than one year but not later than five years	122,748	4,400	122,748	4,400
	272,713	58,245	272,713	58,245
<i>Intangible assets</i>				
Within one year	49	8,160	49	8,160
Later than one year but not later than five years	0	4,271	0	4,271
	49	12,431	49	12,431

37 Commitments

(b) Operating lease commitments

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Within one year	18,704	18,482	18,698	18,471
Later than one year but not later than five years	33,817	36,534	33,812	36,530
Later than five years*	10,880	12,872	10,880	12,872
	<u>63,401</u>	<u>67,888</u>	<u>63,390</u>	<u>67,873</u>

*The University has a lease arrangement which terminates in 2095 for the Sydney College of the Arts (SCA) in the heritage protected Kirkbride Complex at Callan Park, Rozelle. The long-term portion of this lease is not included above as the University may outgrow the premises or relocate the SCA to another campus or location in the longer term. The University may terminate the leasing arrangements by giving three months notice (subject to Ministerial approvals).

(c) Other non-payroll expenditure commitments

Within one year	29,590	36,491	31,376	36,491
Later than one year and not later than five years	6,975	10,731	6,975	10,731
Later than five years	1,313	2,575	1,313	2,575
	<u>37,878</u>	<u>49,797</u>	<u>39,664</u>	<u>49,797</u>

Note: Commitments are GST inclusive.

(d) CRC commitments

The University of Sydney is either a core or supporting participant of the following co-operative research centres (CRCs). The University has made cash and in-kind contributions for the current year and has a commitment to cover salaries, equipment, use of facilities and other expenditure for future years.

	Parent entity [University]		Parent entity [University]	
	2011 Cash \$'000	2011 In-kind \$'000	2010 Cash \$'000	2010 In-kind \$'000
Australasian Invasive Animals CRC				
The principal activity is to develop new biological control agents for Australia's most damaging pest animals.				
Current year involvement	100	300	100	308
Future years involvement	50	146	150	445
Australian Biosecurity CRC for Emerging Infectious Disease				
The principal activity is to enhance the national capacity to respond to emerging infectious diseases by developing new capabilities to detect, monitor, assess, predict and respond to emerging infectious disease threats.				
Current year involvement	0	0	0	137
Future years involvement	0	0	0	0
Cotton Catchment Communities CRC				
The principal activity is to enhance the development of the Australian cotton industry through the application of collaborative research, education and the adoption of sustainable farming systems.				
Current year involvement	101	673	100	673
Future years involvement	50	337	151	1,010

37 Commitments

	Parent entity [University]		Parent entity [University]	
	2011 Cash \$'000	2011 In-kind \$'000	2010 Cash \$'000	2010 In-kind \$'000
CRC for Advanced Composite structures				
The principal activity is to conduct research and development programs into the design, manufacture, testing, durability and supportability of advanced composite structures.				
Current year involvement	100	471	50	230
Future years involvement	400	965	0	0
CRC for Asthma and Airways				
The principal activity is to reduce the burden of asthma on the Australian community.				
Current year involvement	200	278	200	278
Future years involvement	100	139	300	417
CRC for Internationally Competitive Pork Industry				
The principal activity is to enhance international competitiveness of the Australian pork industry by providing and adopting new and novel technologies that reduce feed costs, improve herd feed conversion efficiency and increases the functionality of pork products.				
Current year involvement	20	332	20	332
Future years involvement	0	0	30	498
CRC for Mining				
The principal activity is the development of a range of new technologies and processes to generate major improvements in the way mining operations are conducted.				
Current year involvement	0	0	50	444
Future years involvement	0	0	0	0
CRC for Polymers				
The principal activity of which is to undertake research into polymer synthesis.				
Current year involvement	60	0	120	0
Future years involvement	0	0	60	0
Smart Services CRC (previously CRC for Internet Technology)				
The principal activity is to capitalise the outcomes of world class Internet research and development for Australia				
Current year involvement	150	658	150	659
Future years involvement	375	1,645	525	2,303
Capital Markets CRC (previously CRC for Technology Enabled Markets)				
The principal activity is to develop new technologies that drive the future of capital markets				
Current year involvement	200	400	200	400
Future years involvement	500	1,000	700	1,400
Australian Poultry CRC				
The principal activity is to deliver the following key outcomes: Sustainable production of chicken meat without reliance on antibiotics, development and commercialisation of new poultry health products and improved diagnostic tools, a poultry industry with enhanced bird health and welfare standards & improved education and skills of industry personnel				
Current year involvement	0	0	0	137
Future years involvement	0	0	0	0

37 Commitments

	Parent entity [University]		Parent entity [University]	
	2011 Cash \$'000	2011 In-kind \$'000	2010 Cash \$'000	2010 In-kind \$'000
Sustainable Resource Processing CRC				
The principal activity is the sustainable processing of minerals and metals and to progressively eliminate waste and emissions in the minerals cycle, while enhancing business performance and meeting community expectations				
Current year involvement	0	0	0	291
Future years involvement	0	0	0	0
Pork CRC Ltd				
The principal activity of which is to produce pork of "high integrity" that is welfare optimal, premium quality, safe, nutritious and in high demand, and which can be produced while conserving energy and water resources, minimising greenhouse gas emissions and maintaining efficiency and cost of production at a level that promotes investment, growth and sustainability of the industry.				
Current year involvement	0	0	0	0
Future years involvement	600	1,187	0	0
Total CRC commitments				
Current year involvement	<u>931</u>	<u>3,112</u>	<u>990</u>	<u>3,889</u>
Future years involvement	<u>2,075</u>	<u>5,419</u>	<u>1,916</u>	<u>6,073</u>

38 Contingencies

An estimate of the maximum exposure on proceedings against the University amounts to \$7,231,750 for 2011 (2010 \$440,000). There are no other significant legal claims outstanding as at 31 December 2011.

Occupancy Support Deed -- Carillon Avenue Pty Ltd.

The University has given certain financial undertakings in support of bed vacancies that may occur at the Sydney University Village (SUV), which is owned by Carillon Avenue Pty Ltd. This financial support gradually reduces to nil over the first 20 years and can only be called upon when overall occupancy falls below 98 percent. Any payments made under this deed are considered not to be material as they can firstly be offset by "claw back" payment arrangements that can be served on the operator and summer income net operating profits.

The University currently has a bank guarantee facility up to a limit of \$3,500,000 of which \$695,000 has been used during 2011. The bank guarantees given primarily relate to construction and maintenance projects.

The University has provided its controlled entities with Letters of Comfort guaranteeing the liabilities of the controlled entities. At the date of this report the net liabilities of the controlled entities total \$319K (2010: \$348K).

At the end of 2011 the University announced it was commencing a consultative program in 2012 to streamline its workforce by offering eligible personnel redeployment or redundancy. At the date of this report, the University is unable to quantify the specifics of the obligations as the program is in the development stage.

39 Amounts owing by Commonwealth/state governments

The University contributes to five superannuation schemes. Three of these schemes, namely State Authority Superannuation Scheme (SASS), State Superannuation Scheme (SSS) and State Authorities Non-contributory Superannuation Scheme (SANCS), are state schemes and subject to reimbursement arrangements under the *Higher Education Funding Act 1988*.

39 Amounts owing by Commonwealth/state governments

Since 1987, the University has recognised amounts owing from the Commonwealth and state governments for unfunded deferred liability for superannuation schemes on the basis of a number of past events. These events include correspondence that provides for the Commonwealth government, together with the state government, to meet the unfunded liability for the University's State Superannuation Schemes on an emerging cost basis. Recent correspondence from the Commonwealth government indicates the reimbursement right in respect of State Authorities Non-contributory Scheme has become uncertain and the relevant receivable has been reduced to nil. The events also include the *State Grants (General Reserve) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation which authorises annual expenditure, and estimates for the expenditure in the Commonwealth's three-year forward program. While there is no formal agreement and therefore no guarantee regarding these specific amounts between the state government, the Commonwealth government and the University, and the three-year life of the forward budget estimates is less than the time period which the Commonwealth government would require to meet its obligations, the University is of the view that the Commonwealth and state governments will continue to progressively meet this amount in accordance with current practice. The amount owing in respect of the remaining two schemes as at 31 December 2011 was \$1,046,509,022 (2010: \$722,060,694) and this is reflected in Note 18 as non-current trade and other receivables.

40 Defined benefit plans

(a) Fund-specific disclosure

State Authorities Trustee Corporation

The University maintains a reserve account within the State Authorities Superannuation Trustee Corporation to assist in financing the employer contributions to the State Authorities Superannuation Scheme (SASS), the State Authorities Non-contributory Scheme (SANCS) and the State Superannuation Scheme (SSS).

These schemes are all defined benefits schemes. Each member's final benefit in relation to these schemes is derived from a multiple of member's salary and years of membership. All three schemes (SASS, SANCS and SSS) are closed to new members.

Professorial Superannuation Scheme (PSS)

The Professorial Superannuation Scheme is closed to new members and provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the system. The 'Defined Benefits Section' of the system provides members with an optional funded Widows' Contributory Pension; an optional funded Spouses' Contributory Pension; and an unfunded 'Non-Contributory Pension' payable from age 65. These benefits are fully funded by contributions from system members and the University. Accumulation benefit entitlements are not included -- for these members assets and liabilities are always equal in value and so have no impact on the University's net liability.

The gross liability for the University of Sydney Professorial Superannuation Scheme was based on the Alea Actuarial Consulting Pty Ltd assessment as at 31 December 2011.

Liability

A net unfunded liability for retirement benefits of \$1,090,827,762 (2010:\$757,411,697) is included in the statement of financial position as \$1,087,299,762 within non-current liability and \$3,528,000 within current liabilities. \$1,046,509,022 of this is payable by the Commonwealth and state governments (refer Note 39).

The valuation methodology and principal actuarial assumptions as at 31 December 2011 are as follows;

(i) Valuation method

The projected unit credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs.

This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Economic assumptions

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

	2011 (%)	2010 (%)
Discount rate(s)*	3.70	5.59
Expected return on plan assets**	8.60	8.60
Expected rate(s) of salary increase***	2.50	3.50

* The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2011 used 3.9% (2010 5.7%) discount rate assumption.

** The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2011 used 5.8% (2010: 7.4%) expected return on assets assumption.

40 Defined benefit plans

*** The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2011 used 4% (2010 4.0%) salary increase assumption. In respect of the SASS, SANCS and SSS Funds, the salary increase assumption for 2011 used 2.5% (2010 3.5%).

The analysis of the plan assets and the expected rate of return at the statement of financial position date is as follows:

	2011 (%)	2010 (%)
Australian equities	32.10	33.70
Overseas equities	28.90	29.30
Australian fixed interest securities	6.80	5.70
Overseas fixed interest securities	2.80	2.90
Property	8.80	9.50
Cash	6.40	6.10
Other	14.20	12.80

All fund assets are invested by the Superannuation Trustee Corporation (STC) for SASS, SANCS and SSS and by the Professorial Superannuation scheme at arm's length through independent fund managers.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The University's assessment of the expected returns is based on historical return trends and actuarial predictions of the market for the asset in the next 12 months.

The history of experience adjustments is as follows:

	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000
Fair value of plan assets	429,986	493,964	533,868	534,740	717,613
Present value of defined benefit obligation	(1,520,111)	(1,251,376)	(1,203,888)	(1,331,288)	(1,047,489)
Surplus/(deficit)	(1,090,125)	(757,412)	(670,020)	(796,548)	(329,876)
Experience adjustments on plan liabilities	272,964	47,064	(110,764)	296,696	(63,257)
Experience adjustments on plan assets	35,650	17,769	(8,498)	(162,143)	17,372

(b) Financial impact for funds guaranteed by Commonwealth government

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations -- 2011					
Opening defined benefit obligation	116,171	25,086	1,070,869	39,251	1,251,377
Current service cost	4,278	1,065	823	648	6,814
Interest cost	6,144	1,291	57,893	1,999	67,327
Contributions from plan participants	1,877	0	3,123	0	5,000
Actuarial losses/(gains)	5,221	928	259,343	7,472	272,964
Benefits paid	(11,956)	(2,403)	(64,652)	(3,712)	(82,723)
Expenses paid	0	0	0	(648)	(648)
Closing defined benefit obligation	121,735	25,967	1,327,399	45,010	1,520,111
Present value of plan assets -- 2011					
Opening fair value of plan assets	128,874	94	330,440	34,556	493,964
Expected return on plan assets	10,544	175	25,390	2,517	38,626
Actuarial gains/(losses)	(10,703)	(158)	(22,062)	(2,728)	(35,651)
Contributions from the employer	3,801	1,974	2,283	3,358	11,416
Contributions from plan participants	1,877	0	3,123	0	5,000
Benefits paid	(11,956)	(2,403)	(64,652)	(3,712)	(82,723)
Expenses paid	0	0	0	(648)	(648)
Closing fair value of plans assets	122,437	(318)	274,522	33,343	429,984

40 Defined benefit plans

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Reimbursement rights -- 2011					
Opening value of reimbursement right	(12,703)	0	734,764	0	722,061
Actuarial gains/(losses)	15,924	0	281,405	0	297,329
Employer contributions	(3,800)	0	(2,283)	0	(6,083)
Expected return on reimbursement right	(123)	0	33,326	0	33,203
Closing value of reimbursement right	<u>(702)</u>	<u>0</u>	<u>1,047,212</u>	<u>0</u>	<u>1,046,510</u>
Net liability -- 2011					
Defined benefit obligation	121,736	25,967	1,327,399	45,010	1,520,112
Fair value of plan assets	(122,438)	318	(274,522)	(33,343)	(429,985)
Net liability	(702)	26,285	1,052,876	11,667	1,090,126
Reimbursement right	<u>(702)</u>	<u>0</u>	<u>1,047,212</u>	<u>0</u>	<u>1,046,510</u>
Total liability/(asset)	<u>0</u>	<u>26,285</u>	<u>5,664</u>	<u>11,667</u>	<u>43,616</u>
Expense recognised -- 2011					
Current service cost	4,278	1,065	823	648	6,814
Interest on obligation	6,143	1,291	57,893	1,999	67,326
Expected return on plan assets	(10,544)	(175)	(25,390)	(2,517)	(38,626)
Expected return on reimbursement rights	123	0	(33,326)	0	(33,203)
Expense/(income)	<u>0</u>	<u>2,181</u>	<u>0</u>	<u>130</u>	<u>2,311</u>
Actual returns -- 2011					
Actual return on plan assets	(2,443)	17	(6,098)	(211)	(8,735)
Actual return on reimbursement right	123	0	(33,326)	0	(33,203)
	<u>(2,320)</u>	<u>17</u>	<u>(39,424)</u>	<u>(211)</u>	<u>(41,938)</u>
Other comprehensive income -- 2011					
Actuarial (losses)/gains on defined benefit obligations	(5,221)	(928)	(259,343)	(7,472)	(272,964)
Actuarial (losses)/gains on reimbursement rights	(10,703)	(158)	(22,062)	(2,728)	(35,651)
Actuarial gains on plan assets	15,924	0	281,405	0	297,329
Net actuarial gain/(loss) recognised in other comprehensive income	<u>0</u>	<u>(1,086)</u>	<u>0</u>	<u>(10,200)</u>	<u>(11,286)</u>
Cumulative total net actuarial (losses)/gains	<u>0</u>	<u>(8,597)</u>	<u>0</u>	<u>(19,004)</u>	<u>(27,601)</u>
Present value obligations -- 2010					
Opening defined benefit obligation	113,406	26,373	1,024,884	39,225	1,203,888
Current service cost	4,311	1,189	2,235	513	8,248
Interest cost	6,261	1,405	57,687	2,054	67,407
Contributions from plan participants	1,951	0	3,865	0	5,816
Actuarial losses/(gains)	1,151	913	43,952	2,014	48,030
Benefits paid	(10,909)	(4,794)	(61,754)	(4,057)	(81,514)
Past service costs	0	0	0	(498)	(498)
Closing defined benefit obligation	<u>116,171</u>	<u>25,086</u>	<u>1,070,869</u>	<u>39,251</u>	<u>1,251,377</u>
Present value of plan assets -- 2010					
Opening fair value of plan assets	127,663	3,348	369,197	33,661	533,869
Expected return on plan assets	10,489	473	28,972	2,474	42,408
Actuarial gains/(losses)	(4,503)	(425)	(12,621)	(220)	(17,769)
Exchange differences on foreign plans	0	0	0	0	0
Contributions from the employer	4,183	1,492	2,781	3,196	11,652
Contributions from plan participants	1,951	0	3,865	0	5,816
Benefits paid	(10,909)	(4,794)	(61,754)	(4,057)	(81,514)
Expenses paid	0	0	0	(498)	(498)
Closing fair value of plan assets	<u>128,874</u>	<u>94</u>	<u>330,440</u>	<u>34,556</u>	<u>493,964</u>

40 Defined benefit plans

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Reimbursement rights -- 2010					
Opening value of reimbursement right	(14,257)	0	650,023	0	635,766
Actuarial gains/(losses)	5,654	0	56,573	0	62,227
Employer contributions	(4,183)	0	(2,781)	0	(6,964)
Expected return on reimbursement right	83	0	30,949	0	31,032
Closing value of reimbursement right	<u>(12,703)</u>	<u>0</u>	<u>734,764</u>	<u>0</u>	<u>722,061</u>
Net liability -- 2010					
Defined benefit obligation	116,171	25,086	1,070,869	39,251	1,251,377
Fair value of plan assets	(128,874)	(94)	(330,440)	(34,556)	(493,964)
Net liability	(12,703)	24,992	740,429	4,695	757,413
Reimbursement right	<u>(12,703)</u>	<u>0</u>	<u>734,764</u>	<u>0</u>	<u>722,061</u>
Total liability/(asset)	<u>0</u>	<u>24,992</u>	<u>5,665</u>	<u>4,695</u>	<u>35,352</u>
Expense recognised -- 2010					
Current service cost	4,311	1,189	2,235	513	8,248
Interest on obligation	6,261	1,405	57,687	2,054	67,407
Expected return on plan assets	(10,489)	(473)	(28,973)	(2,474)	(42,409)
Expected return on reimbursement rights	(83)	0	(30,949)	0	(31,032)
Expense/(income)	<u>0</u>	<u>2,121</u>	<u>0</u>	<u>93</u>	<u>2,214</u>
Actual returns -- 2010					
Actual return on plan assets	5,636	49	15,576	2,254	23,515
Actual return on reimbursement right	83	0	30,949	0	31,032
Closing defined benefit obligation	<u>5,719</u>	<u>49</u>	<u>46,525</u>	<u>2,254</u>	<u>54,547</u>
Other comprehensive income -- 2010					
Actuarial (losses)/gains on defined benefit obligations	(1,151)	(913)	(43,952)	(2,014)	(48,030)
Actuarial (losses)/gains on plan assets	(4,503)	(425)	(12,621)	(220)	(17,769)
Actual (loss) on reimbursement rights	5,654	0	56,573	0	62,227
Net actuarial gain/(loss) recognised in other comprehensive income	<u>0</u>	<u>(1,338)</u>	<u>0</u>	<u>(2,234)</u>	<u>(3,572)</u>
Cumulative total net actuarial (losses)/gains	<u>0</u>	<u>(7,511)</u>	<u>0</u>	<u>(8,804)</u>	<u>(16,315)</u>

The gross liability for the University of Sydney Professorial Scheme is fully funded by the University.

(c) UniSuper defined benefit division (UniSuper)

The superannuation scheme used by the University is the UniSuper defined benefit division (UniSuper), formerly known as the Superannuation Scheme for Australian Universities (SSAU). UniSuper has operated from 1 March 1988 for academics and from 1 July 1991 for general staff.

Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the trustee to be insufficient to provide benefits payable under the deed. In these circumstances, at least four years notice is required. If such a request was agreed to by all employers then members would have to contribute additional funds. If all the employers did not agree to increase contributions, the trustee would have to reduce benefits payable to members on a fair and equitable basis. Due to the deterioration of the defined benefit division funding position since 2008, the trustee is reviewing the financial health of the fund for further decision making.

Should the balance of UniSuper Fund become a deficit, the universities are not liable to make any payments to UniSuper unless all the universities (including the University of Sydney) who are members of the UniSuper Fund unanimously agree to make additional contributions to the Fund. It is only on this basis that the universities would be liable for the agreed additional contribution. Management of the parent entity believes it is unlikely that any additional contribution will be required in the foreseeable future.

Historically, surpluses in UniSuper have been used to improve members' benefits and have not affected the amount of participating employers' contributions.

As at 30 June 2011, the total assets of UniSuper were estimated to be \$906M in deficiency of vested benefits. As at 30 June 2010 the total assets of UniSuper were estimated to be \$1,217M in deficiency of vested benefits. The vested benefits are benefits that are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI-indexed pensions being provided by the Defined Benefit Division (DBD).

40 Defined benefit plans

As at 30 June 2011, the total assets of UniSuper were estimated to be \$426.7M in excess of accrued benefits. As at 30 June 2010 the assets of the fund were estimated to be \$312M in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefits payments to members and CPI indexed pensioners that arise from membership of UniSuper up to the reporting date.

41 Subsidiaries

The consolidated financial statements incorporating assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name of entity	Country of incorporation	Equity holding	
		2011 %	2010 %
Wentworth Annexe Limited was incorporated in 1987 as a company limited by guarantee. The objects include the administration of the planning and construction of the Wentworth Annexe and other building works the University of Sydney Union may wish to undertake. A summary of the company's result is shown below.	Australia	The University approves the appointment of directors	The University approves the appointment of directors
Sport Knowledge Australia Pty Limited (SKAPL) was established as an International Centre of Excellence in Sport, Science and Technology by way of a grant from the Department of Education, Employment and Workplace Relations (DEEWR). A summary of the company's result is shown below.	Australia	100	100
SydneyLearning Pty Limited was established to enhance the capability of working adults, professionals and corporate enterprises by designing and delivering award and non-award continuing professional development and leadership programs. A summary of the company's result is shown below.	Australia	100	100
Sydney Talent Pty Limited was incorporated in January 2008, to promote the advancement of the education of the students of the University of Sydney through provision of employment opportunities that will assist the students to pursue their studies while enhancing their experience as students of the University. A summary of the company's results is shown below.	Australia	100	100
The Warren Centre for Advanced Engineering Limited was established in April 2008 to engage and work with industry, government and the Faculty of Engineering and Information Technologies at the University of Sydney to foster excellence and innovation in advanced engineering throughout Australia. A summary of the company's results is shown below.	Australia	100	100
WayAhead Pty Limited was incorporated in April 2008 to prepare students for university entry by designing and delivering pre-tertiary and tertiary level programs. It encourages extra-curricular educational, cultural, recreational and employment opportunities including study abroad for students who are not studying at the University of Sydney. The company has not traded since incorporation.	Australia	100	100
Bandwidth Foundry International Pty Limited became a subsidiary in October 2009 and their mission is to enable photonics innovation and commercialisation by providing prototyping facilities and services to developers of photonic integrated circuits. A summary of the company's results is shown below.	Australia	100	100

41 Subsidiaries

	2011 \$'000	2010 \$'000
Wentworth Annexe Limited		
Gross income	0	0
Surplus/(deficit)	0	0
Net assets	0	0
Sports Knowledge Australia Pty Limited		
Gross income	36	173
Surplus/(deficit)	30	(69)
Net assets	1	(30)
SydneyLearning Pty Limited		
Gross income	362	277
Surplus/(deficit)	4	3
Net assets	(33)	(37)
Sydney Talent Pty Limited		
Gross income	2,888	9,453
Surplus/(deficit)	(215)	4,190
Net assets	84	299
The Warren Centre for Advanced Engineering Limited		
Gross income	996	516
Surplus/(deficit)	88	(305)
Net assets	(783)	(872)
Bandwidth Foundry International Pty Ltd		
Gross income	1,476	836
Surplus/(deficit)	120	(181)
Net assets	412	291
Summary of results for consolidation of subsidiaries in 2011*		
Gross Income	2,931	2,722
Surplus/(deficit)	(2,408)	(4,731)
Net assets	563	(120)

The 2011 results of the subsidiaries are subject to audit and as a result may be subject to change. The comparative results are those that were used for consolidation in that year. Changes resulting from this do not have a material impact on the consolidated results.

* The summary results are net of transactions eliminated in the consolidation process.

42 Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights.

Investments in associates are accounted for in the financial statements using the equity method of accounting. Information relating to the associates is set out below.

Name of entity	Principal activity	Ownership interest		Carrying amount	
		2011 %	2010 %	2011 \$'000	2010 \$'000
Acumine Pty Limited	Commercialisation of research	25	25	182	68
Australian Technology Park Innovations Pty Limited (ATPI)	Business incubation	25	25	4,555	4,510
Nuflora International Pty Limited	Commercialisation of research	38	38	0	62
Ucom Two Pty Limited**	Commercialisation of research	0	50	0	1
University of Sydney Foundation Program Pty Limited	Education programs	50	50	177	216
United States Studies Centre Limited*	Collaborative research on US and Australia relationship	50	50	0	2,362
ZingoTx Pty Limited	Commercialisation of research	21	21	35	48
Glycemic Index Limited*	GI Symbol program	50	50	0	273
University of Sydney Hong Kong Foundation*	Higher education in Hong Kong	50	50	0	0
Westmead Millennium Institute*	Health research	33	33	0	256
				<u>4,949</u>	<u>7,796</u>

For the purposes of the University's final accounts and due to the lack of audited or published accounts at 31 December 2011.

The University's equity interest at 31 December 2011 is based on management/unaudited accounts:

- (a) As at 30 June 2011:
 - Acumine Pty Limited
 - Australian Technology Park Innovations Pty Limited
 - Nuflora International Pty Limited
- (b) As at 31 December 2011:
 - University of Sydney Foundation Program Pty Limited
 - ZingoTx Pty Limited

**These companies are "Limited by Guarantee". The constitutions of these companies prohibit distribution of funds to the members. Accordingly, the results of these companies are equity accounted at nil value.*

***Ucom Two was de-registered in December 2011.*

42 Investments in associates

	Economic entity [Consolidated]	
	2011 \$'000	2010 \$'000
Notes		
(a) Movements in carrying amounts		
Carrying amount of investments at the beginning of the year	7,796	8,456
Share of net operating results	45	262
Other movements	(2,892)	(922)
Carrying amount at the end of the financial year	<u>4,949</u>	<u>7,796</u>
(b) Share of associate's operating result		
Operating profits/(losses) before income tax	45	262
Income tax benefits (expense)	0	0
Net operating result after income tax	<u>45</u>	<u>262</u>
Add/ (less): adjustment for change in equity interest	(4,181)	2,568
Retained profits/(losses) attributable to associates at the beginning of the financial year	<u>7,187</u>	<u>4,357</u>
Retained profits/(losses) attributable to associates at the end of the financial year	<u>3,051</u>	<u>7,187</u>
(c) Reserves attributable to associates		
Associates capital reserve		
Balance at the beginning of the financial year	609	4,099
Add/(less) adjustment for change in equity interest	1,289	(3,490)
Balance at the end of the financial year	<u>1,898</u>	<u>609</u>

The associates' share of contingent liabilities is 2011 Nil (2010 Nil).

43 Investments accounted for using the equity method

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Summary of results of associates and joint venture partnerships before income tax:				
Associated entities	(4,136)	(660)	0	0
Joint venture partnerships*	0	(4,509)	0	0
	<u>(4,136)</u>	<u>(5,169)</u>	<u>0</u>	<u>0</u>
Summary of net assets of associates and joint venture partnerships:				
Associated entities	4,949	7,796	0	0
Total investments accounted for using the equity method	<u>4,949</u>	<u>7,796</u>	<u>0</u>	<u>0</u>

* Interest transferred to the University.

44 Reconciliation of net operating result after income tax to net cash flows from operating activities

Notes	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
	88,516	112,167	92,604	113,736
	104,171	70,466	103,830	70,103
	3,373	7,236	3,373	7,173
	(9,079)	(34,874)	(9,079)	(34,939)
	(1,166)	(1,372)	(1,166)	(1,372)
13	19,808	3,939	19,808	3,939
	(3,840)	3,198	(8,011)	2,421
	89	(443)	97	(441)
	(351,486)	(85,427)	(346,320)	(87,211)
	2,000	5,307	2,000	138
	(148)	(913)	(148)	(913)
	14,856	127	9,675	6,913
	338,186	90,588	338,220	90,682
	205,280	169,999	204,883	170,229

45 Financial risk management

The University's overall risk management program focuses on the risk versus return feature of financial markets and seeks to minimise adverse effects on the University's investment returns. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the University's financial performance.

The University did not materially enter into derivative contracts such as forward foreign exchange contracts and interest rate swaps to hedge any non-investment portfolio risk exposure at 31 December 2011. The University uses a variety of risk mitigation measures to manage the types of risk to which it is exposed. These include maintaining foreign currency balances as a natural hedge against foreign exchange risk or occasionally entering into short dated forward contracts ahead of the underlying payment schedule. The University also maintains a short-term debt investment portfolio as a liquidity buffer, as well as engaging in the active management of timing mismatches of revenue inflows and expense outflows, supported by weekly cash flow forecasting to manage its liquidity risk. Other price risks may be managed by externally appointed fund managers in accordance with approved investment mandates.

The University maintains a number of investment portfolios, to address a variety of objectives.

- A short-term debt portfolio performs the role of working capital fund, and is used as a liquidity buffer to manage the timing differences of revenue and expenditure flows. This comprises a short-duration low-risk portfolio of fixed rate and discount securities.
- A longer term debt portfolio is used to generate a fixed income stream. This portfolio invests in short-to-medium-term fixed and floating rate securities.
- A long-term growth portfolio representing the University's asset reserves endowments and which has a long-term investment horizon. This portfolio has an investment profile oriented towards growth assets and is managed by external fund managers.

Risk management of the University's investment portfolio is carried out by the Investments and Capital Management department under policies approved by the Investment and Commercialisation Committee (ICC), a committee of the Senate. The ICC resolves policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments, appointment of external fund managers and investment of excess liquidity. The ICC meets on a quarterly basis to review the performance of the University's investment portfolio, set new policies/investment strategies and review compliance with existing policies/investment strategies.

The following risk management disclosures are materially the same for both parent and economic entity. The numbers below relate to the consolidated figures. The parent entity includes receivables from subsidiaries that are closely monitored.

45 Financial risk management

Notes	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assets				
Cash and cash equivalents	210,866	163,350	210,676	163,240
Trade and other receivables	95,273	77,550	96,771	84,214
Available-for-sale financial assets	728,801	793,979	728,801	793,979
Other financial assets	2,165	4,165	2,165	4,165
Other	10,733	0	10,733	0
	<u>1,047,838</u>	<u>1,039,044</u>	<u>1,049,146</u>	<u>1,045,598</u>
Financial liabilities				
Trade and other payable	160,873	146,025	161,554	151,882
	<u>160,873</u>	<u>146,025</u>	<u>161,554</u>	<u>151,882</u>

(a) Market risk

(i) Foreign exchange risk

The University has exposure to foreign exchange risk. This arises from holding investments denominated in foreign currencies and balances in bank accounts used to pay overseas suppliers. The University has no material foreign exchange hedging arrangements.

If the Australian dollar had weakened/strengthened by 10% with all other variables held constant, profit for the year would have been \$245,140 higher/ \$200,569 lower (2010: \$880,947/\$720,775), as a result of foreign gains/losses on translation of the foreign currency bank accounts balances. Equity would have been \$8,210,510 higher/ \$6,717,690 lower (2010: \$11,118,771/\$9,097,176) had the Australian dollar weakened/strengthened by 10 percent against the US dollar, arising from the available-for-sale investments denominated in US dollars.

(ii) Price risk

The University has exposure to equity securities price risk. This arises from investments held by the University and classified on the balance sheet as available-for-sale. For example, the impact of a change in value of the securities would be reflected as either an increase or decrease in the fair value of the security through equity, unless it is otherwise impaired. The University is not exposed to commodity price risk.

To manage its price risk from investments in equity securities, the University has contracted out the management of the portfolio to external fund managers. These fund managers are mandated to diversify the investments of the portfolio under their management. The quantum of funds under management per external fund manager and the investment objectives of each external fund manager are in accordance with limits and policies set by the ICC.

A majority of the University's equity investments managed by external fund managers are denominated in Australian dollars, are publicly traded and included in the ASX 300 index.

The impact of decreases/increases of the ASX 300 Index on the University's equity would be decreases/increases of \$57,111,109/\$57,111,327 (2010: \$52,333,074/\$52,333,074). The analysis is based on the assumption that the ASX 300 index changes by 10 percent, with all other variables held constant, and the University's equity portfolio moves according to the historical correlation with the index.

(iii) Cash flow and fair value interest rate risk

The University's interest rate risk arises from the investment in debt securities (fixed and floating interest and short term money market securities). The debt portfolio consists of debt which is a combination of fixed coupon interest payments with repayment of principal on maturity, discounted securities with principal repaid upon maturity and floating rate notes. The debt portfolio is fully invested in Australian dollar denominated securities. All counterparties are rated as investment grade. The debt portfolio is classified as available-for-sale. As such, the impact of an interest rate change would be reflected as either an increase or decrease in the fair value of the security through equity.

At 31 December 2011 if interest rates decreased/increased by 25 basis points with all other variables held constant, equity would have been \$931,448 higher/\$931,035 lower (2010: \$1,491,576/\$1,490,938) as a result of an increase/decrease in the fair value of the debt security.

45 Financial risk management

(iv) Summarised sensitivity analysis

The following tables summarise the sensitivity of the University's financial assets to interest rate risk, foreign exchange risk and other price risk. The disclosures are materially the same for both the parent and economic entity.

[Consolidated]	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2011													
Cash and cash equivalents	210,866	1	0	(1)	0	245	0	(201)	0	0	0	0	0
AFS investments	728,801	0	931	0	(931)	0	8,211	0	(6,718)	0	(57,111)	0	57,111
Other financial assets	12,898	0	0	0	0	0	0	0	0	0	0	0	0
Total increase/ (decrease)		1	931	(1)	(931)	245	8,211	(201)	(6,718)	0	(57,111)	0	57,111

[Consolidated]	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2010													
Financial assets													
Cash and cash equivalents	163,350	4	0	(4)	0	881	0	(721)	0	2	0	(2)	0
AFS investments	793,979	0	1,492	0	(1,491)	0	11,119	0	(9,097)	0	(52,333)	0	52,333
Other financial assets	4,165	0	0	0	0	0	0	0	0	0	0	0	0
Total increase/ (decrease)		4	1,492	(4)	(1,491)	881	11,119	(721)	(9,097)	2	(52,333)	(2)	52,333

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University. The University has a policy of only dealing with creditworthy counterparties as a means of mitigating the financial loss from defaults. The University's aggregate exposure to and the credit ratings of, counterparties are continuously monitored. Credit exposure of the debt portfolio is controlled by counterparty limits that are reviewed and approved by ICC.

The University does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

Impairment and provision against debtors have been duly considered in determining the carrying amounts of financial assets. Therefore the carrying amount of financial assets recorded in the balance sheet represents the University's maximum exposure to credit risk.

The University does not hold any securities or guarantees.

(c) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as and when they fall due. The University's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risk damage to the University's reputation.

The University receives from the Australian government regular payments, which constitute a significant proportion of the University's income, which are known as to the date and amount in advance of their receipt. Similarly the majority of expenses of the University is known in quantum and date in advance of their due date for payment. The short-term debt portfolio is used as a liquidity buffer for any timing mismatches of revenue inflows and expense outflows.

In addition, the University maintains the following lines of credit as disclosed in Note 48 Financing facilities and balances.

The University has in place weekly cash flow forecasting and review procedures to manage its liquidity risk.

45 Financial risk management

Financial Instruments

The following tables detail the economic entity's maturity profile as at 31 December 2011 and as at 31 December 2010:

Consolidated entity -- at 31 December 2011	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non Interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash	3.94	52,668	0	0	0	0	52,668
Cash equivalents	4.79	0	158,198	0	0	0	158,198
Receivables	0.00	0	90,145	128	5,000	0	95,273
Other	0.00	0	10,835	0	0	0	10,835
Fixed interest bonds	5.29	0	10,313	87,910	18,049	0	116,272
Floating rate notes	5.73	0	0	1,442	22,808	0	24,250
Convertible notes	5.90	0	0	0	3,904	0	3,904
Secured company loans	8.03	0	0	0	6,812	0	6,812
Listed securities	0.00	0	0	0	0	256,955	256,955
Shares -- unquoted	0.00	0	0	0	0	4,925	4,925
External fund managers	0.00	0	0	0	0	317,746	317,746
Loans to affiliated organisations	0.00	0	0	0	0	0	0
Total financial assets		52,668	269,491	89,480	56,573	579,626	1,047,838

Financial liabilities

Other current liabilities	0.00	0	106,461	0	0	0	106,461
Creditors	0.00	0	54,412	0	0	0	54,412
Total financial liabilities		0	160,873	0	0	0	160,873

Consolidated entity -- at 31 December 2010	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non Interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash	3.67	58,233	0	0	0	0	58,233
Cash equivalents	5.02	0	105,117	0	0	0	105,117
Receivables	0.00	0	77,359	191	0	0	77,550
Fixed interest bonds	6.16	0	66,015	80,453	58,138	0	204,606
Floating rate notes	4.45	0	0	0	50,939	0	50,939
Convertible notes	6.30	0	0	0	4,155	0	4,155
Secured company loans	8.03	0	0	0	7,186	0	7,186
Listed securities	0.00	0	0	10,179	0	198,694	208,873
Shares -- unquoted	0.00	0	0	0	0	5,105	5,105
External fund managers	0.00	0	0	0	0	315,280	315,280
Loans to affiliated organisations	0.00	0	0	0	0	2,000	2,000
Total financial assets		58,233	248,491	90,823	120,418	521,079	1,039,044

Financial liabilities

Other current liabilities	0.00	0	100,295	0	0	0	100,295
Creditors	0.00	0	45,730	0	0	0	45,730
Total financial liabilities		0	146,025	0	0	0	146,025

(d) Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. The quoted market price used for financial assets held by the University is the current bid price;

45 Financial risk management

- The fair value of unlisted investments is based on unit values provided by external fund managers.
- * The fair value of unlisted equity investments is based on independent valuation reports.

The investment in unlisted equities has been valued as a multiple of future maintainable earnings (EBITDA) with the discount applied to those earnings.

The carrying amounts of financial assets and liabilities are a reasonable approximation of fair values, except for other financial assets at cost or amortised cost and investments in associates that are accounted for using the equity method of accounting.

	Carrying amount		Fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assets				
Cash and cash equivalents	210,866	163,350	210,866	163,350
Receivables	95,273	77,550	95,273	77,550
Other financial assets	2,165	4,165	N/A	N/A
Other	10,733	0	10,733	0
Available-for-sale assets	728,801	793,979	728,801	793,979
Total financial assets	<u>1,047,838</u>	<u>1,039,044</u>	<u>1,045,673</u>	<u>1,034,879</u>
Financial liabilities				
Payables	(160,873)	(146,025)	(160,873)	(146,025)
Total financial liabilities	<u>(160,873)</u>	<u>(146,025)</u>	<u>(160,873)</u>	<u>(146,025)</u>
Total	<u>886,965</u>	<u>893,019</u>	<u>884,800</u>	<u>888,854</u>

Fair value measurements recognised in the statements of financial position are categorised into the following levels:

2011	31 December			
	2011 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets				
Listed securities	256,955	204,197	52,758	0
Secured company loans	6,812	0	6,812	0
Fixed interest securities	116,272	0	116,272	0
Convertible notes	3,904	3,904	0	0
Floating rate notes	24,250	0	24,250	0
Managed funds	317,746	0	317,746	0
Shares - unquoted	2,760	0	0	2,760
Other	102	0	102	0
Total	<u>728,801</u>	<u>208,101</u>	<u>517,940</u>	<u>2,760</u>

2010	31 December			
	2010 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets				
Listed securities	208,873	192,028	16,845	0
Secured company loans*	7,186	0	7,186	0
Fixed interest securities	204,606	0	204,606	0
Convertible notes	4,155	4,155	0	0
Floating rate notes	50,939	0	50,939	0
Managed funds	315,280	0	315,280	0
Loans to affiliated organisations	0	0	0	0
Shares - unquoted	2,940	0	0	2,940
Total	<u>793,979</u>	<u>196,183</u>	<u>594,856</u>	<u>2,940</u>

* This comprises the Carillon Avenue Pty Limited loan whereby the carrying amount measured at amortised cost is a reasonable approximation of fair value. Hence the transfer from Level 1 to Level 2 of the fair value hierarchy. For further details refer to Note 38 Contingencies and 1(w) Private sector participation in the provision of student accommodation.

45 Financial risk management

Reconciliation of financial assets categorised as level 3:

Level 3 Financial assets 2011	Investments using the equity method \$'000	Total \$'000
Opening balance	2,940	2,940
Total gains or losses (recognised in other comprehensive income)	<u>(180)</u>	<u>(180)</u>
Closing balance	<u>2,760</u>	<u>2,760</u>
Level 3 Financial assets 2010		
Opening balance	0	0
Total gains or losses (recognised in other comprehensive income)	<u>2,940</u>	<u>2,940</u>
Closing balance	<u>2,940</u>	<u>2,940</u>

46 Non-cash financing and investing activities

	Economic entity [Consolidated]		Parent entity [University]	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-cash investing and financing activities	<u>4,890</u>	<u>710</u>	<u>4,890</u>	<u>710</u>

The University had no non-cash financing or investing activities, with the exception of the following non-cash items received in 2011; books of \$825K (2010 \$304K) and works of art gifted to the University of \$907K (2010 \$334K), museum collectibles of \$2,820K (2010 \$8K) and plant and equipment of \$308K (2010 \$32K) and rare books of \$30K (2010 \$32K).

47 Events occurring after the balance sheet date

Unless otherwise disclosed, there are no other matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position of the University or its subsidiaries.

48 Financing facilities and balances

The University has access to an unsecured overdraft facility of \$25 million of which nil has been used as at 31 December 2011 and has no other borrowings. Interest would be payable at the National Australia Bank's Base Lending Indicator Rate.

There is also a \$12.5 million credit card facility of which \$103K has been used as at 31 December 2011, a letter of credit facility of up to \$400K of which \$nil has been used during 2011 and a bank guarantee facility of up to \$3.5 million of which \$695K has been used.

During the year the University entered into a bank agreement for a revolving debt facility of \$500 million which will be available from 1 January 2012.

49 Acquittal of Australian government financial assistance

49.1 DEEWR-CGS and Other DEEWR grants

Parent entity [University] ONLY	Commonwealth Grants Scheme ¹		Indigenous Support Fund		Partnership and Participation Program		Disability Support Program		Workplace Productivity Program		Capital Development Pool		Diversity & Structural Reform Program				
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000			
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the programs)	264,061	258,108	1,292	1,495	2,704	1,535	148	233	0	1,216	5,663	6,283	2,140	1,783			
Net accrual adjustments	395	0	0	0	0	0	0	0	0	0	0	0	0	0			
Revenue for the period	<u>264,456</u>	<u>258,108</u>	<u>1,292</u>	<u>1,495</u>	<u>2,704</u>	<u>1,535</u>	<u>148</u>	<u>233</u>	<u>0</u>	<u>1,216</u>	<u>5,663</u>	<u>6,283</u>	<u>2,140</u>	<u>1,783</u>			
Surplus/(deficit) from the previous year	0	0	0	0	1,403	140	(771)	(598)	1,605	1,477	5,241	0	936	1,226			
Total revenue including accrued revenue	<u>264,456</u>	<u>258,108</u>	<u>1,292</u>	<u>1,495</u>	<u>4,107</u>	<u>1,675</u>	<u>(623)</u>	<u>(365)</u>	<u>1,605</u>	<u>2,693</u>	<u>10,904</u>	<u>6,283</u>	<u>3,076</u>	<u>3,009</u>			
Less expenses including accrued expenses	<u>(264,456)</u>	<u>(258,108)</u>	<u>(1,292)</u>	<u>(1,495)</u>	<u>(1,018)</u>	<u>(272)</u>	<u>623</u>	<u>(406)</u>	<u>(1,605)</u>	<u>(1,088)</u>	<u>(6,954)</u>	<u>(1,042)</u>	<u>(980)</u>	<u>(2,073)</u>			
Surplus/(deficit) for reporting period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,089</u>	<u>1,403</u>	<u>0</u>	<u>(771)</u>	<u>0</u>	<u>1,605</u>	<u>3,950</u>	<u>5,241</u>	<u>2,096</u>	<u>936</u>			
Parent entity [University] ONLY														Transition Cost Program		Total	
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the programs)	248	540	0	0	0	0	0	0	0	0	248	540	276,256	271,193			
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0	395	0			
Revenue for the period	<u>248</u>	<u>540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>248</u>	<u>540</u>	<u>276,651</u>	<u>271,193</u>			
Surplus/(deficit) from the previous year	0	0	0	0	8,414	0	0	0	8,414	0	0	0	8,414	2,245			
Total revenue including accrued revenue	<u>248</u>	<u>540</u>	<u>0</u>	<u>0</u>	<u>8,414</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,414</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>285,065</u>	<u>273,438</u>			
Less expenses including accrued expenses	<u>(248)</u>	<u>(540)</u>	<u>0</u>	<u>0</u>	<u>(275,930)</u>	<u>(540)</u>	<u>(248)</u>	<u>(275,930)</u>	<u>(275,930)</u>	<u>(248)</u>	<u>(248)</u>	<u>(540)</u>	<u>(275,930)</u>	<u>(265,024)</u>			
Surplus/(deficit) for reporting period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,135</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,135</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,135</u>	<u>8,414</u>			

¹Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabled Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

49 Acquittal of Australian government financial assistance

49.3 Scholarships

Parent entity [University] ONLY	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships ²		Commonwealth Accommodation Scholarships ²		Indigenous Access Scholarship		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	20,665	17,037	2,093	2,105	3,642	1,226	5	5	65	55	26,470	20,428
Net accrual adjustments	0	0	0	0	0	(999)	0	0	0	0	0	(999)
Revenue for the period	20,665	17,037	2,093	2,105	3,642	227	5	5	65	55	26,470	19,429
Surplus/(deficit) from the previous year	3,908	2,835	(5)	56	(2,109)	967	0	1,926	0	56	1,794	5,840
Total revenue including accrued revenue	24,573	19,872	2,088	2,161	1,533	1,194	5	1,931	65	111	28,264	25,269
Less expenses including accrued expenses	(18,728)	(15,964)	(2,101)	(2,166)	(1,834)	(3,303)	(5)	(1,931)	(65)	(111)	(22,733)	(23,475)
Surplus/(deficit) for reporting period	5,845	3,908	(13)	(5)	(301)	(2,109)	0	0	0	0	5,531	1,794

²Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively

49 Acquittal of Australian government financial assistance

49.4 DIISR-Research

Parent entity [University] ONLY	Joint Research Engagement Program		Research Training Scheme		Research infrastructure block grants		Implementation assistance program		Australian scheme for higher education repositories		Commercialisation training		DEEWR SRE Base & Threshold 1	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	35,522	36,803	63,815	62,641	28,150	26,845	0	184	0	0	710	585	3,588	1,861
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	<u>35,522</u>	<u>36,803</u>	<u>63,815</u>	<u>62,641</u>	<u>28,150</u>	<u>26,845</u>	<u>0</u>	<u>184</u>	<u>0</u>	<u>0</u>	<u>710</u>	<u>585</u>	<u>3,588</u>	<u>1,861</u>
Surplus/(deficit) from the previous year	0	0	0	0	(687)	6,007	(1,183)	(556)	0	(639)	1,247	1,072	0	0
Total revenue including accrued revenue	<u>35,522</u>	<u>36,803</u>	<u>63,815</u>	<u>62,641</u>	<u>27,463</u>	<u>32,852</u>	<u>(1,183)</u>	<u>(372)</u>	<u>0</u>	<u>(639)</u>	<u>1,957</u>	<u>1,657</u>	<u>3,588</u>	<u>1,861</u>
Less expenses including accrued expenses	<u>(35,522)</u>	<u>(36,803)</u>	<u>(63,815)</u>	<u>(62,641)</u>	<u>(28,075)</u>	<u>(33,539)</u>	<u>1,183</u>	<u>(81)</u>	<u>0</u>	<u>639</u>	<u>(392)</u>	<u>(410)</u>	<u>(3,588)</u>	<u>(1,861)</u>
Surplus/(deficit) for reporting period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(612)</u>	<u>(687)</u>	<u>0</u>	<u>(1,183)</u>	<u>0</u>	<u>0</u>	<u>1,565</u>	<u>1,247</u>	<u>0</u>	<u>0</u>

Parent entity [University] ONLY	DEEWR SRE Threshold		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	11,039	7,966	142,824	136,885
Net accrual adjustments	0	0	0	0
Revenue for the period	<u>11,039</u>	<u>7,966</u>	<u>142,824</u>	<u>136,885</u>
Surplus/(deficit) from the previous year	2,908	0	2,285	5,884
Total revenue including accrued revenue	<u>13,947</u>	<u>7,966</u>	<u>145,109</u>	<u>142,769</u>
Less expenses including accrued expenses	<u>(4,616)</u>	<u>(5,058)</u>	<u>(134,825)</u>	<u>(140,484)</u>
Surplus/(deficit) for reporting period	<u>9,331</u>	<u>2,908</u>	<u>10,284</u>	<u>2,285</u>

49 Acquittal of Australian government financial assistance

49.5 Other Capital Funding

[University] entity ONLY	Better Universities Renewal Funding		Education Investment Fund		Total	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the programs)	0	0	22,600	17,500	22,600	17,500
Net accrual adjustments	0	0	0	0	0	0
Revenue for the period	0	0	22,600	17,500	22,600	17,500
Surplus/(deficit) from the previous year	21,357	30,720	44,226	38,195	65,583	68,915
Total revenue including accrued revenue	21,357	30,720	66,826	55,695	88,183	86,415
Less expenses including accrued expenses	(9,547)	(9,363)	(44,332)	(11,469)	(53,879)	(20,832)
Surplus/(deficit) for reporting period	11,810	21,357	22,494	44,226	34,304	65,583

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2011

49 Acquittal of Australian government financial assistance

49.6 Australian Research Council grants

(a) Discovery

Parent entity [University] ONLY	Projects		Future fellowships		Federation fellowships		Indigenous researchers development		DEEWR ARC Super Science Fellowship		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assistance received in cash during the reporting period	39,563	39,353	8,940	2,645	1,945	2,429	126	130	471	186	51,045	44,743
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	<u>39,563</u>	<u>39,353</u>	<u>8,940</u>	<u>2,645</u>	<u>1,945</u>	<u>2,429</u>	<u>126</u>	<u>130</u>	<u>471</u>	<u>186</u>	<u>51,045</u>	<u>44,743</u>
Surplus/(deficit) from the previous year	10,891	12,045	1,791	1,501	(2,056)	(3,465)	16	19	0	0	10,642	10,100
Total revenue including accrued revenue	50,454	51,398	10,731	4,146	(111)	(1,036)	142	149	471	186	61,687	54,843
Less expenses including accrued expenses	(42,400)	(40,507)	(7,852)	(2,355)	(2,215)	(1,020)	(138)	(133)	(244)	(186)	(52,849)	(44,201)
Surplus/(deficit) for reporting period	<u>8,054</u>	<u>10,891</u>	<u>2,879</u>	<u>1,791</u>	<u>(2,326)</u>	<u>(2,056)</u>	<u>4</u>	<u>16</u>	<u>227</u>	<u>0</u>	<u>8,838</u>	<u>10,642</u>

49 Acquittal of Australian government financial assistance

49.6 Australian Research Council grants

(b) Linkages

Parent entity [University] ONLY	Linkage - infrastructure		International researcher exchange		Laureate Fellowships		Projects		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	2,588	5,460	0	13	3,561	2,481	8,997	9,756	15,146	17,710
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0
Revenue for the period	<u>2,588</u>	<u>5,460</u>	<u>0</u>	<u>13</u>	<u>3,561</u>	<u>2,481</u>	<u>8,997</u>	<u>9,756</u>	<u>15,146</u>	<u>17,710</u>
Surplus/(deficit) from the previous year	8,468	6,296	212	208	1,013	679	10,275	8,958	19,968	16,141
Total revenue including accrued revenue	<u>11,056</u>	<u>11,756</u>	<u>212</u>	<u>221</u>	<u>4,574</u>	<u>3,160</u>	<u>19,272</u>	<u>18,714</u>	<u>35,114</u>	<u>33,851</u>
Less expenses including accrued expenses	<u>(2,124)</u>	<u>(3,288)</u>	<u>(212)</u>	<u>(9)</u>	<u>(3,254)</u>	<u>(2,147)</u>	<u>(7,591)</u>	<u>(8,439)</u>	<u>(13,181)</u>	<u>(13,883)</u>
Surplus/(deficit) for reporting period	<u>8,932</u>	<u>8,468</u>	<u>0</u>	<u>212</u>	<u>1,320</u>	<u>1,013</u>	<u>11,681</u>	<u>10,275</u>	<u>21,933</u>	<u>19,968</u>

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2011

49 Acquittal of Australian government financial assistance

49.6 Australian Research Council grants

(c) Networks and centres

	Research networks		Centres		Total	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity [University] ONLY						
Financial assistance received in cash during the reporting period	0	0	6,501	4,335	6,501	4,335
Net accrual adjustments	0	0	0	0	0	0
Revenue for the period	0	0	6,501	4,335	6,501	4,335
Surplus/(deficit) from the previous year	(83)	72	(1,668)	(1,567)	(1,751)	(1,495)
Total revenue including accrued revenue	(83)	72	4,833	2,768	4,750	2,840
Less expenses including accrued expenses	83	(155)	(6,666)	(4,436)	(6,583)	(4,591)
Surplus/(deficit) for reporting period	0	(83)	(1,833)	(1,668)	(1,833)	(1,751)

49 Acquittal of Australian government financial assistance

49.7 OS-HELP

	Parent entity the University of Sydney ONLY	
	2011 \$'000	2010 \$'000
Cash received during the reporting period	1,244	580
Cash spent during the reporting period	<u>(1,198)</u>	<u>(549)</u>
Net cash received	<u>46</u>	<u>31</u>
Cash surplus/(deficit) from the previous period	<u>429</u>	<u>398</u>
Cash surplus/(deficit) for reporting period	<u><u>475</u></u>	<u><u>429</u></u>

50 Disaggregated information

(a) Industry

Economic entity (Consolidated)	Revenue		Results ¹		Assets	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Higher education	1,503,794	1,414,933	73,366	101,982	4,782,459	4,376,502
Other	<u>91,691</u>	<u>88,149</u>	<u>15,150</u>	<u>10,185</u>	<u>4,949</u>	<u>7,796</u>
Total	<u>1,595,485</u>	<u>1,503,082</u>	<u>88,516</u>	<u>112,167</u>	<u>4,787,408</u>	<u>4,384,298</u>

(b) Geographical

Economic entity (Consolidated)	Revenue		Results ¹		Assets	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Australia	1,592,889	1,497,885	87,811	110,833	4,782,459	4,384,298
Asia	2,409	3,722	657	1,341	0	0
Other	<u>187</u>	<u>1,475</u>	<u>48</u>	<u>(7)</u>	<u>4,949</u>	<u>0</u>
Total	<u>1,595,485</u>	<u>1,503,082</u>	<u>88,516</u>	<u>112,167</u>	<u>4,787,408</u>	<u>4,384,298</u>

¹The University reports revenue, results and assets by segments in accordance with the *Financial Statement Guidelines for Australian Higher Education Providers* for the 2011 Reporting Period issued by the Department of Education, Employment and Workplace Relations.

Mark Easson

Chief Financial Officer

END OF AUDITED FINANCIAL STATEMENTS

AUDITED BY THE AUDIT OFFICE OF NEW SOUTH WALES

FINANCIAL REVIEW OF 2011

The University recorded a net operating result of \$92.6 million for the year ended 31 December 2011 (\$113.7 million in 2010) after impairment of available-for-sale assets of \$19.8 million (2010: \$3.9 million).

The net operating result included surpluses which are not available for general purpose operating costs or capital expenditure. For example, certain philanthropic funds must be invested in perpetuity, some investment income is retained to maintain the real value of our endowment, capital grants are received for specific infrastructure projects, and a range of research and education grants must be applied to specific projects.

After excluding the surpluses from specific purpose funds, the 2011 net available operating margin was a deficit of \$77.4 million (2010: deficit \$15.7 million).

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Operating revenue ¹	1,597.1	1,505.6	91.5
Operating expenses ²	1,484.7	1,388.0	96.7
Operating result	112.4	117.6	(5.2)
Impairment of available-for-sale assets	(19.8)	(3.9)	(15.9)
Operating result after impairment	92.6	113.7	(21.1)
Adjusted for:			
Philanthropic funds ³	(72.2)	(33.6)	(38.6)
Investment funds ³	(10.9)	(32.7)	21.8
Capital grants ³	(54.5)	(44.3)	(10.2)
Specific purpose grants ³	(32.4)	(18.8)	(13.6)
Net available operating margin ⁴	(77.4)	(15.7)	(61.7)

¹ For further information, see Section 1 on operating revenue (below).

² For further information, see Section 2 on operating expenses (page 148)

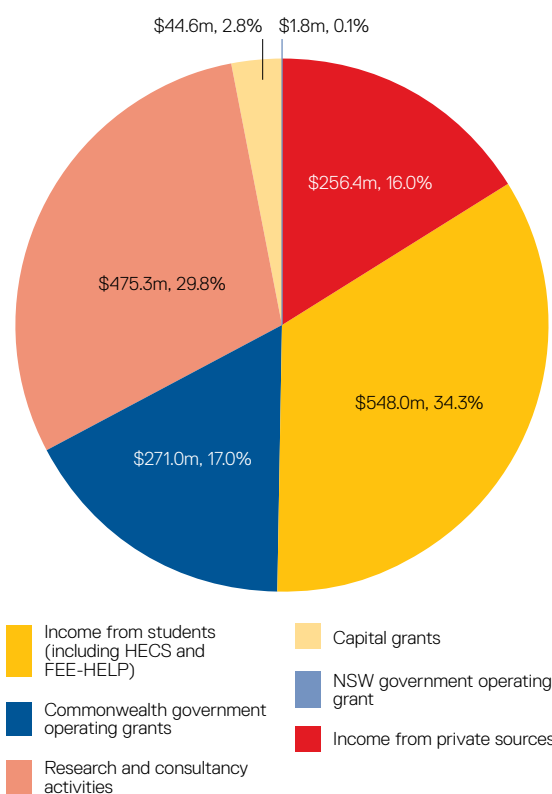
³ Figures include internal rate of return and reflect net margin. Certain philanthropic and investment funds are restricted and unavailable for general use.

⁴ The 2011 result includes a reassessment of library depreciation, which resulted in a negative impact of \$46.7 million.

1. OPERATING REVENUE

The 2011 operating revenue of \$1,597.1 million was \$91.5 million more than in 2010. The major components of the increased revenue were as follows.

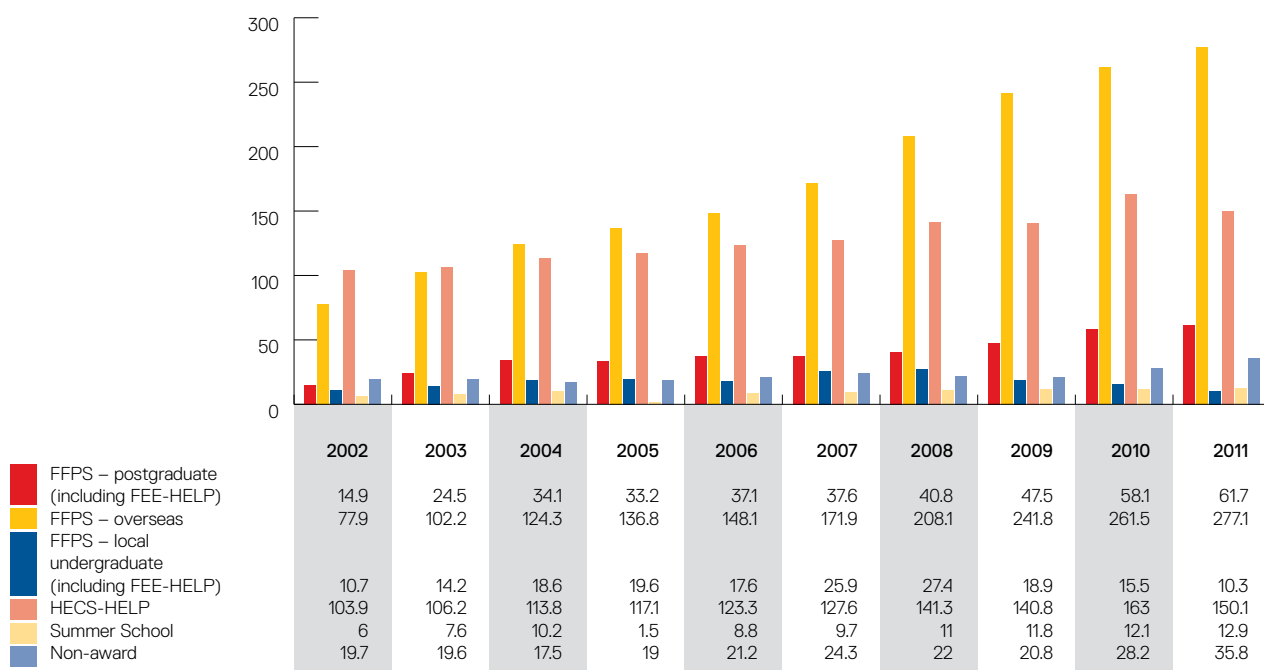
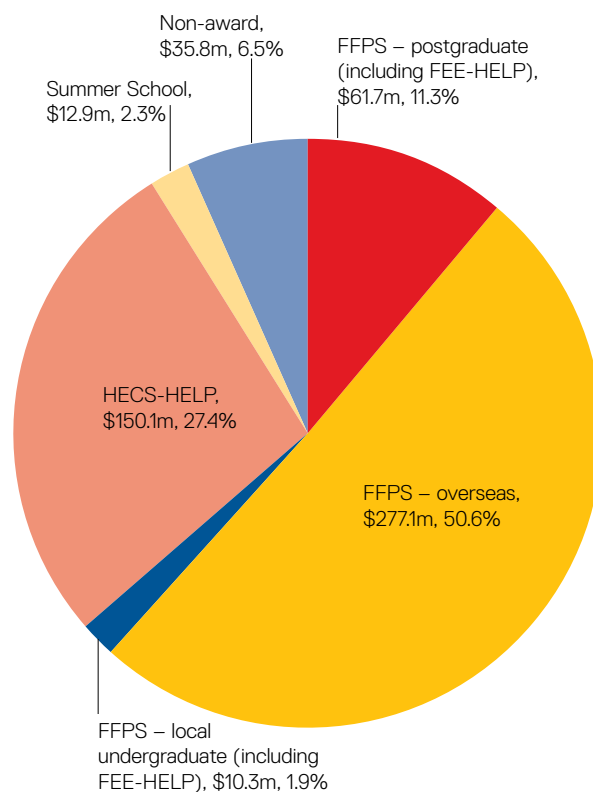
	2011	2010	Increase for 2011	
	\$M	\$M	\$M	%
Income from students (incl. HECS and FEE-HELP)	548.0	538.3	9.7	1.8
Commonwealth government operating grants	271.0	264.9	6.1	2.3
Research and consultancy activities	475.3	455.8	19.5	4.3
Capital grants	44.6	23.8	20.8	87.4
NSW government operating grant	1.8	1.9	(0.1)	(5.3)
Income from private sources	256.4	220.9	35.5	16.1
Total	1,597.1	1,505.6	91.5	6.1



1.1 INCOME FROM STUDENTS

The \$9.7 million increase in revenue from students was mainly attributable to additional fees from overseas students of \$15.6 million (up 6 percent), which was offset to a large extent by a decrease of \$12.8 million in HECS-HELP income from government and students.

Full fee-paying students (FFPS) continued to provide significant sources of income to the University, and continue to account for a larger proportion of income than that derived from HECS-HELP payments.



1.2 COMMONWEALTH GOVERNMENT FUNDING

The overall level of funding from the Commonwealth increased by \$50.3 million in 2011, or 7.8 percent, to \$692.3 million.

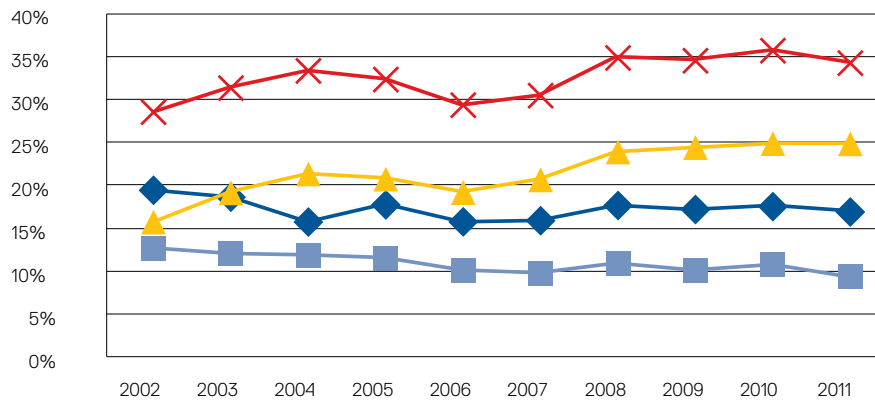
Funding from Commonwealth research schemes increased by \$23.4 million, constituting comparable increases in amounts across the various categories. In addition, there was a significant increase of \$20.8 million in capital funding, with the increase in teaching and learning operating grants being nominal.

The continued growth in income from student fees/HECS, and the relative decline of funding received from Commonwealth operating grants, means that the proportion of University revenue received from HECS and student income has grown considerably since 2002 (2011: 34.3 percent; 2002: 28.6 percent). Most of this increase is attributable to student income. The proportion of University revenue received through Commonwealth operating grants has declined over the same period (2011: 17.0 percent; 2002: 19.5 percent).

The following graph sets out the continual financial pressure on the University arising from the ongoing decline in financial support from the Commonwealth.

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Australian Research Council	72.6	66.8	5.8
Department of Industry, Innovation, Science, Research and Tertiary Education (DIISR) research funding	142.8	136.9	5.9
Scholarships	26.5	19.4	7.1
Other Commonwealth agencies: research	134.8	130.2	4.6
Subtotal Commonwealth research funding	376.7	353.3	23.4
Teaching and learning operating grants	271.0	264.9	6.1
Capital funding	44.6	23.8	20.8
Total Commonwealth funding	692.3	642.0	50.3

University revenue sources as a percentage of total revenue



◆ Commonwealth operating grant	19.5	18.7	15.8	17.8	15.8	16.0	17.7	17.3	17.6	17.0
■ HECS-HELP	12.7	12.1	11.9	11.6	10.2	9.8	10.9	10.1	10.8	9.4
▲ Student income (excluding HECS)	15.8	19.2	21.4	20.8	19.2	20.7	24.0	24.5	24.9	24.9
✕ HECS-HELP + student income	28.6	31.4	33.4	32.4	29.4	30.5	34.9	34.6	35.8	34.3

1.3 RESEARCH AND CONSULTANCY ACTIVITIES

Income received by the University for research, collaborative research and consultancy activities increased by \$19.4 million in 2011, or 4.3 percent, to \$475.3 million. Commonwealth research funding of \$376.7 million represented 79.3 percent of the total funding in this category.

The major sources of funding within research and consultancy activities were as follows.

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Commonwealth research funding (see section 1.2)	376.7	353.3	23.4
NSW government research grants	18.0	14.1	3.9
Industry research grants	20.8	17.2	3.6
Foundations and individual research grants	15.1	19.1	(4.0)
Local collaborative research funds	18.5	22.4	(3.9)
Overseas collaborative research funds	16.5	19.5	(3.0)
Consultancies	9.7	10.3	(0.6)
Total research and consultancy income	475.3	455.8	19.4

1.4 NSW STATE GOVERNMENT GRANTS

Grants provided by the NSW government increased by \$3.8 million, or 23.8 percent, to \$19.8 million in 2011, attributable mainly to an increase in research grants received from the Cancer Institute of New South Wales.

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Research grants	18.0	14.1	3.9
Operating grants	1.8	1.9	(0.1)
Total NSW government grants	19.8	16.0	3.8

1.5 INCOME FROM PRIVATE SOURCES

Income from private sources was \$256.4 million in 2011, an increase of \$35.5 million, or 16.1 percent, from 2010. The increase was mainly due to a 103.9 percent increase of \$40.4 million in philanthropic income to \$79.3 million, which was partially offset by a drop in investment income of \$12.7 million to \$76.3 million.

The major components of this income group were as follows.

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Investment income (including realised gains/(losses))	76.3	89.0	(12.7)
Contributions from external organisations	30.7	27.8	2.9
Commercial and other activities	48.1	45.7	2.4
Other fees and charges	16.1	14.3	1.8
Philanthropic income including donations and bequests	79.3	38.9	40.4
Sponsorship income	5.9	5.2	0.7
Total income from private sources	256.4	220.9	35.5

2. OPERATING EXPENSES

The 2011 operating expenditure of \$1,484.7 million was \$96.7 million, or 7 percent, higher than that for 2010.

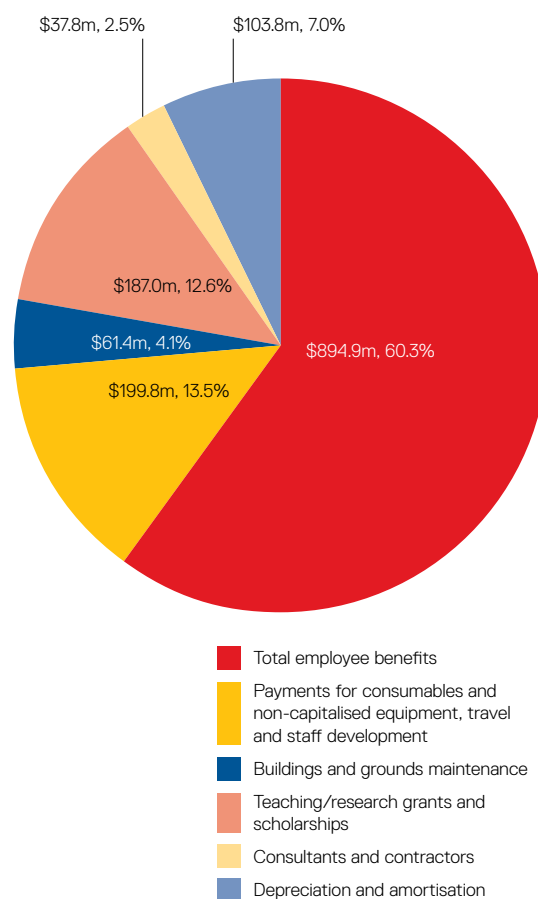
The increase of \$49.9 million in employee expenses was 5.9 percent higher than the expenses for 2010. Of the overall increase in employee costs, \$35.9 million related to academic and \$14 million to non-academic employee costs. The increase in employee-related costs was mainly due to salary increases of 2.5 percent in January and July 2011.

Depreciation and amortisation expenses rose by \$33.7 million (48.1 percent). This is the net effect of additional depreciation charged on the library collections and a reduction in the depreciation charges on equipment and software due to reassessment of the estimated effective useful lives of assets.

In addition, the University entered into capital expenditure commitments totalling \$248 million (2010: \$70.7 million).

	2011	2010	Increase for 2011	
	\$M	\$M	\$M	%
Salaries	708.6	679.3	29.3	4.3
Payroll on-costs	186.3	165.7	20.6	12.4
Total employee benefits	894.9	845.0	49.9	5.9
Payments for consumables and non-capitalised equipment, travel and staff development	199.8	202.3	(2.5)	(1.2)
Buildings and grounds maintenance	61.4	53.6	7.8	14.6
Teaching/research grants and scholarships	187.0	181.0	6.0	3.3
Consultants and contractors	37.8	36	1.8	5.0
Depreciation and amortisation	103.8	70.1	33.7	48.1
Total expenses	1,484.7	1,388.0	96.7	7.0

Expenses from continuing operations 2011



3. EXPENDITURE ON ASSETS

In accordance with the 2011–15 Strategic Plan, the University has committed to a long-term capital expenditure plan to assure its future sustainability as a leading research-intensive university. This includes funding for state-of-the-art buildings, information and communications technology, and library infrastructure to support the University's core teaching and research activities.

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Non-current assets			
Land and buildings	6.8	3.5	3.3
Equipment	20.9	19.5	1.4
Capital works (software)	27.2	20.1	7.1
Capital works (buildings)	128.3	42.1	86.2
Other	10.4	12.3	(1.9)
	193.6	97.5	96.1

Some of the additional capital expenditure incurred in 2011 was due to the commencement of major projects such as the building for the new centre for obesity, diabetes and cardiovascular disease (formally named in early 2012 as the Charles Perkins Centre), Nepean Clinical School and a number of projects funded by federal government schemes such as the Better Universities Renewal Fund.

Where the capital expenditure was greater than the operating surplus, the balance was funded from reserves.

4. EQUITY

The total equity of the University at 31 December 2011 was \$3,361.2 million, \$52.8 million higher than at end-2010.

The three major components of the total equity are as follows.

- Restricted funds, which include the unexpended portion of funds received through the income statement and which have specific statutory restrictions on their use. The net operating income included \$62 million of restricted use funds relating to bequests, capital preserved trusts, scholarships and prizes.
- Reserves, which are revaluation reserves and relate to revaluation of land and buildings and available-for-sale financial assets. There was a net decrease of \$28.5 million in 2011 in these reserves, mainly on account of the reduction in the available-for-sale revaluation reserves.
- Retained earnings of \$2,361.1 million, made up of the initial revaluation reserve of \$1,660.5 million created in 1992 and the cumulative net operating surpluses excluding reserves at 31 December 2011.

A comparison of balances of equity with 2010 and their movement is set out in the following table:

	2011	2010	Increase for 2011
	\$M	\$M	\$M
Restricted funds *	751.4	689.5	61.9
Reserves	248.7	277.2	(28.5)
Retained earnings *	2,361.1	2,341.7	19.4
Total equity	3,361.2	3,308.4	52.8

* Note there has been a change in presentation of restricted funds for 2010. Refer to note 33 of the annual financial statements.

5. THE UNIVERSITY OF SYDNEY OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

Comparison to budget Parent entity – University	[2011]			[2012]
	Budget \$'000	Forecast \$'000	Actual \$'000	Budget \$'000
Revenue and income from continuing operations				
Australian government financial assistance:				
Australian government grants	691,541	700,602	692,300	765,652
HECS-HELP – Australian government payments	136,931	116,799	115,951	130,529
FEE-HELP	42,852	42,852	44,037	49,374
SA-HELP ¹	0	0	0	2,500
New South Wales government financial assistance	14,988	19,103	19,745	20,223
HECS-HELP – student payments	39,254	34,475	34,234	38,528
SA-HELP – student payments ¹	0	0	0	7,500
Fees and charges	362,571	356,391	369,929	376,252
Investment revenue	62,962	77,667	76,142	70,245
Royalties, trademarks and licences	2,409	2,016	2,379	2,294
Consultancy and contract research	82,550	77,616	80,644	82,443
Other revenue	42,034	72,591	85,177	59,962
Other income	88,587	88,805	76,402	88,575
Gains/(losses) on disposal of assets	(1,430)	(9,003)	200	(9,016)
Total revenue and income from continuing operations	1,565,249	1,579,914	1,597,140	1,685,061
Expenses from continuing operations				
Employee-related expenses	892,221	892,861	894,861	965,126
Depreciation and amortisation	73,423	73,423	103,830	112,172
Repairs and maintenance	55,251	59,236	61,392	60,895
Impairment of assets ²	0	0	860	0
Other expenses	206,289	199,013	198,908	202,977
Grant and scholarship expenses	89,319	90,161	90,506	96,725
Consultants and contractors	32,099	33,973	37,804	26,590
Teaching and research grants	83,507	88,110	96,567	81,963
Total expenses from continuing operations	1,432,109	1,436,777	1,484,728	1,546,448
Operating result before income tax	133,140	143,137	112,412	138,613
Income tax benefit/(expense)	0	0	0	0
Impairment of available-for-sale assets ²	0	0	(19,808)	0
Operating result after income tax and impairment of available-for-sale assets for the year	133,140	143,137	92,604	138,613
Operating result attributable to members of the University of Sydney	133,140	143,137	92,604	138,613

Notes

(1) New student amenities levy to be introduced in 2012.

(2) The approved budget/forecast, where possible, has been adjusted above to take account of the year-end presentation of accounting adjustments, including fixed asset purchases and depreciation, to provide a meaningful comparison. However, other year-end statutory accounting requirements (eg impairment of assets) are not included in the development of the approved budget/forecast. All financial assets are subject to an annual review of impairment. When an available-for-sale financial asset is impaired, the amount of cumulative loss is removed from equity and recognised in the income statement.

6. INVESTMENTS AND INVESTMENT PERFORMANCE

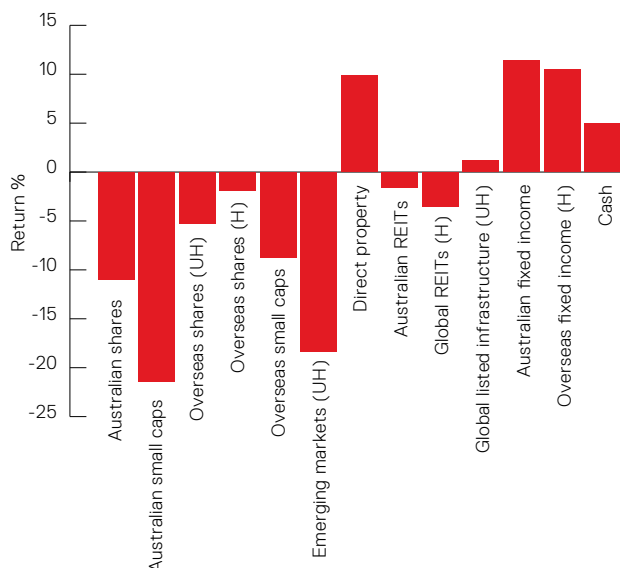
As detailed in Chart 1 (right), most growth-orientated investment assets generated negative returns in 2011.

The above returns reflect in part concerns surrounding the European debt markets, and an associated downturn in economic activity in the European region. In addition, investor sentiment was adversely impacted by uncertainty surrounding growth in China and the United States. However, in the latter stages of 2011, positive economic data emerged from the United States, and the Chinese authorities appeared to have avoided a 'hard landing'. Concerns about global growth were exemplified by the Reserve Bank of Australia's decision to reduce official interest rates from 4.75 to 4.25 percent, and in the process to move to a more neutral monetary policy setting. The Australian dollar finished the year largely unchanged from its levels at end-2010, both against the US dollar and on a Trade Weighted Index basis.

The investment performance of the University's Long-Term Endowment Portfolio, which amounts to approximately \$732 million, was favourable relative to the internal approved benchmark (see Chart 2 right), outperforming over both the rolling one and three-year periods. Key contributors to the outperformance over the three-year period included: a general outperformance by the domestic listed equity managers; outperformance by the fixed interest sector as the widening of credit spreads during the global financial crisis began to unwind; and tactical asset allocation deviations away from the target asset mix embodied in the benchmark by the Investment and Capital Management team. The Long-Term Endowment Fund portfolio also outperformed the NSW Treasury Corporation 'Hour Glass Long-Term Growth Facility' (the nominated statutory benchmark for the University's Long-Term Endowment Portfolio) over the one-year (4.8 percent outperformance) and three-year periods (2.9 percent per annum outperformance). This outperformance is primarily attributed to differences in asset allocation, with the 'hour glass' facility having a higher exposure to listed equity sectors.

Table 1 on the following page provides a peer-based comparison (on an after-fees basis) of the performance of the University's Long-Term Endowment Portfolio's over one and three-year rolling periods, including the performance relative to the NSW Treasury Corporation Long-Term Funds Facility.

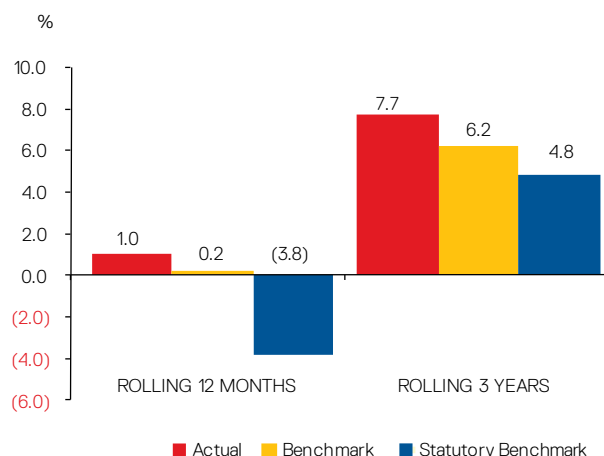
Chart 1: The investment environment: asset class returns



12 months to December 2011

Data source: Thomson Financial Datastream; MSCI. Data provided 'as is'.

Chart 2: Long Term Endowment portfolio performance – rolling 12-month returns as at end-December 2011



Notes:

- University portfolio returns are after external management fees and include franking credits. External management fees are approximately 70 basis points per annum across the Long-Term Endowment Portfolio. The University portfolio returns have been adjusted downwards to reflect the equivalent Treasury Corporation fixed interest sector external manager fee.
- Unless otherwise stated, reference to a benchmark in this report refers to a benchmark approved by the Investment and Commercialisation Committee, a committee of Senate.
- 'Statutory benchmark' refers to the NSW Treasury Corporation Hour Glass Long-Term Funds Facility. NSW Treasury Corporation reported returns are after external manager fees. These returns have been adjusted upwards to reflect performance before internal Treasury Corporation administration fees.

Table 1: Long-term Endowment Portfolio performance against peers – rolling one and three-year periods ended December 2011

Period	University of Sydney Long-Term Endowment Portfolio	NSW T-Corp, Long Term Growth Facility	Superfunds Mercer Employer Super, Balanced Growth (60–80% growth) Median	Superfunds Top Quartile Mercer Employer Super, Balanced Growth (60–80% growth) (ie top 25%)
1 yr	1.0%	(3.8%)	(1.6%)	(0.6%)
3 yr, p.a.	7.7%	4.8%	5.6%	6.8%

Note: All results are after underlying manager fees, and before administration costs. Superannuation returns have also been 'grossed up' for taxation.

7. CREDITORS' PAYMENT PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2011

	March quarter 2011		June quarter 2011		September quarter 2011		December quarter 2011	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of accounts paid on time:								
by number of invoices	87%	80%	89%	80%	89%	80%	91%	80%
by value	86%	80%	91%	80%	91%	80%	91%	80%
Amount of accounts paid on time (excluding investments)	(\$'000)		(\$'000)		(\$'000)		(\$'000)	
	\$118,411		\$106,017		\$137,159		\$144,708	
Total amount of accounts paid (excluding investments)	(\$'000)		(\$'000)		(\$'000)		(\$'000)	
	\$137,886		\$116,931		\$150,380		\$158,932	

Notes:

- The University's standard payment terms are 30 days.
- Payment performance percentages exclude lead-time factors associated with invoices directly received by the business unit.

8. SUMMARY OF REAL ESTATE OWNED OR OCCUPIED BY THE UNIVERSITY

The University classifies its land and buildings into the following categories:

- teaching and research land
- commercial teaching and research properties
- teaching and research leased land
- commercial farms
- student housing.

TEACHING AND RESEARCH LAND AND PROPERTIES

The major teaching and research facilities of the University, located on the Camperdown/Darlington Campus adjoining Parramatta Road and City Road in Sydney, cover a total of 50.6 hectares.

In addition, several teaching and research facilities are located away from these premises. University-owned lands include:

- Former Law School Building, 173–175 Phillip Street, Sydney
- Faculty of Health Sciences, East Street, Lidcombe
- Brain and Mind Research Institute, Mallett Street, Camperdown
- Camden Campus (Faculty of Veterinary Science and Faculty of Agriculture, Food and Natural Resources)
- Australian Archaeological Institute at Athens and Thessaloniki, Greece
- University-owned and commercially operated farms throughout eastern Australia (covering a total area of approximately 10,313 hectares) which support the teaching and research activities of the faculties of Agriculture, Food and Natural Resources, Science, and Veterinary Science.

Teaching and research properties are classified into two subcategories by the University. The first, the non-commercial teaching and research component, represents land which is subject to specific restrictions, including land grants, zoned special use and/or specific contractual arrangements. The book value of this land, on the accounting standards cost basis, was \$171 million as at 31 December 2011 (2010: \$168.4 million).

The second subcategory (properties held for teaching and research which are not subject to specific constraints on use) is classified as 'commercial teaching and research' properties. These properties were valued on the accounting standards fair value basis at \$209 million (2010: \$200.1 million) as at 31 December 2011.

The total value of non-commercial teaching and research land and the commercial teaching and research properties held by the University as at 31 December 2011 was \$380 million.

TEACHING AND RESEARCH LEASED LAND

The University occupies a number of sites on long-term leases, licences and agreements in New South Wales for entities such as:

- Sydney College of the Arts (SCA) at Rozelle
- Sydney Conservatorium of Music in central Sydney
- The Plant Breeding Institute at Narrabri and other field stations
- University teaching and research hospitals
- science faculties at Australian Technology Park, Redfern.

COMMERCIAL FARMS

The University operates two commercial farms that support teaching and research activities. The farms, which are located in the north-west and Southern Highlands areas of New South Wales, are valued on a fair value basis. The value of these farms was \$18.6 million as at 31 December 2011.

STUDENT HOUSING

The University owns a total of 70 halls of residence properties providing student accommodation in the vicinity of the Camperdown/Darlington and Camden campuses. It also owns an 18-unit residential block at Kingswood that accommodates 44 students studying at the Nepean Clinical School at Penrith.

The student housing halls of residence were valued on a fair value basis at \$71.3 million as at 31 December 2011.

INVESTMENT PROPERTIES

Nil, properties sold in 2011 (2010: 13.8 million).

9. ANNUAL FINANCIAL STATEMENTS FOR SUBSIDIARIES

Please refer to note 41 of the financial statements of the University for details of subsidiaries.

The financial statements for the subsidiaries will be available at sydney.edu.au/about/publications/annual_report once this annual report has been tabled in the NSW parliament.

INDEX

This index is intended to help readers locate contents relating to the University's reporting obligations.

For detailed financial information, readers should refer to the list of contents of notes to the financial statements on page 79.

In addition, the 2011 financial statements for the subsidiaries of the University have been published as a separate volume of this annual report.

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MORE INFORMATION

THE ADDRESS OF THE UNIVERSITY

The University of Sydney
NSW 2006 Australia
T +61 2 9351 2222
sydney.edu.au

HOURS OF OPENING

Main switchboard

Monday to Friday: 9am to 5pm

Fisher Library (during semester)

Monday to Thursday: 8am to 10pm

Friday: 8am to 8pm

Saturday: 9am to 5pm

Sunday: 1 to 5pm

Library hours outside semester vary throughout the year.

For details and opening hours of other University libraries, see sydney.edu.au/library

Student Centre

Monday to Friday: 9am to 5pm

For contact details for student administration services, see sydney.edu.au/student_centre

Many offices of the University are open beyond the above times. To check opening times, please telephone the unit or department you wish to visit.

STUDENT REPRESENTATIVE ORGANISATIONS

Hours for specific services vary. Non-semester opening hours are reduced and vary throughout the year. For details, visit the organisations' websites:

- University of Sydney Union www.usuonline.com
- Students' Representative Council www.src.usyd.edu.au
- Sydney University Postgraduate Representative Association www.supra.usyd.edu.au

ABOUT THE ANNUAL REPORT

This report was produced by the University of Sydney's Marketing and Communications Division in line with the University's reporting obligations.

To find out more about the University's current activities, please visit sydney.edu.au/about

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Page 3: Vice-Chancellor (Christie's); Page 4: Min Chen (Prime Minister's Science Prizes/Bearcage); Page 8: Julia Gillard/ Ron McCallum (National Australia Day Council); Page 9: Sydney Festival (Jamie Williams); Page 9: Cricketers (Andrew Tilley, Sydney Uni Sport & Fitness); Page 12: Eureka prizewinners (Australian Museum Eureka Prizes and 247 Studios); Warwick Anderson (Thomas P Strong); Page 14: Glebe Pathways Project (Caterina Di Girolamo); Page 15: Emily Wong (Fresh Science/Mark Coulson).

FINANCIAL STATEMENTS FOR SUBSIDIARIES

The 2011 financial statements for the subsidiaries of the University have been published as a separate volume of this annual report and provided to the Minister for Education. Copies are also available at sydney.edu.au/about/publications/annual_report

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