

ANNUAL REPORT 2012



THE UNIVERSITY OF
SYDNEY

The University of Sydney
NSW 2006

April 2013

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 2012.

A handwritten signature in black ink, appearing to read 'Alan Cameron', followed by a long horizontal line.

Alan Cameron AO
Deputy Chancellor

A handwritten signature in black ink, appearing to read 'Michael Spence', with a large, stylized flourish at the end.

Dr Michael Spence
Vice-Chancellor and Principal

CONTENTS

02	The University of Sydney: our charter and purpose	
03	2012 in numbers	
04	Welcome messages	
06	Highlights of 2012	
14	Research performance	
15	Student feedback and consumer response	
16	Student statistics	
18	Aboriginal and Torres Strait Islander participation	
19	International promotion	
22	Honorary awards and academic promotions	
24	University governance	
26	Senate report	
41	Academic Board	
42	University officers and organisational chart	
44	Management	
48	Human resources	
52	Equal employment opportunity	
55	Multicultural policies and services program report	
57	Work health and safety	
59	Legal affairs, risk management and public interest disclosures	
61	Privacy and personal information	
62	Freedom of information	
65	Waste and sustainability	
66	Financial review of 2012	
	FINANCIAL REPORTS AND STATEMENTS 2012	
76	Independent auditor's report	
78	Statement by appointed officers	
79	Audited financial statements	
80	Income statement	
81	Statement of comprehensive income	
82	Statement of financial position	
83	Statement of changes in equity	
84	Statement of cash flows	
85	Contents of the notes to the financial statements	
158	Index	
160	Contact information	

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 2012. 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.

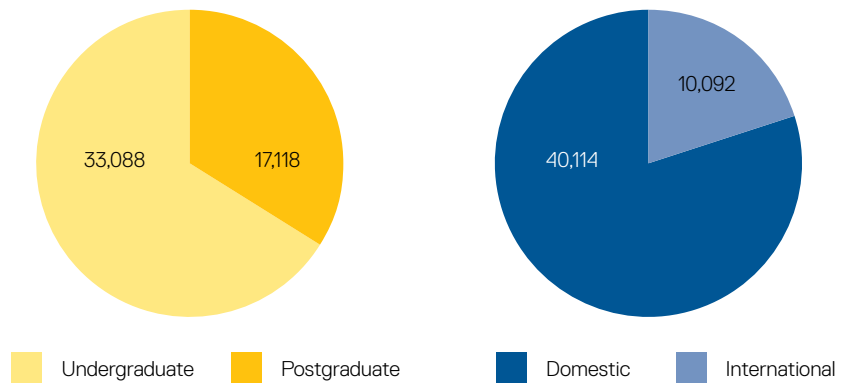
We aim to create and sustain a university in which, for the benefit of both Australia and the wider world, the brightest researchers and the most promising students, whatever their social or cultural background, can thrive and realise their full potential.

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 2012 to ensure we will succeed in the future.

2012 IN NUMBERS

OUR STUDENTS

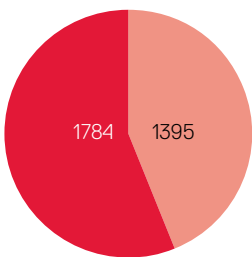
Student enrolments at 31 March 2012. International enrolments include students coming to the University on exchange programs. For more information see pages 16 and 17.



OUR ACADEMIC STAFF

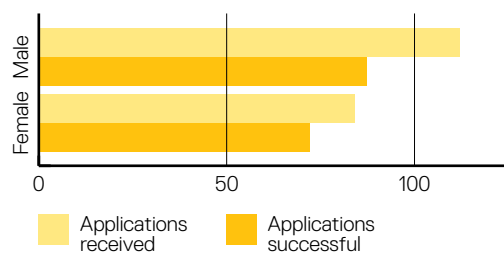
Continuing and fixed-term staff positions at 31 March 2012, excluding casuals. See pages 49 to 51 for more information on staff positions, and page 23 for more information on academic promotions.

Academic staff positions



Male Female

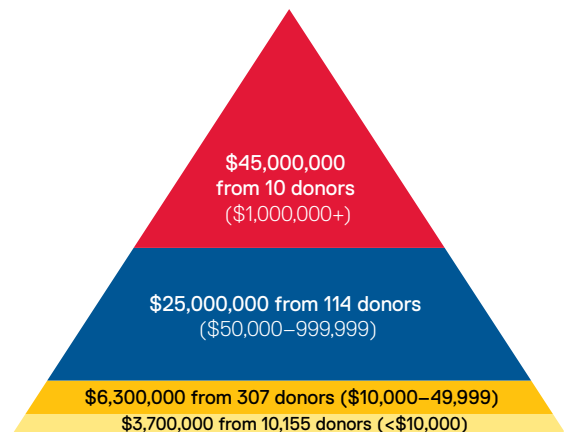
Academic promotions



Applications received Applications successful

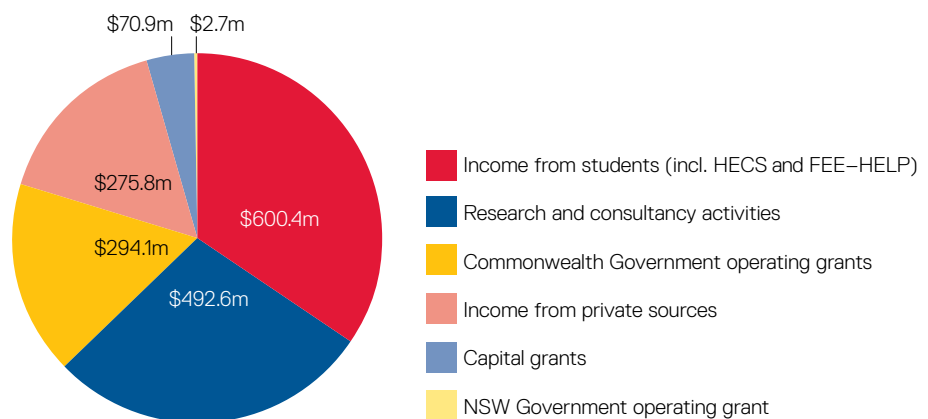
PHILANTHROPIC SUPPORT

We had a record year of philanthropy in 2012; see page 69 for more information.



UNIVERSITY REVENUE

See pages 66 to 75 for a financial review of 2012.



FOREWORD



Above: Acclaimed Chinese-Australian artist Jiawei Shen unveiled a new portrait of Professor Marie Bashir at a December ceremony to mark the conclusion of her term as Chancellor.

A MESSAGE FROM HER EXCELLENCY PROFESSOR MARIE BASHIR AC CVO CHANCELLOR TO DECEMBER 2012

2012 was a year of significant achievement at the University of Sydney. I want to acknowledge the visionary and consultative leadership of Vice-Chancellor Dr Michael Spence, his deputy vice-chancellors, and academics across the University committed to the continuing pursuit of excellence.

The University's success could be seen in many ways. In our international outreach, we continued significant collaboration across the world, and grew our partnerships in China, India and Southeast Asia. These strategic links include shared teaching and research projects in diverse fields. To give just one example, the University was host to an inspirational fourth symposium on tissue engineering, drawing leading researchers from around the world.

We continued to inspire future students. The annual International Science School attracts outstanding secondary school students from across the nation, including from Northern Australia and overseas. Its founder, Emeritus Professor Harry Messel AC CBE, continues to attend and to inspire participants.

We further strengthened our relationship with our alumni. Philanthropic support was outstanding in 2012, and included a \$20 million pledge by an eminent engineering and science alumnus, Mr John Grill, to create a project leadership centre.

Our memorable first special honorary degree ceremony in November honoured five outstanding recipients, as recorded on page 22 of this report.

I was particularly pleased to note the student experience at Sydney was assessed as the finest across the nation. Important work is going on to make further improvements in this area. For example, the University's support for student mental health is being appropriately expanded.

The recreational and cultural aspects of student life also continued to excel in many fields, with the University rugby XV winning the Shute Shield yet again, and the Sydney University Student Orchestra, student revues and the Sydney University Dramatic Society maintaining outstanding standards in their superb performances.

The years from June 2007 during which I had the honour to serve the University as Chancellor have been years of considerable inspiration and pride. I extend my best wishes to my successor, Belinda Hutchinson AM, for the University's continuing achievements, and for personal fulfilment in her important role.



A MESSAGE FROM DR MICHAEL SPENCE VICE-CHANCELLOR AND PRINCIPAL

As we look back on 2012, the second full year of our five-year strategic plan, it is gratifying how many of the initiatives we are pursuing under that plan are already making a real difference to the University of Sydney. As Vice-Chancellor, I am fortunate enough to see the extraordinary breadth and depth of what our almost 60,000 academics and students achieve right across the University, and to know how remarkable it is.

We enrolled more students from low-socioeconomic status backgrounds than ever before and appointed leaders for our major new interdisciplinary centres that will drive society-changing research and teaching programs. We set out our strategy to promote Aboriginal and Torres Strait Islander research, teaching, participation and engagement.

Our plans to improve facilities for our researchers, teachers and students started to have a visible impact. We opened immensely popular informal study spaces for students, continued our program of library upgrades, and progressed major infrastructure projects, most notably the hub for the Charles Perkins Centre that will bring together experts from across our academic disciplines to tackle the complex problems of obesity, diabetes and cardiovascular disease.

Other work is less visible, but by improving the way we share information and allocate funding within the University we are changing how we operate as an institution. Evidence

of our progress came with the federal government's latest Excellence for Research in Australia initiative, which rated all areas of our research at or above world standard; testament not only to the quality of our research, but also efforts to improve our data. In short, we are closer to meeting the challenge we set ourselves back in 2010: to rediscover what it means for so large and disparate an organisation to be a single university, a federation of academic communities working more closely together.

Such change is difficult and takes time, and 2012 certainly presented its challenges, not least in the need to balance external funding constraints with our pressing need for investment to benefit current and future generations of students and staff. Such external pressures will not diminish, and we are extremely grateful to a record number of donors for making 2012 the University's second consecutive record-breaking year in funds raised through philanthropy.

That is a huge vote of confidence by our supporters in our work and how it makes a genuine difference to the local, national and international communities we serve. Their support will become even more critical, and I applaud their investment in the future.

HIGHLIGHTS 2012

JANUARY TO MARCH



Human rights specialist Dr Susan Banki was one of several Sydney academics who revealed an amusing side to their research and provided nourishment for the mind as part of the University's partnership with the Sydney Festival in January. The late-night 'Bright Club' in Sydney's Hyde Park covered areas as diverse as American literature, the breeding habits of insects, consumer marketing and medieval demons. (Image: Prudence Upton)



In March PhD candidate Dominick Ng won a Fulbright Scholarship to spend eight months studying at the University of California, Berkeley. Dominick's research focuses on how computers can better understand human language.



As part of an agreement signed in early 2012 with Broken Hill city council, our students and researchers will build on 15 years of health-related partnerships in the far-west NSW town to work with residents, government and business in a range of research and community projects. Pilot programs include work by our architecture and business students to develop innovative scenarios for the revitalisation of an abandoned power station in Broken Hill.



The Rozelle Campus of Sydney College of the Arts hosted the Laneway music festival in February, which also showcased cutting-edge Australian visual artists through site-specific installations, sculptures, videos, and performance works. (Image: Jason Christopher, Master of Fine Arts candidate. *Sound Machine*, 2012, mixed media, 800 x 600 cm. Photo: Ian Hobbs)



Emily Johnson (left) joined the University in Semester One 2012 through our Cadigal Alternative Entry Program to study for a Bachelor of Arts degree. Her elder sister, Alicia (right) was already studying arts, while the girls' mother, Priscilla, graduated with a Bachelor of Health Sciences (Aboriginal Health and Community Development) in 2008.

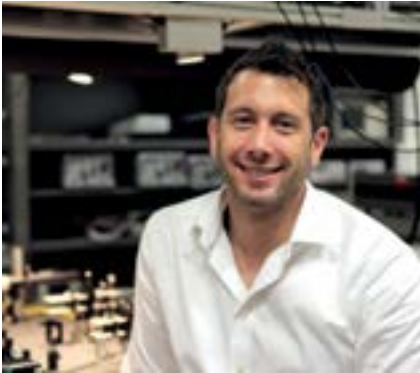


One year after one of the most powerful known earthquakes hit Japan and devastated their region, a group of 13 students from Tohoku arrived at the University's Centre for English Teaching in early 2012 to undertake an intensive English language course that uses concepts from mathematics and physics to teach the language.



The University awarded Brown and Thompson Fellowships to seven female academics in 2012, providing relief from teaching and administrative responsibilities so they could concentrate on research. For more information see page 52.

APRIL TO JUNE



In April, *Nature* published the results of research by an international team including Sydney's Dr Michael Biercuk to develop a tiny crystal which will enable a computer to perform calculations that currently stump the world's most powerful supercomputers.



In June we launched our *Wingara Mura – Bunga Barrabugu* strategy – a major part of our strategic plan that commits us to embedding Aboriginal and Torres Strait Islander education, research and engagement as part of our 'core business'. Work so far has led to partnerships with local community organisations, including the South Sydney Rabbitohs rugby league team, to encourage and support young Aboriginal and Torres Strait Islander people in our neighbouring communities.



Dr Julia Horne and Professor Geoffrey Sherington published a new book in May that tells the story of the University of Sydney as a secular institution serving the public interest and one of Australia's earliest hubs of philanthropy and social inclusion. *Sydney, the Making of a Public University*, was later shortlisted for a NSW Premier's Award.



Deans from leading Chinese law schools visited the University in June, providing the opportunity to discuss areas of mutual interest such as energy and resources law, corporate law and financial regulation. (Image: Australasian Law Teachers Association)



In June, a delegation of African agricultural managers visited farms, research institutes and industry organisations in the Murray Irrigation Area of NSW to learn about management of maize and rice under a University of Sydney program funded by the Australian Government.



Our dentistry academics made regular visits to the Bourke Aboriginal Health Service during 2012 with a team of final-year Bachelor of Dentistry interns to conduct a new initiative funded by the University's Poche Centre for Indigenous Health that aims to reverse the trend of poor dental health in the region.



Professor Elizabeth Webby (pictured) was one of the inspiring University of Sydney academics and alumni featured in a photographic project that documented 50 inspiring women who have had a positive impact on the community. The project was the brainchild of Sydney College of the Arts graduate Diane Macdonald, who came up with the idea when she needed to create a major work as a master's student in the SCA's Graduate School. (Image: Diane Macdonald)



In May, some of our pharmacists, published new research outlining a new method for drug delivery by combining three metals. "This discovery means we can potentially direct exactly where in the human body a drug goes," explained Dr Nial Wheate (pictured). "We can move it to the desired cancer tumour site using powerful magnetic fields."



Star Bulldogs rugby league player and University of Sydney student Corey Payne encouraged young people in Sydney's south-western suburbs to take on university at a public event attended by more than 650 people at Revesby Workers' Club in May.

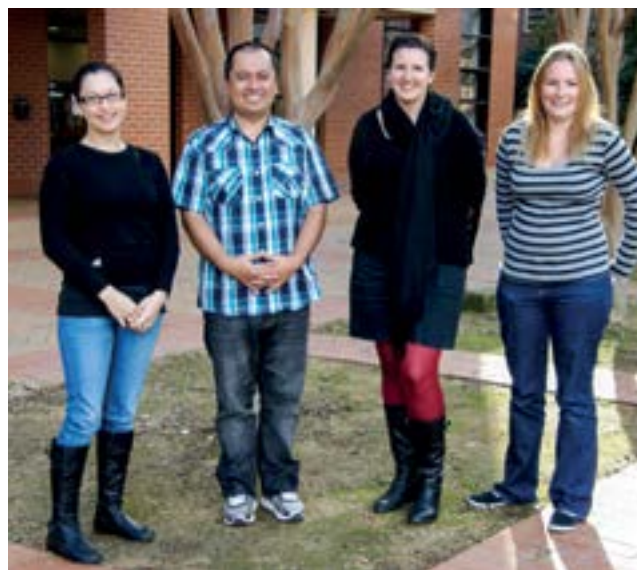
JULY TO SEPTEMBER



Catherine Goonan and Andrew Yeo visited Peru as part of their civil engineering honours degree, helping a parched shanty town to install an innovative 'fog harvesting' system that will increase the availability of drinkable water.



In mid-2012 the University launched a new program to make university study accessible to students with intellectual disabilities, challenging prejudice around the question of who has the capacity to make an intellectual contribution.



74 veterinary science students were named as authors in a study on saltwater crocodile genetics that was published in the *Australian Journal of Zoology* in mid-2012. Five separate cohorts worked on the research from 2007 to 2011, contributing a total of 1875 hours of research.



Three Sydney academics were awarded prestigious Australian Laureate Fellowships by the Australian Research Council (ARC) in mid-2012. For the second year running, one of our academics was also charged with helping to increase the profile of women in research, thanks to the award of the 2012 Georgina Sweet Australian Laureate Fellow to mathematician Professor Nalini Joshi. The University's other new Laureate fellows were biologist Professor Rick Shine and physicist Professor Ben Eggleton.



Greg Combet, the federal Minister for Climate Change and Energy Efficiency, visited the University in August to open a state-of-the-art laboratory that will enable our researchers to look for ways to slash one of the world's biggest single sources of energy consumption – the heating and cooling of buildings.



University of Sydney students and alumni won eight medals at the London 2012 Olympics and seven medals at the Paralympics. Sydney people didn't only contribute in the sporting arena: recent Arts and Social Sciences graduate Amanda Shalala (pictured) reported on the games for the ABC.

OCTOBER TO DECEMBER



Philosopher Professor Rick Benitez was honoured with a 2012 Award for Teaching Excellence from the Australian Government's Office for Learning and Teaching at a ceremony in Parliament House, Canberra. "My fundamental aim as a teacher is to make a lasting positive difference to people's attitudes towards learning and communicating their ideas," said Benitez.



In November, federal Foreign Minister Bob Carr launched the Sydney Southeast Asia Centre, which showcases the work of more than 200 experts across the University. "SSEAC's focus on real-world issues, practical solutions and regional engagement will make it an obvious partner for government and other organisations with an interest in Southeast Asia," said the centre's acting director, Associate Professor Michele Ford.



In December, we launched the Concord Medical Education Centre in partnership with the federal and state governments and Concord Hospital. The new centre is a leap forward for medical education not only for Western Sydney but the whole NSW region.



Throughout 2012 we ran a public engagement campaign to find out 'what matters' to people in Australia and all over the world. A dedicated website attracted more than 29,000 votes from 157 countries, and brought our academics together with our global community to talk about issues that affect us all, from food security to child literacy, from marriage equality to housing affordability. A further 6000 votes were cast over a two-week period at a live polling station in central Sydney's Martin Place (pictured).



Tonga's first ever Doctor of Philosophy in Nursing graduated from the University in December. The graduation ceremony of Dr Amelia Latu Afuha'amango Tu'ipulotu (above right) was attended by visiting dignitaries of the small Polynesian Kingdom of Tonga, including the Chief Nurse of Tonga Sela Paasi (above left), also a Sydney alumna.



More than 10,000 individuals supported the University of Sydney in 2012 by raising \$80 million in a record year for philanthropy at an Australian university (see page 69). The total included a \$20 million gift by alumnus and business leader John Grill to establish a new industry-oriented centre of excellence that will position the University of Sydney as the global leader in project leadership.



Early-career researcher Peter Liddicoat danced his way to victory in the fifth annual international 'Dance your PhD' competition, explaining his discovery of a super-strong aluminium alloy through a circus burlesque show. (Image: still from video)

RESEARCH PERFORMANCE

The University of Sydney supported the research of more than 3000 academic staff in 2012, across one of the broadest range of disciplines in Australia. This 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 2012. For more information about the University's research impact, visit sydney.edu.au/research

EXCELLENCE IN RESEARCH FOR AUSTRALIA

In December 2012, the Australian Government announced the outcomes of its second Excellence in Research for Australia (ERA) initiative, which rated the University's research at 'world standard or above' in all 22 broad discipline areas in which it was rated (21 were 'above and well above world standard'). The University scored well above the world average with a maximum score of five across a wide spectrum of academic disciplines: Earth Sciences, Agricultural and Veterinary Sciences, Mathematical Sciences, Engineering, Biomedical and Clinical Health Sciences, Psychology and Cognitive Sciences, Law and Legal Studies, Language and Communication, History and Archaeology, and Philosophy and Religious Studies.

HIGHER EDUCATION RESEARCH DATA COLLECTION

The University collects data about all research publications published by staff, students, and honorary associates. This information is reported on an annual basis as required by the federal Department of Innovation, Industry, Science, Research and Tertiary Education. 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 2012 HERDC submission (covering 2011) reported 4797 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. In 2012, the University was the second highest recipient 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). Success in attracting competitive funding for 2012 and beyond includes the following.

ARC grants and fellowships

- Three new Australian Laureate Fellowships (see page 11).
- 22 new Future Fellowships, awarded to mid-career researchers (worth a total of \$16.2 million over four years, out of the \$151.5 million awarded to 209 successful applicants nationally).
- 36 Discovery Early Career Researcher Awards (worth \$375,000 to each project over three years).
- 89 ARC Project Grants, worth \$26.8 million in funding over the life of the grants, including three new Discovery Outstanding Researcher Awards, and a Discovery Indigenous grant.
- 19 ARC Linkage Grants, worth \$6.2 million in funding over the life of the grants (in addition to this the University can expect to receive at least \$14.4 million in contributions from partner organisations as well as further 'in-kind' contributions).
- ARC equipment funding for four University of Sydney-led projects.

NHMRC grants and fellowships

- 104 NHMRC grants for 2012 and beyond, worth \$87 million in funding over the life of the grants. These included:
 - 99 Project Grants
 - one Program Grant
 - one Centre of Clinical Research Excellence
 - two Development Grants
 - one NHMRC Partnership.

University-affiliated researchers were also awarded NHMRC fellowships worth \$17.4 million over the life of the grants. These included: 16 Early Career (12 in Australia; 4 overseas); nine Career Development; 11 Established Career (including an Australia Fellowship) and three Translating Research into Practice (TRIP) fellowships.

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 2012. Visit sydney.edu.au/about/profile/our_people/accolades.shtml to see a selection of our most recent successes.

STUDENT FEEDBACK AND CONSUMER RESPONSE

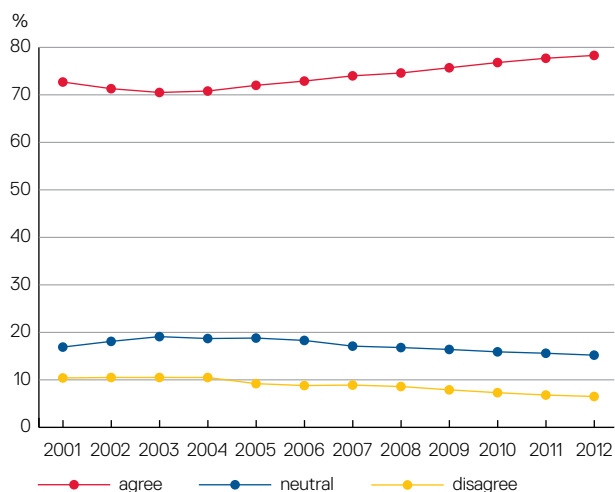
STUDENT FEEDBACK

The University runs a number of regular student surveys to support work to evaluate and enhance its teaching programs.

Under its 2011–15 Strategic Plan, the University has built on the unit of study evaluation processes many faculties already had in place to develop an agreed set of University-wide minimum standards for the quality of students' experiences of units of study, backed by a new web interface to report unit of study performance.

The Institute for Teaching and Learning (ITL) works with each faculty to review and further investigate the faculty's performance and identify effective enhancement strategies and support required to address issues of quality.

As the following chart shows, University-wide student satisfaction with the quality of units of study continued to rise in 2012 to be at the highest level of satisfaction since the surveys were introduced in 2001.



Note: Chart shows responses received in response to the statement "Overall I was satisfied with the quality of this unit of study."

CONSUMER RESPONSE

There were 23 complaints to the Vice-Chancellor's Office in 2012. Of these nine were resolved by the provision of further explanation, information or an apology; six were referred to established appeals and investigation processes; five were withdrawn or lapsed in the absence of usable information and three are still in process on the basis of established University policy and accepted community standards.

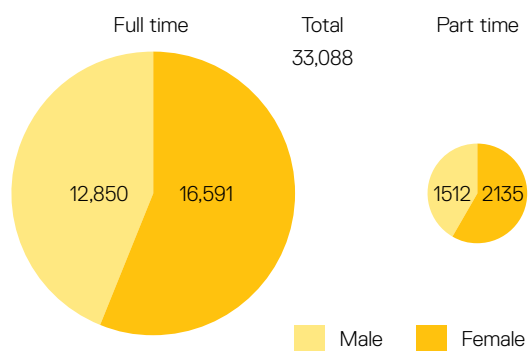
Ten complaints were about academic or administrative procedures or standards of service; five alleged staff or student misconduct; three alleged discrimination or harassment (each of which were referred to formal processes for resolution); two related to student behaviour; one to public comment by an academic. The remaining two complaints related to other miscellaneous matters.

There were, in addition, three letter-writing campaigns: criticising staff redundancies resulting from a change management process; the allocation of Student Services and Amenities Fee funds to the Cumberland Campus; and the behaviour of students in independent residential colleges which were, nevertheless, assumed incorrectly to be owned by the University.

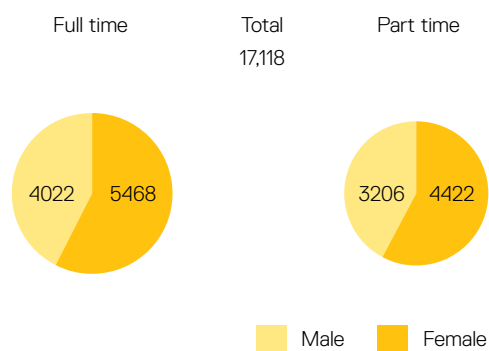
STUDENT STATISTICS

AS AT 31 MARCH 2012

UNDERGRADUATE ENROLMENTS BY ATTENDANCE AND GENDER



POSTGRADUATE ENROLMENTS BY ATTENDANCE AND GENDER



UNDERGRADUATE ENROLMENTS BY COURSE LEVEL

COURSE LEVEL	ENROLMENTS
Bachelor (graduate entry)	2122
Bachelor (Honours)	1081
Bachelor (Pass)	28,790
Diploma (advanced)	20
Diploma	115
Enabling course	26
Cross-institutional	111
Non-award	823
Total undergraduate	33,088

POSTGRADUATE ENROLMENTS BY COURSE LEVEL

COURSE LEVEL	ENROLMENTS
Higher doctorate	5
Doctorate (research)	3549
Doctorate (coursework)	87
Master's (research)	896
Master's (coursework)	10,363
Graduate diploma	1163
Graduate certificate	790
Preliminary	2
Cross-institutional	24
Non-award	239
Total postgraduate	17,118

ENROLMENTS BY FACULTY OF COURSE REGISTRATION AND COURSE LEVEL

FACULTY	POSTGRADUATE	UNDERGRADUATE	TOTAL
Agriculture and Environment	121	510	631
Architecture, Design and Planning	630	597	1227
Arts and Social Sciences	2170	7367	9537
Business	2784	3652	6436
Dentistry	187	348	535
Education and Social Work	1176	1948	3124
Engineering and Information Technologies	1297	3558	4855
Health Sciences	1570	3020	4590
Koori Centre	15	66	81
Law	1943	696	2639
Medicine	2390	1211	3601
Nursing	618	742	1360
Pharmacy	351	1148	1499
Rural Management	4	4	8
Science	1191	5317	6508
Special programs*	73	621	694
Sydney College of the Arts	237	547	784
Sydney Conservatorium of Music	190	707	897
Veterinary Science	171	1029	1200
Total enrolments	17,118	33,088	50,206

* Special programs include enrolments in the Exchange Program, the 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 2012 for consistency. Source: Planning and Information Office

ABORIGINAL AND TORRES STRAIT ISLANDER PARTICIPATION

In June 2012, the University took a major step in its efforts to make Aboriginal and Torres Strait Islander research, teaching, participation and engagement part of its core objective with the publication of *Wingara Mura – Bunga Barrabugu*.

It is intended that the University will be recognised as Australia's leading contributor in this area by 2016.

Wingara Mura outlines 87 initiatives that take a 'whole-of-University' approach to Aboriginal and Torres Strait Islander participation, engagement, education and research.

To measure success, this 'integrated strategy' sets a number of targets. These include:

- doubling the number of Aboriginal and Torres Strait Islander people studying at Sydney (from 206 undergraduates as at March 2012)
- growing our Aboriginal and Torres Strait Islander academic staff complement to at least 75 (from 15 as at March 2012) and our general staff complement to 97 (from 23 as at March 2012)
- increasing the University's engagement internationally on indigenous issues, including indigenous knowledges
- growing the number of staff and students engaged in research in Aboriginal and Torres Strait Islander issues by at least 40 percent
- lifting funding from all sources for research in Aboriginal and Torres Strait Islander areas by at least 25 percent
- ensuring that all new and existing staff join the cultural competence journey.

After the strategy was launched, faculties and professional service units began to develop local implementation plans (LIPs) to translate the strategic priorities and objectives set out in *Wingara Mura* into local action. By the end of 2012, 11 faculties had completed LIPs, as had a number of professional services units.

Other progress to date includes the following.

Student recruitment: The University approved the introduction of the Pemulwuy Pathway, which will use new frameworks that predict students' likely success to identify and encourage talented Aboriginal and Torres Strait Islander students to enrol at Sydney.

Student support: As part of *Wingara Mura*, support services for Aboriginal and Torres Strait Islander students have been reorganised and a new Student Transition and Retention (STaR) team established. Student support services previously coordinated through the Koori Centre are now managed by the University's central student support unit, part of ongoing action to ensure Aboriginal and Torres Strait Islander success is part of the core business

of the University. These moves are consistent with the recommendations of the July 2012 federal government 'Review of Access and Outcomes in Aboriginal and Torres Strait Islander Higher Education'.

Aboriginal and Torres Strait Islander students continue to have access to existing Koori Centre common room, library and computer facilities, but the University is considering how to improve these spaces as a culturally affirming space for those students. In addition, the University and the Sydney University Postgraduate Representative Association have commenced a collaborative initiative to form an Aboriginal and Torres Strait Islander postgraduate student network.

Staff recruitment: Following the launch of *Wingara Mura*, the University established a merit appointment incentive with the aim of increasing the number of Aboriginal and Torres Strait Islander staff in academic and general staff roles. The scheme provides financial incentives to lift Aboriginal staff numbers. Twenty-nine positions are available in 2013.

Staff support: The University established an Aboriginal and Torres Strait Islander staff network to contribute to an improved sense of community and to increase professional and academic engagement among Aboriginal and Torres Strait Islander staff, with an overall aim of improving their retention and contribution to the University.

Supporting cultural competence: The University's Learning Solutions unit developed and piloted a 'cultural competence journey' training module, the first of a number of self-directed professional development modules that will become available to all staff. The purpose of the 'cultural competence journey' is to ensure that all University staff are well equipped to teach, research and engage in support of our commitment to produce culturally competent higher education and graduates.

Community relationships: In May 2012, the University held its largest-ever program of public events for Reconciliation Week, with the Seymour Centre playing an integral role through hosting a range of high-profile events. In June the University signed a memorandum of understanding with South Sydney Football Club and Souths Cares to work together to encourage and support young Aboriginal and Torres Strait Islander people to focus on education, training and employment, with the ultimate aim of encouraging their greater engagement in higher education. A further agreement focusing on engagement with the Redfern community was also signed with the Metropolitan Local Aboriginal Land Council.

INTERNATIONAL PROMOTION

The two main senior officials who travelled internationally to promote the University in 2012 were the Vice-Chancellor and the Deputy Vice-Chancellor (International). The lists on pages 20 and 21 describe the overseas visits they made in 2012 for promotional purposes.

As described on page 38, the University's 2011–15 Strategic Plan prioritises the University's international engagement activities on a regional basis. Highlights in 2012 included the following.

China: A University-wide delegation, led by the Chancellor and Vice-Chancellor, visited China in October to celebrate the 40th anniversary of diplomatic relations between China and Australia. Events included a symposium in Shanghai to showcase the University's engagement in China during that period, a China Studies Centre academic conference with Nanjing University, a graduation ceremony, and meetings with media, alumni and donors. In April, the Vice-Chancellor participated in the higher education segment of the prestigious Boao forum for Asia. The University welcomed 34 official visits from Chinese partners.

India: The University welcomed seven official visits from India in 2012, and a delegation involving representatives from eight faculties visited Delhi in November. As part of its objective to build closer partnerships with key international organisations and agencies, the University held a roundtable with the World Bank to explore areas of mutual interest, including sustainable agriculture and global health. Other activities in Delhi included four faculty-led roundtables with local experts on food security, finance and investment, using mobile phone technology to promote healthier communities, and musculoskeletal research.

Southeast Asia: The University welcomed 14 official visits from Southeast Asia in 2012, and sent a high-level delegation to Indonesia in May, led by the Chancellor and Vice-Chancellor. Major activities in Jakarta included forums on higher education, food security and health, meetings with various Indonesian ministries, and the Association of Southeast Asian Nations. In November, four faculties and the recently launched Sydney Southeast Asia Centre (SSEAC; see page 36) went on a delegation to Thailand. Activities included co-hosting a colloquium on strengthening research collaboration between Thailand and Australia, and meetings with Thai and Australian government representatives. Members of the SSEAC and six faculties also visited Laos to discuss how the University's research could contribute to the country's policy and development priorities.

Latin America: The Vice-Chancellor led a Group of Eight (Go8) delegation to Chile and Brazil in March, which included the signing of an agreement with the Brazilian government for Australia to participate in its 'Science without Borders' scholarship program (as a result 21 students from Brazil enrolled as 'study abroad' students at the University of Sydney in 2012). Sydney Medical School held a series of symposiums on non-communicable diseases, promoting the Charles Perkins Centre and generating interest for research student recruitment and AusAID fellowships. The University received official visits from the Brazilian Minister for the Development Cooperation Agency and the Council of Chilean University Rectors.

OECD partnership: Sydney academics took part in the work of the Organisation for Economic Cooperation and Development (OECD) in 2012, including higher education reform, fighting money laundering, local employment and economic development, skills utilisation and non-tariff measures. The University's relationship with the OECD is not restricted to academic engagement: in 2012 the University began negotiations for an internship agreement and an established annual program with parts of the OECD for Business School students.

International student recruitment: The International Student Office, which is responsible for international student recruitment, undertook a range of overseas outreach activities throughout 2012 to conduct interviews, train offshore agents, visit local schools and universities, and recruit students.

The countries visited in 2012 were: Argentina, Australia, Austria, Bangladesh, Brazil, Cambodia, Canada, Chile, China, Colombia, Denmark, Germany, Hong Kong, India, Indonesia, Iran, Ireland, Italy, Japan, Kenya, Laos, Malaysia, Mexico, Nepal (via Skype), New Zealand, Norway, Oman, Pakistan (by proxy), Papua New Guinea, Peru, Saudi Arabia, Singapore, South Africa, South Korea, Sri Lanka, Sweden, Taiwan, Thailand, the Philippines, Turkey, Uganda, United Arab Emirates, United Kingdom, United States, Vietnam.

OVERSEAS PROMOTIONAL VISITS IN 2012 BY THE VICE-CHANCELLOR

15–19 MARCH: SOUTH AMERICA, LEADING DELEGATION OF GO8 UNIVERSITIES

Santiago

- Meetings/receptions with Australian Government officials
- Meetings with Chilean officials (including Ministry of Education and Conicyt, the National Commission for Scientific and Technology Research)
- Roundtable meeting with Council of Chilean Rectors
- Alumni event for Chilean graduates of Go8 universities, Go8 presentations to school principals, students and parents and other promotional events

Brasilia

- Signed memorandum of understanding to participate in 'Science Without Borders' program (see page 19)
- Attended luncheon hosted by Australian ambassador

1–3 APRIL: CHINA

- Boao Forum for Asia
- Media interviews
- Meeting with China Centre for International Economic Exchanges

14 MAY: INDONESIA

- University of Sydney symposium on 'Higher Education in Southeast Asia: achievements, challenges and building links with Australia'
- Visit to Eijkman Institute of Molecular Biology
- Meeting with Secretary General, Association of Southeast Asian Nations (ASEAN)
- Australian embassy reception

15–19 MAY: CHINA

Kumming/Yangling

- Visit to Yunnan University of Nationalities, Northwest A&F University, Northwest A&F University Museum Park and Yangling State Agricultural Hi-tech Industries Demonstration Zone
- Media interview

Beijing

- Visit China Agricultural University, Chinese Academy of Agricultural Science, Minzu University
- Media interview, informal dinner with Chinese journalists
- Meeting with Australian embassy

21–24 MAY: UNITED KINGDOM

Oxford/London

- Meetings at the University of Oxford
- World Universities Network (WUN) meeting
- UK alumni summer reception

27–29 JUNE: UNITED STATES

- Association of Pacific Rim Universities (APRU) presidents meeting (Oregon)

16 OCTOBER: CHINA

- 30th Anniversary of Hong Kong Pei Hua Education Foundation Revitalising of China Forum

27–31 OCTOBER: CHINA/HONG KONG

Shanghai

- Speaker at University of Sydney symposium: 'Australia-China and Beyond to 2020'
- Graduation ceremony
- Agents dinner, media conference, development meetings, alumni event

Hong Kong

- Signing of memorandum of understanding between Division of Medicine, Dentistry, Nursing and Pharmacy and Division of Health Sciences and Tung Wah College
- Development meetings and University reception

OVERSEAS PROMOTIONAL VISITS IN 2012 BY THE DEPUTY VICE-CHANCELLOR (INTERNATIONAL)*

19–22 FEBRUARY: UNITED STATES

- Speaker at 2012 Association of International Education Administrators annual conference
- Go8 roundtable hosted by Australian Ambassador
- Meetings with US government officials

27 MARCH – 1 APRIL: CHINA

- Meetings at Zhejiang University, Nanjing University, Chinese University of Hong Kong

1–6 APRIL: CHINA/THAILAND

- BOAO Forum, China.
- Keynote speaker at Asia Pacific Association for International Education conference in Bangkok

14–15 MAY: INDONESIA

- University of Sydney symposium on 'Higher Education In Southeast Asia: achievements, challenges and building links with Australia'
- Meetings with Indonesian and Australian government officials, plus ASEAN Secretary General

16–19 MAY: CHINA*Kunming/Yangling*

- Visit Kunming Institute of Zoology, Yangling State Agricultural Hi-tech Industries Demonstration Zone, Northwest A&F University

Beijing

- Visit China Agricultural University, Chinese Academy of Agricultural Science
- Media briefing
- Meeting with Australian embassy

20–21 MAY: EUROPE*Paris*

- Meetings with OECD

2–5 AUGUST: UNITED STATES

- Speak at Sydney University Graduates Union North America conference
- Meetings at Harvard and Boston universities

6–10 AUGUST: UNITED KINGDOM

- Meetings with Association of Commonwealth Universities and related partners

26 AUGUST – 1 SEPTEMBER: SOUTH AFRICA

- Meeting with University of Pretoria re Africa-Australia Universities Network.
- Meet with Australian Ambassador, AusAID.
- Meeting with University of Capetown
- Speaker at Conference of International Association of Education South Africa.

17– 20 SEPTEMBER: EUROPE*Paris*

- Speaker and Chair OECD General Education Conference

Geneva

- WHO meetings

Groningen

- Convenor and rapporteur of Higher Education and Development Conference

26 OCTOBER – 5 NOVEMBER: CHINA/HONG KONG*Shanghai*

- Attend Shanghai Jiao Tong University 60th Anniversary ceremony

Hong Kong

- Meetings with Consul General
- Alumni reception
- Roundtable and public lecture at Chinese University of Hong Kong

Beijing

- Meetings with World Bank

7–9 NOVEMBER: THAILAND

- Speaker at Frontiers of Knowledge forum and Thai Government Higher Education Seminar on Education Policy

25–28 NOVEMBER: INDIA

- Led University delegation to Delhi, including meetings with World Bank, University of Delhi, Australian government officials

28 NOVEMBER – 8 DECEMBER: EUROPE*United Kingdom*

- Meetings with Global Academy Jobs, Institute of Education, WUN, University of York, University College, London, Zoological Society of London, Wellcome Trust

Holland

- Meeting with University of Maastricht.

Brussels

- Meet Australian Ambassador to EU, keynote speaker Academic Cooperation Association policy seminar.

15–20 DECEMBER: CHINA

- Speaker at 7th Global Confucius Institute Conference

* Excludes engagements for Worldwide Universities Network and personal research

HONORARY AWARDS AND ACADEMIC PROMOTIONS

The following honorary degrees were awarded by the University in 2012.

30 MARCH

Gabrielle Hollows

Orthoptist and founding director of the Fred Hollows Foundation
Doctor of Health Science (honoris causa)

13 APRIL

Mary Lane

Honorary Senior Lecturer in Social Work
Doctor of Letters in Social Work (honoris causa)

27 APRIL

Ross Gittins AM

Australian political and economic journalist and author
Doctor of Science in Economics (honoris causa)

John McCarthy QC

Barrister and former fellow of Senate and pro-chancellor
Honorary Fellow of the University

11 MAY

Dr Robin Fitzsimons

Neurologist, scientist and journalist, and former fellow of Senate
Honorary Fellow of the University

18 MAY

Dr John O'Sullivan

Research scientist with CSIRO's Astronomy and Space Science Division
Doctor of Engineering (honoris causa)

Dr John Nutt AM

Chairman/CEO of OVE ARUP & Partners Consulting Engineers
Doctor of Engineering (honoris causa)

25 MAY

Professor Lawrence Gostin

Associate Dean (Research and Academic Programs) and the Linda D and Timothy J O'Neill Professor of Global Health Law at the Georgetown University Law Center
Doctor of Laws (honoris causa)

24 SEPTEMBER

Edmund Capon AM OBE

Previous director and chief curator of the Art Gallery of NSW
Doctor of Letters (honoris causa)

Peter Weiss AM

Supporter of music and the visual arts
Doctor of Letters (honoris causa)

10 NOVEMBER

Cate Blanchett

International stage and screen performer, and co-artistic director of the Sydney Theatre Company
Doctor of Letters (honoris causa)

Kate Grenville

Award-winning writer
Doctor of Letters (honoris causa)

Professor Martin Rees, Lord Rees of Ludlow

Professor of Cosmology and Astrophysics and Master of Trinity College at the University of Cambridge and Astronomer Royal
Doctor of Science (honoris causa)

Emeritus Professor Robin Warren AC

Together with Professor Barry Marshall, winner of the 2005 Nobel Prize in physiology or medicine for their work on the bacterial basis for stomach ulcers
Doctor of Medicine (honoris causa)

Geoffrey Gurrumul Yunupingu

Celebrated Aboriginal musician
Doctor of Music (honoris causa)

14 DECEMBER

Martin Sharp AM

Painter and graphic designer
Doctor of Visual Arts (honoris causa)



The University held its first dedicated honorary degree ceremony in November 2012. Left to right: Chancellor Professor Marie Bashir, Robin Warren, Kate Grenville, Martin Rees, Geoffrey Gurrumul Yunupingu, Cate Blanchett and Vice-Chancellor Dr Michael Spence. (See page 22 for details)

ACADEMIC PROMOTIONS

The following members of staff successfully applied for promotion to professor in 2012 (effective 1 January 2013). Their professorial title is listed in brackets.

FACULTY OF ARTS AND SOCIAL SCIENCES

Alison Betts (Professor of Silk Road Studies)
 Carole Cusack (Professor of Religious Studies)
 Vrasidas Karalis (Professor of Modern Greek)
 Jennifer Milam (Professor of Art History)
 Penny Russell (Professor of History)

FACULTY OF DENTISTRY

Hans Zoellner (Professor)

FACULTY OF ENGINEERING AND INFORMATION TECHNOLOGIES

David Airey (Professor)
 Xiaozhou Liao (Professor)

FACULTY OF HEALTH SCIENCES

Louise Ada (Professor of Neurological Physiotherapy)
 Jennifer Alison (Professor of Respiratory Physiotherapy)

SYDNEY CONSERVATORIUM OF MUSIC

Matthew Hindson AM (Professor)

SYDNEY LAW SCHOOL

Chester Brown (Professor of International Law and International Arbitration)

Rebecca Millar (Professor of Law)

SYDNEY MEDICAL SCHOOL

Frances Boyle (Professor of Medical Oncology)
 Nicholas Glozier (Professor of Psychological Medicine)
 Martin Stockler (Professor of Oncology and Clinical Epidemiology)

FACULTY OF SCIENCE

Madeleine Beekman (Professor of Behavioural Ecology)
 Georg Gottwald (Professor)
 David Moss (Professor of Physics)
 Frank Seebacher (Professor of Biology)

THE UNIVERSITY OF SYDNEY BUSINESS SCHOOL

Bradon Ellem (Professor of Employment Relations)
 Sue Newberry (Professor)

FACULTY OF VETERINARY SCIENCE

Katherine Belov (Professor of Comparative Genomics)

Including these successful internal promotions to 'Level E' positions, there were 159 successful applicants for academic promotion in 2012. Overall, 86 percent of female applicants and 78 percent of male applicants were successful.

See page 52 for information on University initiatives to increase the number of women in senior academic positions.

The success rates for promotion to each level were as follows:

- Level B: 100 percent overall success rate
- Level C: 89 percent overall success rate (women 85 percent, men 92 percent)
- Level D: 76 percent overall success rate (women 89 percent, men 69 percent)
- Level E: 65 percent overall success rate (women 73 percent, men 59 percent)

UNIVERSITY GOVERNANCE

The following pages provide information about the activities of the University's governing body, the Senate, in 2012, as well as the supporting activities of the University's senior management and Academic Board.

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

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 2012 Senate report, see pages 26 to 40.

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.

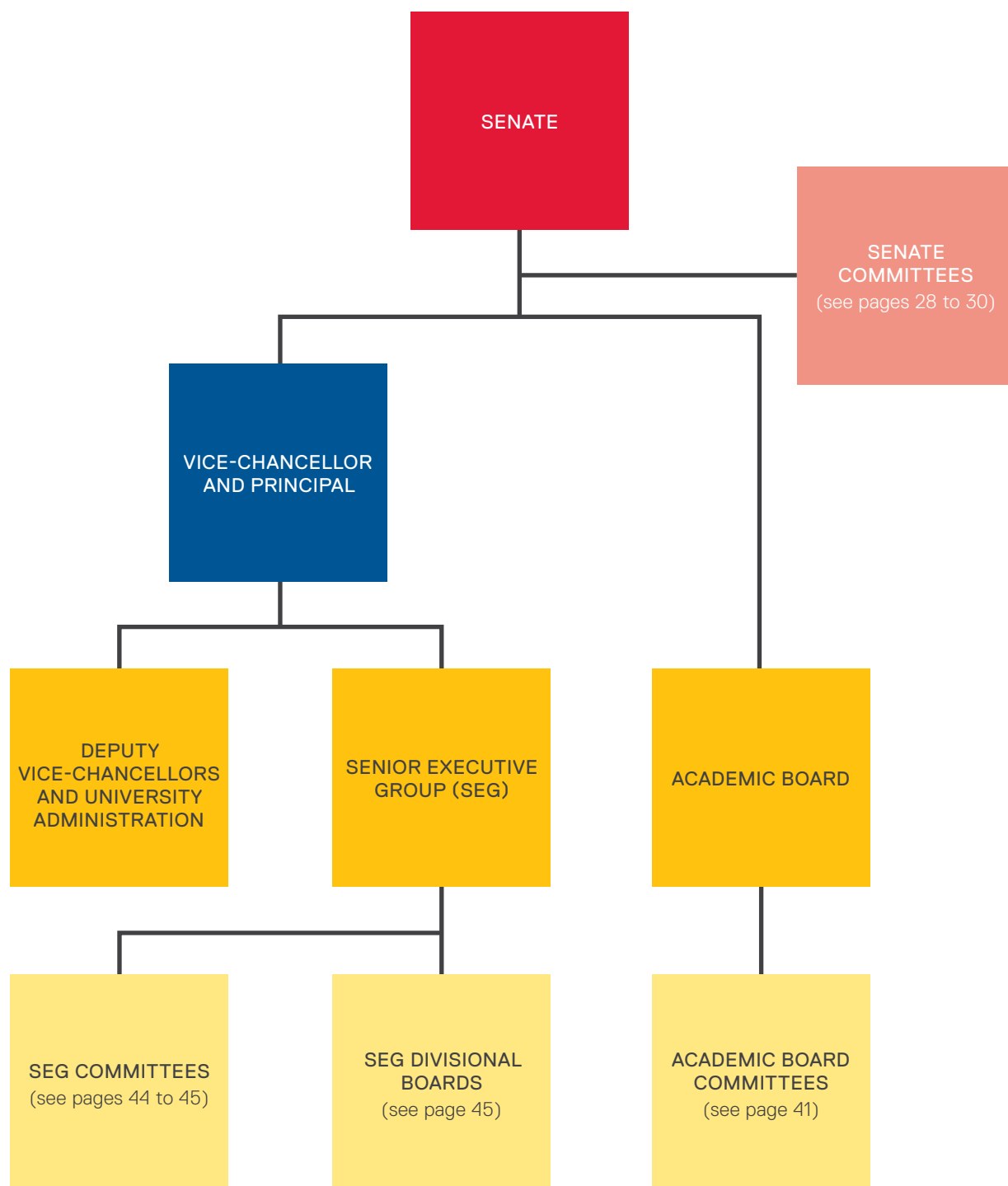
For more information about the Academic Board in 2012, see page 41.

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 University management in 2012, see pages 42 to 47.



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 2012.

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).

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.

FELLOWS OF SENATE

In 2012 the Senate comprised:

CHANCELLOR

Her Excellency Professor Marie Bashir AC CVO
MB BS Hon MD *Sydney*, FRANZCP
Chancellor from 1 June 2007 to 14 December 2012

ACTING CHANCELLOR

Mr Alan Cameron AO
BA LLM *Sydney*
(an external Fellow appointed by the Minister for Education and Training)
Acting Chancellor from 15 December 2012

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 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 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

One external Fellow appointed by Senate for four years to the end of February 2015:

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

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 two years:

Mr Patrick H Massarani
Fellow from 1 December 2012

[Term of office (one year) completed during 2012]

Mr Benjamin G Veness
BAcc *UTS*
Fellow from 1 December 2010 to 30 November 2012

One Fellow elected by and from the postgraduate students of the University for two years:

Mr James P Flynn
BComm(Liberal Studies) *Sydney*
Fellow from 1 December 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 2012**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

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 N Brennan

Mrs Dorothy J Hoddinott AO

Professor Chris R Murphy

Mr David W Turner

Associate Professor Ariadne Vromen

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 N 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 or her 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

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 David Mortimer AO

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

Mr Kevin McCann AM

Professor Richard H (Dick) Bryan

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 Kevin McCann AM

Ms Jane F Spring

Two Fellows of Senate elected by Senate:

Professor Marian P Baird

Mr Alec N Brennan

A student Fellow appointed by Senate for the search process for the position of Chancellor, with which the committee was charged:

Mr James P Flynn

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 James P Flynn

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:

Ms Ronwyn North

Mr Hutch Ranck

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 2012 these nominations/appointments included:

Senate nominee on the Women's College Council:

Professor Marian P Baird

Fellow of Senate on the International House Council:

Ms Jane F Spring

Senate representative on the Abercrombie Street Child Care Limited Council:

Ms Kim Wilson

SENATE GOVERNANCE

Senate adopted the following governance reforms in 2012, following the approval of its proposed amendments to the *University of Sydney By-law 1999* (By-law) by the Governor of New South Wales, with the advice of the Executive Council.

- Senate's 2011 recommendation to amend the By-law to increase the terms of office of undergraduate and postgraduate student Fellows of Senate from one to two years was approved and implemented in time for the December 2012 election.
- Senate recommended that, in the event of a casual vacancy in the office of Chancellor, the By-law requirement for Senate to elect a new Chancellor for the balance of the term of office of the preceding Chancellor should be amended to instead allow Senate to elect a new Chancellor for a full four-year term. It also recommended the removal of certain existing restrictions on when an election to the office of Chancellor must be held. These amendments were approved in December 2012.

ATTENDANCE BY FELLOWS AT SENATE AND ITS COMMITTEES IN 2012

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
Professor M Baird	7	6	-	-	-	-	-	-	-	-	-	-	17	14	-	-
HE Professor M Bashir	7	7	6	0	8	8	5	0	5	5	4	0	17	7	6	0
Mr A Brennan	7	6	-	-	8	7	5	5	5	5	-	-	17	15	-	-
Professor A Brewer*	-	-	-	-	-	-	-	-	-	-	1	1	-	-	1	1
Professor R Bryan	7	6	-	-	-	-	-	-	-	-	4	3	-	-	-	-
Mr A Cameron	7	7	6	6	8	8	5	4	5	5	4	4	17	10	6	4
Dr B Catchlove	7	5	-	-	-	-	-	-	-	-	-	-	17	17	6	6
Dr M Copeman	7	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr P FitzSimons	7	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr J Flynn	7	7	-	-	-	-	-	-	-	-	-	-	0	0	0	0
Professor S Garton*	2	2	-	-	2	2	-	-	-	-	-	-	-	-	1	1
Mrs D Hoddinott	7	7	-	-	8	8	5	5	5	4	-	-	-	-	-	-
Mr R Leece	7	5	6	6	-	-	-	-	-	-	-	-	-	-	-	-
Mr P Massarani	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associate Professor P McCallum	7	7	-	-	8	8	5	5	-	-	-	-	17	17	-	-
Mr K McCann	7	6	-	-	-	-	5	5	-	-	4	1	17	14	-	-
Mr D Mortimer	7	7	-	-	-	-	-	-	-	-	4	4	-	-	-	-
Professor C Murphy	7	7	-	-	8	8	-	-	-	-	-	-	-	-	-	-
Ms R Perkins	7	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr M Spence	7	5	6	5	8	6	5	5	-	-	4	3	17	13	6	4
Ms J Spring	7	6	6	4	-	-	-	-	-	-	-	-	17	15	-	-
Mr D Turner	7	6	6	5	8	7	-	-	-	-	-	-	-	-	-	-
Mr B Veness	6	6	-	-	-	-	-	-	-	-	-	-	11	10	6	6
Associate Professor A Vromen	7	6	-	-	8	7	-	-	-	-	-	-	-	-	-	-
Ms K Wilson	7	7	-	-	-	-	-	-	-	-	-	-	-	-	6	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

* Acting Vice-Chancellor

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

The chairs of the Buildings and Estates Committee, Finance and Audit Committee, Investment and Commercialisation Committee, and Safety and Risk Management Committee regularly attend meetings of all these committees to ensure effective coordination of the committees' activities.

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 follows.

- 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.

NEW AND CEASED ACTIVITIES

The following new internal centres of the University were opened in 2012:

- Centre for Disability Research and Policy (approved by the Provost and Deputy Vice-Chancellor 22 March 2012)
- Sydney Southeast Asia Centre (approved by the Provost and Deputy Vice-Chancellor 10 May 2012).

The following internal centres of the University were closed in 2012:

- Australian Mekong Resource Centre (closed 31 January 2012 under approval by Provost and Deputy Vice-Chancellor)
- Institute of Nuclear Science (closed 31 January 2012 under approval by Provost and Deputy Vice-Chancellor)
- Institute of Wildlife Research (closed 31 January 2012 under approval by Provost and Deputy Vice-Chancellor)
- Centre for the Mind (closed 29 February 2012 under approval by Provost and Deputy Vice-Chancellor)
- Institute for Sustainable Solutions (closed 15 August 2012 under approval by Provost and Deputy Vice-Chancellor).

The following internal foundations of the University were closed:

- Earth Resources Foundation (closed 14 March 2012 under approval by Chancellor)
- Cornforth Foundation for Chemistry (closed 5 May 2012 under approval by Chancellor)
- Oral Health Foundation (closed 5 May 2012 under approval by Chancellor)
- Bone and Joint Research Foundation (a division of the Sydney Medical School Foundation) (closed 5 May 2012 under approval by Chancellor)
- Ageing and Alzheimer's Research Foundation (a division of the Sydney Medical School Foundation) (closed 5 May 2012 under approval by Chancellor).

2012 FINANCIAL SNAPSHOT

See page 66 for more detail.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Operating revenue	1,736.5	1,597.1	139.4	8.7
Operating expenses	1,600.4	1,504.5	95.9	6.4
Operating result	136.1	92.6	43.5	47.0
Adjusted for:				
Philanthropic funds	(78.0)	(72.2)	(5.8)	(8.0)
Investment funds	(29.1)	(10.9)	(18.2)	(167.0)
Capital grants	(53.9)	(54.5)	0.6	1.1
Specific purpose grants	(21.4)	(32.4)	11.0	34.0
Net available operating margin	(46.3)	(77.4)	31.1	40.2

REVIEW OF OPERATIONS: 2012 STRATEGIC PLAN PROGRESS

Under its current strategic plan, covering the period from 2011 to 2015, the University is pursuing 17 headline strategies 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.

The following section provides a summary of progress towards these 17 strategies during 2012.

In August 2012, the University published an implementation report that described in detail the progress it made during the first 18 months of the strategic plan. This implementation report is available at sydney.edu.au/strategy, along with the full strategic plan and an accompanying white paper that provides more information about the development and purpose of the strategic plan initiatives.

STRATEGY 1 REFINE OUR GOVERNANCE STRUCTURES

In 2012, the University completed its second year of operations under its new management governance structure. As recorded in the University's 2011 Annual Report, the changes introduced a reconstituted Senior Executive Group (SEG) and supporting committee structure. A review of all SEG committees took place in late 2012, bringing forward recommendations to improve communication among the committees and divisional boards and proposing changes to the membership of some committees to balance the need for representational authority and topical expertise.

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

Improved course planning: Recent improvements in the governance, transparency and timeliness of planning information to enable the University to achieve the goal outlined in strategy 2 were consolidated during 2012. SEG's Curriculum and Course Planning Committee (CCPC) reviewed all new course proposals in 2012 to ensure those proposals met the University's strategic objectives, including from a student load, marketing and financial viability perspective, before recommending whether those proposals should be sent to the Academic Board for approval.

Better information: Two new planning applications – the Student Planning Analysis and Reporting Capability (SPARC) tool and the Student Fees Management Database – have been successfully embedded in the University's annual load, revenue and course planning cycle. Also in 2012, work began to develop a new tool that, on completion, will increase the usability of the broad range of data available across the University, and provide central and faculty management with a single, centralised strategic reporting framework. The Strategic Information and Business Intelligence tool (SIBI) will measure and monitor performance, and provide improved trend and scenario analyses. It will be rolled out as a series

of smaller projects, commencing with research data in early 2013, to enable meaningful stakeholder input.

STRATEGY 3 INITIATE A UNIVERSITY-WIDE PROGRAM OF CURRICULUM RENEWAL

Rolling out curriculum renewal: In 2012 the University began to implement a new strategy that links faculty-led curriculum review and renewal to the University's strategic priorities. As part of their own curriculum reviews, four faculties (Arts and Social Sciences, Business, Nursing, Science) continued and reported on a pilot of principles reflecting curriculum renewal priorities identified by SEG's CCPC. As well as building faculty engagement, this pilot phase helped to identify additional resource, support and data requirements, and additional resources were developed to support the University-wide rollout of curriculum renewal that will continue in 2013. As the principles are applied more widely, the University expects to see greater coherence in its course offerings and greater clarity in the pathways students can take, particularly in the generalist undergraduate degrees.

Staff engagement in curriculum renewal: The second highly successful Sydney Teaching Colloquium, held in October, built on the institutional conversations about curriculum renewal started through the work of the CCPC, and provided an opportunity for reporting, disseminating and encouraging the curriculum renewal work underway in faculties. All faculties were represented in presentations during the two-day colloquium, which saw 1448 session registrations (representing 351 individual staff). This level of engagement will help to inform institutional decision-making, and ensure institutional strategic priorities can more directly inform local curriculum development.

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

Student wellbeing: Work took place throughout 2012 to develop a new student wellbeing strategy to improve the coherence of all aspects of the student experience, including the provision of specialist services and resources for emotional and mental wellbeing; the establishment of early identification systems for students who are struggling in their first semester; and the development and expansion of existing formal and informal support networks (through consistent mentor training and staff development programs). The strategy will launch in 2013. Preparatory work in 2012 included the University's first-ever mental health census, which involved the participation of more than 4000 students from all campuses and all levels of study.

Student administration: The replacement of the University's student administration system continued throughout 2012 and is expected to conclude in late 2013. The 'Sydney Student' system now delivers functionality relating to the early stages of the student lifecycle (including course information for prospective students, an online enquiry management service and admissions

application functionality). In 2012, the University carried out a successful pilot of online enrolment for the mid-2012 Faculty of Arts and Social Sciences intake (638 students enrolled successfully with minimal need for help from staff, and student satisfaction surveys were positive). A planned rollout of online enrolment for all faculties in early 2013 was delayed due to slower than expected progress in configuring the complex processes associated with this phase of the project, primarily enrolment, progression and fees-related functionality. Enhancements relating to graduations, research student management, timetabling and external reporting will conclude the project.

Student accommodation: Work continued on the student accommodation strategy agreed in November 2011, including the proposed redevelopment of a number of sites on the Camperdown/Darlington Campus for student accommodation, integrated with other mixed uses. The University expects to lodge development applications in 2013. With regard to existing accommodation, the University transferred responsibility for University-owned housing (representing more than 650 beds) into the Education Portfolio's Student Support Services unit in order to achieve closer links with scholarships support and pastoral care.

Student experience: Following the introduction of a Student Services and Amenities Fee (SSAF) in 2012, the University initiated extensive consultation with students, student organisations and representatives of service providers to identify priorities for future funding on services and amenities as well as areas for enhancement. Following the first round of funding allocations in early 2012, an all-student survey relating to 2013 fees was completed in June 2012, attracting more than 3000 responses and providing the basis for further consultation relating to funding allocations with the student organisations. This has so far led to the establishment of a \$2 million capital sinking fund and the development of principles for the allocation of an estimated \$10.2 million in SSAF revenue in 2013. In early 2013, the National Union of Students placed the University of Sydney joint top of a league table rating universities on their use of the fee.

Support for students with disabilities: As reported on page 53, work continued throughout 2012 to develop the University's new disability action plan for 2013–18, for launch in early 2013. In conjunction with the Fisher Library redevelopment (cf strategy 7), the University improved provision of alternative technology facilities for students with disabilities. A quiet room was also developed in the Library to provide a resting space for students with sensory difficulties.

Support for international students: The International Student Program Committee (ISP), which was created following the Schreuder Review of Support Services for International Students, began meeting in October 2011. It undertook significant scoping work throughout 2012, developing plans for 2013 that include the expansion of English-language support for international students, access to more relevant accommodation information,

implementation and monitoring of international student transport concessions, and expansion of orientation and transition advice.

See under strategy 7 for information about developments in relation to networks of informal learning spaces.

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

Exchange opportunities: The University signed 25 new student exchange agreements in 2012 with universities in the Americas, Asia and Europe. The University also renewed a number of existing agreements, and now has 315 active exchange and joint study abroad programs. There were 636 inbound exchange enrolments in 2012, and 636 University of Sydney students took advantage of outbound exchange opportunities. New student exchange agreements that became active in 2012 included arrangements with two members of the C9 group of China's top research universities, Shanghai Jiao Tong and Xi'an Jiao Tong, while another agreement was renewed with a third C9 member, Tsinghua.

STRATEGY 6 DEVELOP OUR CAPACITY TO IDENTIFY AND SUPPORT RESEARCH EXCELLENCE

External recognition: The 2012 results of the federal government's Excellence in Research (ERA) for Australia initiative, released in December, rated all areas of the University's research at or above world standard, and 75 percent above or well above world standard. Sydney's 2012 ERA submission included approximately 34,000 research outputs from 4207 researchers accumulated over a six-year period.

Enabling faculty research to support University-wide excellence: Research 'compacts' agreed in early 2012 between faculties and the University established customised packages of targeted funding and services to help each faculty develop and strengthen its research strategy. The agreements provide for central targeted investment and support to build faculties' research capability, and set out measurable outcomes sought in return. As of end-2012, the Deputy Vice-Chancellor (Research) and faculties were in the process of reviewing the compacts in order to agree further investment in 2013 to support faculty and divisional research strategies. This work will underpin the development of an overarching and integrated research strategy that enables collaboration and partnership at all scales, with a selective focus on areas that are recognised as world class (in quality or impact), or of emerging strength or importance.

Review of medical and health research: In August the University began a strategic review of its health and medical research (which in 2011 constituted 54 percent of research income and 32 percent of research outputs), to ensure that it is well placed to retain and develop its already strong position. Chaired by Peter Wills AC, the review follows major state and federal government reviews, and is scheduled to

report in early 2013 ahead of an anticipated call from the National Health and Medical Research Council (NHMRC) for recognition of advanced health research centres.

Facilitating collaboration: The University completed the development of a web-based platform for a new publicly accessible, searchable database of research capability for potential collaborators, government, industry and the public, which is due to roll out on a faculty-by-faculty basis in 2013. A project to consolidate contract management, including aligning systems with processes, will reduce duplication and improve timeframes for contract handling. This will improve research support by minimising delays and reducing errors.

Training in research integrity and ethics: The University is developing a suite of 20 online training modules to help researchers understand their obligations relating to research integrity (in areas such as ethics, safety and privacy), as well as their obligations relating to grants compliance. The first two modules – on the Research Code of Conduct and the National Statement on Human Ethics for researchers from the Arts and Humanities – are expected to be available for use by researchers in the first quarter of 2013. An online human ethics approval system was implemented in November and is now in use, eliminating multiple paper copies and manual processes. An equivalent system for animal ethics approvals is on track for implementation in the first half of 2013.

Support for emerging multidisciplinary research: The six projects chosen under the inaugural Sydney Research Network Scheme (SyReNS) started work in 2012. The projects (covering social justice; climate change and society; infectious diseases and biosecurity; learning, technology and knowledge in action; health and work research; energy storage research) will receive funding and networking support for two years to prove their capacity to evolve into substantial and sustainable externally funded programs that deliver high-quality multidisciplinary solutions to pressing societal issues. Applications have been invited for a second round of SyReNS starting in 2013.

Australian Institute of Nanoscience: Initiative 6(f) of the strategic plan relates to construction of this new institute, supported by funding from the federal government's Education Investment Fund. Preparatory works continued throughout 2012, demolition and site clearance started in the latter part of the year, and works relating to bulk excavation, stormwater diversion and construction of retaining walls are due to start by end-February 2013. The University aims to engage a contractor for the main works by mid-2013, with a forecast completion date for the project of February 2015.

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

Improved physical and virtual learning spaces: The University made strong progress in 2012 towards completing its federal government-funded Learning Networks Project to develop new visions for formal, informal and virtual learning spaces. New 'learning hubs' opened in the Peter Nicol Russell

and Carslaw buildings, providing over 700 seats for individual, pair and group work, and receiving more than 150,000 visits throughout the year. Four 'learning studios' were also opened, setting a new standard for student computing in formal space. Progress continues on other facilities in Fisher Library and the Wallace Theatre. The new facilities are underpinned by 'virtual desktop' technology, which enables students to access hundreds of course-specific applications when they log on to University-provided computers in the new spaces. By end-2012, more than 30,800 students 'owned' a virtual desktop and there were on average 6000 logins per day. Other key 2012 learning space projects included the development of new standards for learning and teaching space to assist in future planning, and a 'learning space metrics project', which identified that students engage annually in more than 5 million online sessions as part of their experience in units of study, interacting with more than 3 million learning objects, and using more than 60 online tools provided by the University.

Monitoring and improving student experience of teaching:

In 2012, the University developed and agreed compacts to help faculties address teaching quality issues in units of study through identifying faculty improvement targets and enhancement strategies in relation to their own strategic priorities. This process is supported by a new web interface to report unit of study performance, and specific support from units in the Education Portfolio. Enhancements to this system in 2012 allow users to track trends in students' experience of individual units of study and overall faculty performance. Through reporting to SEG and Senate the initiative delivered the first stage of the University's commitment to increased transparency and accountability for the quality of teaching. The compacts will be reported on and the next cycle developed in 2013; it is intended that this next iteration will draw on a broader range of data than that relating to units of study and will include the development of additional minimum standards in relation to other institutional teaching priorities. The University's student survey systems were audited by Audit and Risk Management and found to be administered satisfactorily.

New Business School facilities: The proposal to redevelop the Abercrombie Precinct in Darlington to provide world-class facilities for the Business School progressed satisfactorily in 2012. Key activities included finalising a revised project brief that considered local community feedback to the initial design, approval of the development application, road purchases and early works packages. Site clearance began in November 2012 and will continue while the design is refined in light of approval conditions; the forecast practical completion date for the new Business School building and a state-of-the-art learning hub for all students is currently February 2015.

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

Charles Perkins Centre: The University appointed an Academic Director, Professor Steve Simpson, to lead this cornerstone initiative, which aims to ease the burden of obesity, diabetes and cardiovascular disease. After taking up his position in April 2012, Professor Simpson drove the development of the centre's research and education strategies. Research will focus on four interrelated areas (describing patterns of disease across populations, the biology of disease, biology within societal and environmental contexts, and designing and implementing solutions), underpinned by five themes: nutrition; physical activity, exercise and energy; complex systems and sustainability; Aboriginal and Torres Strait Islander health; and the politics, governance and ethics of health. Work on the education strategy has so far focused on learning and teaching in the centre's new building, developing new cross-faculty programs, and establishing a community engagement strategy. In November, the University launched an international recruitment campaign for 10 new chair and professorial positions to spearhead the centre's work. The centre also published its first book, which challenged existing approaches to diabetes and obesity treatments and presented a strategy with the potential to revolutionise the way society approaches weight management. Construction of the centre building progressed well. The building is supported by the federal government through its Education Investment Fund. A key area of focus for 2013 will be planning for the reorganisation, renovation and reallocation of as much as 17,000 square metres of laboratory, office and teaching space when staff and students move into the Charles Perkins Centre building in 2014. Thanks to a generous \$2 million donation from Judith and David Coffey in 2012, the centre will house a 'life lab' to focus on understanding the complex, interrelated systems that underpin health – from basic metabolic systems to food production and health systems.

China Studies Centre: This centre is now fully operational. In March 2012, the University announced the appointment of Dr Kerry Brown, previously of Chatham House, as the centre's Executive Director, and Professor David Goodman, Professor of Chinese Politics at the University, as Academic Director. To mark the 40th anniversary of China–Australia diplomatic relations, the centre brought together leading analysts from both countries to publish a book about the past, present and future of the relationship, which was launched at the Australian Embassy in Beijing in October, with another launch in Canberra. In addition to supporting the academic activities of its members, the centre continued its partnership with KPMG to create unique business intelligence reports for engaging with China, and also held its second Sydney–China Business Forum. The 2012 forum, held in NSW Parliament House in September, focused on the theme of partnerships in energy infrastructure. (See page 19 for more on engagement in China in 2012.)

Sydney Southeast Asia Centre: Federal Foreign Minister Senator Bob Carr formally launched the Sydney Southeast Asia Centre (SSEAC) in November. Headed by Acting Director Associate Professor Michele Ford, the centre was established to build on the University's existing strengths in this region, in areas such as infectious diseases, emergency management, the environment, food security, human mobility and regional economic integration. With more than 200 academics working on and in Southeast Asia, the University of Sydney has one of the highest concentrations of regional expertise in the world.

Sustainability research: The University formally dissolved its Institute for Sustainable Solutions in 2012. The University will integrate its research strategy for sustainability into the broader research agenda, rather than through a single standalone institute, leveraging its research strengths in food security, urban sustainability and environmental technologies. This will include work in the Charles Perkins Centre to encompass the social, cultural, political and health implications of food production and distribution, as well as work focusing on the science of food production in the Faculty of Agriculture and Environment's Centre for Carbon, Water and Food.

Governance of multidisciplinary centres: The University is developing a proposed governance and operational framework for multi-faculty centres such as the Charles Perkins Centre and Brain and Mind Research Institute (BMRI) to support effective governance, operational and collaborative agreements for resource allocations. Before finalising the framework as the model for other whole-of-University multidisciplinary centres, the University is testing an underpinning financial model in relation to ensuring it is sustainable for (1) the multi-faculty entity and (2) the participating faculties.

Applying interdisciplinary research to our institutional life:

Under initiative 8(g) of the strategic plan, the University aims to reflect the work of its interdisciplinary centres in its institutional life. Throughout 2012, around 80 academic and professional staff met to establish and develop the 'healthy university' initiative, which aims to ensure the University offers a work and study environment that provides students and staff with the knowledge, skills and infrastructure to lead healthier lives. Highlights of 2012 activity included an all-staff and student survey on physical activity and travel behaviour, with results to inform initiatives in 2013. The initiative is also supported by the implementation in early 2012 of a new Senate-initiated policy that restricts on-campus smoking and purchase of tobacco.

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

Targeting support to future high-achievers: The University began to roll out a targeted program for a high-quality multidisciplinary cohort of NHMRC early-career research fellows and ARC Discovery early-career research fellows to

support their grant management, career development and future funding applications. It is intended the program will stimulate further cross-disciplinary interaction. In addition the University is providing, through the research compacts process (cf strategy 6), strategic support for around five early- and mid-career researchers in each of six faculties.

PhD reforms: The University continued to a second phase of the Sydney PhD reforms initiated in 2011. A trial in two faculties of a 'training needs analysis' for all new higher degree research enrolments identified gaps in how the University's academic divisions provide key disciplinary, generic and career-enhancing educational and skills training (in areas such as oral and written communication to specialist and non-expert audiences, research integrity, professional responsibility, intellectual property, commercialisation and project management). The training needs analysis has now been revised based on the trial feedback, and is being rolled out to all new PhD students in 2013. It is intended that candidates will meet with their supervisors annually to identify areas where they need to 'upskill'.

Support for research supervisors: Policy changes now specify the minimum levels of University support for supervision, induction, training, specific infrastructure support, and development opportunities for all PhD students. The Institute for Teaching and Learning, through its research supervision training, now provides a more coherent University-wide policy framework and a mechanism to better coordinate faculty activities in the area of supervision. SEG has recently endorsed a new policy that allows genuine co-supervision of higher degree by research students.

STRATEGY 10 PROMOTE INDIGENOUS PARTICIPATION, ENGAGEMENT, EDUCATION AND RESEARCH

University-wide strategy: In June, the University launched *Wingara Mura – Bunga Barrabugu*, an 'integrated strategy' that addresses recommendations of the 2009 Review of Indigenous Education and takes a 'whole-of-University' approach to make the promotion of Aboriginal and Torres Strait Islander participation, engagement, education and research part of the University's core objectives.

Staff recruitment: The University established a merit appointment incentive with the aim of increasing the number of Aboriginal and Torres Strait Islander staff in academic and general staff roles.

Student recruitment: The University approved the introduction of the Pemulwuy Pathway, which will use new frameworks to predict students' likely success to identify and encourage talented Aboriginal students to apply to and enrol at Sydney.

Community relationships: In May, the University held its largest-ever program of public events for Reconciliation Week. In June, the University signed a memorandum of understanding with South Sydney Football Club and Souths Cares to work together to encourage and support young

Aboriginal and Torres Strait Islander people to focus on education, training and employment, with the ultimate aim of encouraging their greater engagement in higher education. An agreement around broader engagement was signed with the Metropolitan Local Aboriginal Land Council.

See page 18 for more information about Aboriginal and Torres Strait Islander education, research, engagement and participation.

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

Attracting excellence: The University continued to attract some of the top-performing high school students in Australia, leading other NSW universities with 16.2 percent of first preferences among applicants for university entry in March 2012. The University made 11,589 offers to prospective domestic undergraduate students through the Universities Admissions Centre, a 16 percent increase on the previous year, which helped make up for a decrease in international undergraduate numbers caused in part by the strong Australian dollar.

Record participation: In 2012 the University is believed to have enrolled more students from low-socioeconomic status (SES) backgrounds than ever before. Following the introduction of recent initiatives, the University enrolled 129 more students from low-SES backgrounds (by postcode data) in 2012 than in 2011.

New pathways to university study: In mid-2012, the University launched an early offer program (E12) for Year 12 school students from a low-SES background that does not rely solely on the ATAR as a measure of potential but also on students' other skills and achievements and their motivation and enthusiasm for particular subject areas. The program includes targeted orientation and transition support once the students are at university. Following recommendations from school principals, 288 students were offered a conditional place at the University via the E12 program to start study in 2013. The University made firm offers after the release of ATAR results, with 129 students choosing to enrol through E12.

External partnerships: During 2012, the University had more than 12,300 engagements with school students through its federal government-funded Compass program, which encourages and supports students into higher education, as well as 196 parent engagements and 723 engagements with teachers (including 317 professional development engagements). Through its partnerships with the Smith Family, the Australian Indigenous Mentoring Experience (AIME) and the Future Directions Network, the University engaged thousands more high school students either on campus or in school, encouraging them to stay in school and understand the value of higher education.

Support for staff: The University's Widening Participation grant program, funded by the federal government's

Higher Education Participation and Partnerships Program, continued in 2012. Two 'flagship' grants were awarded to academics in the Faculty of Arts and Social Sciences and the Conservatorium of Music to develop partnership activities with schools or communities aimed at widening participation. Six grants to support implementation of inclusive teaching strategies were awarded to academics in the faculties of Arts and Social Sciences, Business, Education and Social Work, Health Sciences, the Conservatorium of Music and Veterinary Science. Several of the 37 grant projects launched in 2011 completed in 2012, which led to the implementation and expansion of five first-year mentoring programs in Business, Education and Social Work, Health Sciences, Law and the Conservatorium of Music.

See under strategy 10 for progress on increasing participation by Aboriginal and Torres Strait Islander students.

STRATEGY 12 PROVIDE ENHANCED LEARNING OPPORTUNITIES FOR ALL OUR STAFF

New framework for staff development: A new Academic Performance and Development program was introduced in September 2012, underpinned by a comprehensive minimum expectations framework covering research, teaching and service. The system focuses on personal and professional development and mentoring, and will be refined and strengthened in 2013 by the inclusion of feedback from students on their subjects and tutors. A revised performance and development system for general staff will also be developed in 2013. It is intended the new framework will become the primary tool for all staff in planning and goal setting, and career and succession planning.

Improved learning programs: Work will conclude in 2013 to improve staff development opportunities through restructuring the University's in-house staff training programs. Greater use will be made of the offerings of SydneyLearning Pty Ltd and the Centre for Continuing Education. Throughout 2012, the University provided a range of courses to help academics improve their skills in areas such as research management (cf strategy 9), influencing government policy, leadership and media skills. It also provided tailored programs to faculties and professional service units to support those units' strategic priorities.

Opportunities for general staff: Under the recently launched general staff travelling scholarship scheme, scholarships awarded in 2012 enabled four staff members to visit other institutions for professional development opportunities which provided new knowledge that can benefit the whole University. The successful 2012 projects related to industry placement programs and alternative university entry programs, candidature management for higher degree by research students, grounds management, and risk management and audit.

See page 48 for detail on other Human Resources initiatives in 2012.

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

Overseas engagement: Throughout 2012, the University worked with target countries and regions to develop new partnerships, open up exchange and other opportunities for staff and students, and raise the University's profile in these regions. The International Portfolio organised 16 outgoing delegations in 2012. Highlights included visits to China, India, Southeast Asia and Latin America (see section on international promotion, page 19, for more detail).

Sydney-based events: In September, the University held two major forums focusing on the Gulf and Pacific regions, which brought together representatives from government, business and non-governmental organisations with Sydney academics to discuss themes including health priorities in the Pacific, Islamic finance, and women in science and education. Across 2012, the International Portfolio coordinated 77 incoming visits (excluding individual faculty visits and roundtables), welcoming to the University senior government and academic leaders from 27 countries.

International professional development: In 2012, the International Leaders Program, which offers customised training for emerging and senior leaders from government, industry and academia, ran 18 training programs for visitors from China, Hong Kong, Korea and Japan, generating revenue for academic departments such as the Centre for English Teaching, and the faculties of Law and Medicine. Topics covered included higher education reform and leadership, sustainable development, health policy, media and intercultural communications, government innovation, professional development for teachers, and student leadership.

New academic centre for Southeast Asia: As recorded under strategy 8 (page 36), the University launched the Sydney Southeast Asia Centre in 2012 to build on its cross-disciplinary strengths in this area.

See pages 19 to 21 for more detail on international engagement in 2012.

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

City and state partnerships: In January, the University signed a memorandum of understanding with the City of Sydney to develop collaboration in areas of mutual interest that will bring new audiences to the work of the University, including partnerships on research and education activities to directly engage and benefit the broader community. The agreement aims to explore developing community-engaged learning opportunities for the University's students and providing training and learning opportunities for City of Sydney employees. In another expansion of the University's partnership with city and state authorities, the City of

Sydney sponsored the 2012 Sydney China Business Forum (organised by the University's China Studies Centre; see strategy 8). Held at NSW Parliament House, the forum was also supported by the NSW government, KPMG, the Australia China Business Council and the Sydney Business Chamber.

Extending partnerships in far-west NSW: The University signed a memorandum of understanding with Broken Hill City Council in February to formalise existing partnerships and facilitate future collaboration. Throughout 2012, the University encouraged non-health disciplines to build on the 'service-led learning' model developed at the Broken Hill University Department of Rural Health (BHUDRH). Staff and students from several non-health faculties worked in partnership with local councils, schools, businesses, health, Aboriginal and community agencies on work-integrated learning opportunities that helped the University to contribute to solutions to complex health, economic and social issues. Projects included providing advice on retail options to ensure the affordable and reliable supply of food in remote areas, undertaking geomapping and soil sampling to increase the evidence base around lead exposure, and developing deeper links to the Far West Community Legal Centre.

Continued success in health partnerships: In May, the federal government announced funding that will enable the establishment of multidisciplinary allied health clinics in Broken Hill schools, helping to improve child development, educational outcomes and family wellbeing for local residents, and to provide clinical training opportunities for University students. In November, the BHUDRH celebrated 15 years of helping to improve the health and lives of people in far-west New South Wales with the opening of a new \$1.8 million clinical simulation building by federal Health Minister Tanya Plibersek. In December, the Governor of New South Wales opened the state-of-the-art Concord Medical Education Centre, a partnership between the University, the federal and state governments and Concord Hospital that will be used by student doctors, nurses and allied health workers. The \$10.2 million building contains a simulation centre, a cardiac resuscitation training laboratory, a surgical skills laboratory with 3D camera system, and a video recording studio. It will also be of major benefit to regional students, providing them with access via teleconferencing to the latest in research and teaching.

Partnerships with Aboriginal and Torres Strait Islander communities: See under strategy 10 (page 37).

Engagement through marketing and communications: See under strategy 15 (below).

STRATEGY 15

DEEPEN OUR ENGAGEMENT WITH A SUPPORTIVE NETWORK OF ALUMNI AND FRIENDS

Philanthropic success: More than 10,000 individuals supported the University of Sydney's students, academics and researchers in 2012 by raising more than \$80 million in donations, the highest amount ever raised by an Australian

university in a calendar year, beating the University's own record set in 2011. The total included a \$20 million gift by alumnus and business leader John Grill to establish a new industry-oriented centre of excellence that will position the University of Sydney as the global leader in project leadership. Work to implement and launch the major fundraising campaign foreshadowed in the strategic plan proceeded on track.

Public engagement campaign: The University ran a successful brand and public engagement campaign in 2012 that asked visitors to a specially created website to vote on 'what mattered' to them, choosing from a list of topical issues. Voters were then linked to information about relevant work by University of Sydney staff and alumni, thereby showcasing how the University's work benefits Australia and the wider world, but also raising awareness of the importance of universities in and to the community in the face of a challenging external environment. With almost 90,000 visitors to the microsite and votes from 157 countries around the world, the campaign attracted engagement from a diverse audience who also shared the site with their own networks via social media channels.

Understanding the University's stakeholders: Throughout 2012, the University received a series of reports resulting from a comprehensive market research project to track its 'brand health' among key stakeholders such as current/future students, staff, alumni and donors. Further work has commenced to refine the University's marketing strategy for these different groups. This market research will be repeated every two years to measure changes over time in perceptions of the University and to guide future marketing and communications activities.

Alumni engagement: A program to create mentoring relationships between alumni and students or other alumni continued to grow. There are now 435 alumni mentors (a 30 percent increase from 2011). A relaunch of the online version of the Sydney Alumni Magazine (SAM) proved very popular, with 34,469 visits to the site in 2012 (a 57 percent increase from 2011). The number of events targeting alumni, donors and other friends increased by 30 percent in 2012, with the University holding almost 200 events.

Opening the campus: The University held 81 events as part of its Sydney Ideas public lecture series in 2012, attracting 12,800 attendees (27 percent more people than in 2011). Media coverage of the lectures continued to grow, and all events were made available online as audio podcasts. Highlights included a packed-out lecture in the Great Hall by Britain's visiting Astronomer Royal, and honorary graduand, Professor Martin Rees. The University's museums and art gallery attracted more than 95,000 visitors, an 11 percent increase on 2011.

Maximising the impact of marketing and communications:

In support of initiative 17(a), in November the University began a change process to reform its marketing and communications services in order to (i) drive improvements in its national and global brand position, (ii) support the achievement of student recruitment targets, help increase

fundraising income, and strengthen advocacy on the University's behalf among government, parents, industry, alumni, the media and the general public, and (iii) provide improved value and return on investment for marketing dollars spent.

STRATEGY 16:

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

More efficient budget process: Supported by the University Economic Model (UEM), the University's 2013 budget process substantially concluded in November 2012 with approval by Senate. This budget incorporated financial plans for 2014 and 2015. Ongoing process improvements and system refinements are expected to make the process even more efficient in 2013. In addition, the enhanced forecasting and reporting systems enabled much tighter control of costs and revenue throughout 2012, and contributed to achieving an operating result that was within \$2 million of the budget for the year.

Improved financial transparency: In its second year of operation, the UEM continued to provide faculties and central portfolios with a clearer understanding of the University's true financial position, and a better appreciation of the effect of decision-making on its interrelated entities and activities. Faculty strategic plans are now projecting that six of the 10 loss-making faculties can reach a sustainable position by 2015, so that their transitional support can be phased out. Work is continuing to support the four faculties that are still projected to be in a loss position in 2015. This will be a major strategic focus for 2013.

STRATEGY 17

SYSTEMATICALLY REVIEW ARRANGEMENTS FOR THE PROVISION OF ADMINISTRATIVE AND PROFESSIONAL SERVICES

Marketing and communications, student recruitment and administration: In 2012, new working parties undertook detailed process mapping and the development of an organisational structure for marketing and communications, and student administration. A change management process for marketing and communications began in November (cf strategy 15) and is expected to be concluded in 2013. Work to develop change proposals for student recruitment, admissions and administration will continue in 2013.

Improved professional services: Since the University began to implement the strategic plan, its units providing services relating to finance, ICT and campus infrastructure have refined their structures. Further information is provided in the Phase One implementation report. A review of Human Resources is currently underway.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the University of Sydney in 2012.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

None as at 18 March 2013.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

As discussed in the review of operations on pages 33 to 40, work to implement the major initiatives in the University's 2011–15 Strategic Plan will continue throughout 2013. These include progress towards completing the building for the Charles Perkins Centre (see page 36). A major consequence of the opening of this new building will be the freeing up of as much as 17,000 square metres of space across campus that will be reinvigorated as fit-for-purpose teaching, research and office space.

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.

This report is made in accordance with a resolution of the Senate on 18 March 2013.



Alan Cameron AO
Deputy 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 the committee are also invited to participate.

Much of the Academic Board's work in 2012 is reflected in the review of operations across the University on pages 33 to 40. Other highlights are recorded below.

COURSE CHANGES

In 2012, the Academic Board approved two new undergraduate courses and 11 new postgraduate courses. The University revised a wide range of courses, and 29 were discontinued.

POLICIES

Much of the Academic Board's policy work in 2012 focused on ensuring the University is on target to comply with the revised Australian Qualifications Framework (AQF) by the beginning of 2015. No new policies were introduced, but a number of existing policies were refined. These changes included a major revision of the University's policy on the parallel teaching of undergraduate and postgraduate students. The Academic Board also amended the Admission to Undergraduate Courses policy and the *University of Sydney (Amendment Act) Rule 1999* (as amended) to allow the introduction of the Pemulwuy Pathway and the Early Offer Year 12 (E12) schemes, which target Aboriginal and Torres Strait Islander students and students from low socio-economic backgrounds respectively.

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 2012 the Academic Board finalised the principles and guidelines for the fourth cycle of faculty reviews. This next cycle, commencing in 2013, will feature joint reviews by the Academic Board and the senior executive of the University (via the Office of 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

UNIVERSITY OFFICERS

CHANCELLOR

Her Excellency Professor Marie Bashir AC CVO
MB BS HonMD *Sydney*, FRANZCP

DEPUTY CHANCELLOR

Alan Cameron AO
BA LL.M. *Sydney*

VICE-CHANCELLOR AND PRINCIPAL

Dr Michael Spence
BA LL.B. *Sydney* DPhil PGDipTheol *Oxf*

PROVOST AND DEPUTY VICE-CHANCELLOR

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

DEPUTY VICE-CHANCELLOR (EDUCATION) AND REGISTRAR

Professor Derrick Armstrong
BA *Lond* MA PhD *Lanc*

DEPUTY VICE-CHANCELLOR (INDIGENOUS STRATEGY AND SERVICES)

Professor Shane Houston
PhD *Curtin*

DEPUTY VICE-CHANCELLOR (INTERNATIONAL)

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

DEPUTY VICE-CHANCELLOR (RESEARCH)

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

DEPUTY VICE-CHANCELLOR (STRATEGIC MANAGEMENT)

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

CHAIR OF THE ACADEMIC BOARD

Associate Professor Peter McCallum
BMus *Dunelm* MMus *Lond* PhD *Sydney*, DSCM

GENERAL COUNSEL

Richard Fisher AM
MEc *UNE* LLB *Sydney*

DIVISION OF ARCHITECTURE AND CREATIVE ARTS

Chair: Professor Colin Rhodes

FACULTY OF ARCHITECTURE, DESIGN AND PLANNING

Professor John Redmond
BA *CSAD* MA(RCA) *RCA* DiplD(Eng) *CSAD*, FRSA AADM *FDIA*

SYDNEY COLLEGE OF THE ARTS

Professor Colin Rhodes

BA *Lond* MA PhD *Essex*

SYDNEY CONSERVATORIUM OF MUSIC

Dr Karl Kramer

BME *Temple* MM *Yale* DMA *MSM*

DIVISION OF BUSINESS

Chair: Professor Kathryn Refshauge

THE UNIVERSITY OF SYDNEY BUSINESS SCHOOL

Professor Geoffrey Garrett
BA *ANU* MA PhD *Duke*, FASSA

DIVISION OF ENGINEERING AND INFORMATION TECHNOLOGIES

Chair: Professor Geoffrey Garrett

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 Kathryn Refshauge
MBiomedE PhD *UNSW* DipPhy GradDipManipTher *Cumb*

DIVISION OF HUMANITIES AND SOCIAL SCIENCES

Chair: Professor Greg Tolhurst (acting)

FACULTY OF ARTS AND SOCIAL SCIENCES

Professor Duncan Ivison
BA *McGill* MSc PhD *LSE*

FACULTY OF EDUCATION AND SOCIAL WORK

Professor Robert J Tierney
MEd PhD *Georgia*

FACULTY OF LAW

Professor Greg Tolhurst (acting)
DipLaw SAB LL.M., *Sydney* PhD *UNSW*

DIVISION OF MEDICINE, DENTISTRY, NURSING AND PHARMACY

Chair: Professor Bruce Robinson

FACULTY OF DENTISTRY

Professor Chris Peck
MScDent *Sydney* PhD BrCol GradDipScMed (Pain) *Sydney*, GAIC

FACULTY OF MEDICINE

Professor Bruce Robinson
MD BS MSc *Sydney*, FRACP

FACULTY OF NURSING AND MIDWIFERY

Professor Jill White
BEd SCAE MEd *Sydney* PhD *Adelaide* AssDipNed *Cumb*, RN RM

FACULTY OF PHARMACY

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

DIVISION OF NATURAL SCIENCES

Chair: Professor Trevor Hambley

FACULTY OF AGRICULTURE AND ENVIRONMENT

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*



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 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 43.

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 2012. 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 in 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 33 to 40 provides an overview of the University's progress towards its strategic objectives in 2012.

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. The committees were reviewed in 2012 (see below).

As of December 2012, there were 15 SEG committees:

- Aboriginal and Torres Strait Islander Strategy and Services Committee
- Alumni, Development and Marketing Committee
- Charles Perkins Centre Governing Committee

- Colleges Consultative Committee
- Community Engagement Committee
- Cultural Resources Committee
- Curriculum and Course Planning Committee
- Education Committee
- Finance and Infrastructure Committee
- Human Resources and Equity 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.

As of December 2012, 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 and Environment, 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

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 41), 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 2012, ARM completed final reports for audits of eight University faculties, schools and centres, and draft reports for a further four.

ARM also finalised 18 reviews of University systems and processes to assess the efficiency and effectiveness of those operations. Draft reports were issued for another 10 reviews, and another four remained in progress at year-end. ARM also completed five information systems audits. These included a number of assessments of the Sydney Student project along with audits of a range of key IT-related issues. ARM reports to the Finance and Audit Committee of Senate in respect to its audit activities. As appropriate, audit reports include recommendations designed to improve identified control and process weaknesses. ARM conducts follow-up processes to ensure that management takes appropriate action to implement key recommendations.

In addition to the systematic review processes described above, the University carries out other internal reviews to meet operational needs. A review of all SEG committees took place in late 2012, bringing forward recommendations to improve communication among the committees and divisional boards and proposing changes to the membership of some committees to balance the need for representational authority and topical expertise.

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 28 to 29) 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 2012, drawing on material submitted to and approved by the Senate Human Resources Committee on 4 April 2013. It includes a report of bonus payments made in recognition of executive performance in 2012. More information about the matters referred to below is provided in the review of operations on pages 33 to 40.

VICE-CHANCELLOR AND PRINCIPAL

Dr Michael Spence
BA LLB Sydney DPhil PGDipTheol Oxf

Remuneration: \$744,143 Performance bonus: \$155,000

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.

Dr Spence's leadership of the University in 2012 resulted in a year of considerable success during a difficult time, particularly in a year when the University undertook an unprecedented change management procedure to reduce staffing costs. There were, however, specific and notable achievements. In financial matters the full-year result shows an operating margin that is in line with budget and reflected the successful execution of a number of operating improvement strategies that were initiated during the year. Faculties and business units were able to increase student load and deliver student fee revenue in line with their overall targets; discretionary academic staff costs were controlled, and salary cap targets were used to control and generate savings across the University. The results of the federal government's 2012 Excellence in Research for Australia (ERA) initiative saw a dramatic improvement compared to the University's performance in the earlier 2010 trial: 51 of the 99 subfields evaluated achieved an improved rating and no ratings were below world standard. In a few cases, ratings leapt from being rated below world standard in 2010 to well above world standard in 2012. The Australian Research Council, when it released its comment on the outcome, ranked Sydney and Melbourne as the two leading universities for research quality. The ERA results are a true reflection of the excellence of research produced by the

University's researchers, and of the University's ability under Dr Spence's leadership to set a collective vision and work together in achieving it. Finally, for the second consecutive year, the University generated more philanthropic support than any other Australian university – and by a sizeable margin – demonstrating Sydney's ability to engage our donor community in unprecedented ways.

PROVOST AND DEPUTY VICE-CHANCELLOR

Professor Stephen Garton
BA Sydney PhD UNSW, FAHA FASSA FRAHS

Remuneration: \$540,799 Performance bonus: \$83,200

Professor Garton led a University-wide change management program which, despite significant opposition, achieved its critical savings target of \$36 million. More lastingly, the program led to significant cultural change including the greater acceptance of performance accountability. He also finalised the academic performance framework, and progressed the administrative services project by convincing faculty managers to commit to a 'hub model' of administrative organisation. He led the establishment of the Sydney Southeast Asia Centre and oversaw the smooth recruitment of new deans in Sydney Law School, the Faculty of Health Sciences and the Sydney Conservatorium of Music.

DEPUTY VICE-CHANCELLOR (EDUCATION) AND REGISTRAR

Professor Derrick Armstrong
BA Lond MA PhD Lanc

Remuneration: \$456,300 Performance bonus: \$39,000

Professor Armstrong achieved progress in specific areas of his huge portfolio, especially in the PhD reform project, where, following an audit of training available in various parts of the University, his portfolio developed a comprehensive and consistent training needs analysis, which was accepted for trial in three faculties. He was further successful in the strategically important area of widening participation and social inclusion through the introduction of the E12 admissions program – a principals' recommendation scheme targeting students from schools in low-socioeconomic status backgrounds. The National Union of Students judged the University's process for the distribution of the Student Services and Amenities fee as the best in Australia. Nevertheless, there were significant difficulties in gaining adequate faculty engagement in the reforms necessary for the Sydney Student project, which have delayed its further roll-out and increased its overall cost.

DEPUTY VICE-CHANCELLOR (INDIGENOUS STRATEGY AND SERVICES)

Professor Shane Houston
PhD *Curtin*

Remuneration: \$400,000 Performance bonus: \$50,000

Professor Houston made major strides in progressing the University's indigenous strategy in 2012. The University's Aboriginal and Torres Strait Islander integrated strategy, *Wingara Mura – Bunga Barrabugu*, was endorsed and released by the University in 2012. *Wingara Mura* outlines 87 initiatives that over four years are intended to reposition the University as Australia's leading contributor in Aboriginal and Torres Strait Islander education, research and engagement. Another real achievement in 2012 was the agreement of local faculty implementation plans. The Pemulwuy Pathway was approved as a new program that uses new frameworks to effectively predict students' likely success at university, and identifies and encourages talented Aboriginal students to enrol at Sydney. The realignment of teaching from the Koori Centre to faculties and promotion of the Koori Centre as a culturally safe space progressed during the year with the release of final change and implementation plans to staff.

DEPUTY VICE-CHANCELLOR (INTERNATIONAL)

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

Remuneration: \$523,106 Performance bonus: \$44,051

Professor Hearn continued strong work in promoting the University's international strategies, building our engagement with emerging economies, with specific programs focused on strengthening research links and student recruitment in China, Indonesia, and Brazil. A University-wide delegation went to Shanghai, Hong Kong and Beijing in late October to celebrate the 40th anniversary of diplomatic relations between China and Australia. In Shanghai a joint Frontiers of Knowledge Symposium on 'Australia–China and Beyond to 2020' with our Chinese partners showcased the University's engagement in China over the past 40 years. The establishment of the Sydney Southeast Asia Centre was announced during a high-level delegation to Indonesia. Major activities in Jakarta included forums on higher education, food security and health, meetings with various Indonesian ministries, the Association of Southeast Asian Nations, and the Human Rights Commission. A memorandum of understanding was signed with the Brazilian Government to participate in the 'Science without Borders' scholarship program.

DEPUTY VICE-CHANCELLOR (RESEARCH)

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

Remuneration: \$456,300 Performance bonus: \$70,200

Professor Trehwella had an extremely successful year, most evident in the dramatic turnaround in the University's ERA results, in which all areas of research at the University were rated at or above world standard, with 75 percent above or well above world standard. Her national leadership role in the discussion of the federal *Defence Trade Controls Bill* was widely respected. Research compacts were agreed with all faculties. These provide customised packages of additional targeted funding and services to help each faculty develop and strengthen its research strategy, while also fostering research excellence across the University. The major 'Sydney Health and Medical Research Strategic Review', chaired by Peter Wills AC, was initiated in 2012; its implementation in 2013 will be a major focus, as will making the University's large-scale multi-faculty research initiatives operationally and intellectually successful.

DEPUTY VICE-CHANCELLOR (STRATEGIC MANAGEMENT)

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

Remuneration: \$443,728 Performance bonus: \$60,681

Professor Brewer had another successful year in her rather distinctive horizontal role. She continued her work in coordinating 100 Work Slate reform projects across all strategic areas, prepared the University's enterprise bargaining strategy, assisted the directors of the University's professional service units in key projects, and worked with the other deputy vice-chancellors on projects such as the reviews of the Summer School, the Veterinary Hospital, the Library, the Law Extension Committee and the Shepherd Centre. She established a new mentoring and coaching network for female staff and designed, developed and received accreditation for a range of vocational certificates and diplomas in project and change management, coaching and leadership.

HUMAN RESOURCES

INDUSTRIAL RELATIONS POLICIES AND PRACTICES

The University of Sydney Enterprise Agreement 2009–12 expired in May 2012, and negotiations for a new agreement began in September. The University published its proposed terms in December, which included generous and flexible working arrangements and leave entitlements and conditions that equal or exceed those offered by other Group of Eight universities. Negotiations will continue into 2013.

HUMAN RESOURCES POLICIES AND PRACTICES

The main focus of HR policy work in 2012 related to a new Work Health and Safety policy (see page 57) and a revised Performance Planning and Development policy (see below). The University also introduced its Smoke-Free Environment policy in January 2012 (see page 57). Minor amendments were made to the Code of Conduct, the External Interests policy and the Flexible Salary Packaging policy.

Performance planning and development

Following extensive consultation, the University redesigned its staff performance planning and development framework. It is intended that the new system, which focuses on personal and professional development and mentoring, will become the University's primary tool for career and succession planning. To better align support for staff development, the new process uses the same online platform that manages training activities.

The first iteration of the new framework was introduced for academic staff in September, and will be refined and strengthened in 2013 by the inclusion of student feedback. Also in 2013, the University will revise its planning and development system for general staff.

Managing conflicts of interest

The University developed self-help resources to help staff understand their obligations under the External Interests policy, including completion of a written external interests declaration. These resources will be rolled out online in 2013.

Other human resources initiatives in 2012 to support the University's strategic objectives and encourage greater staff engagement included the following.

Staff engagement survey

In November, the University launched its first comprehensive staff engagement survey. The confidential survey will be run at regular intervals until every staff member has had the opportunity to share their opinion about a range of areas (eg job satisfaction, career opportunities, equity, work management and leadership). The results will be benchmarked against other Group of Eight universities, and

enable University management to set priorities and develop local action plans to address issues identified in the survey.

Budget and staffing change process

The University implemented a staffing change program as part of action to address the financial impact of a slowdown in international student enrolments across Australia. Cost-cutting measures were needed to enable strategic initiatives to better support staff and students, to ensure the University could address a backlog of repairs and maintenance, and to deliver new fit-for-purpose facilities.

In addition to local steps to cap general staff salary costs and action to reduce non-salary expenditure, the University developed an institution-wide change proposal for academic staff in line with the 'Managing change' process in its Enterprise Agreement. Taken together, these measures achieved their savings target. As a result of the academic change proposal, and following several rounds of consultation, more than 60 academics left or will shortly leave the University under various arrangements (as at the time of publication). Another 51 transferred to teaching-focused roles.

Career transition support

The University developed a program of workshops and individual coaching to support staff whose positions are impacted by change. Staff members who seek redeployment into suitable alternative positions are offered training to enable smooth transitions.

Managing staff complaints and disputes

The University introduced a centralised database to standardise processes for managing staff complaints to ensure more timely and effective responses, and enable consolidated reporting. To ensure transparency and facilitate compliance with regulatory requirements, the system uses the same software as the Ombudsman's offices and many state and federal government departments.

Improved job design and recruitment practices

The University developed new job analysis and position description writing tools and training to reflect best practice and a more systematic approach to job design across the University. Work began on sourcing an online end-to-end recruitment process to streamline and improve recruitment practices.

EQUAL EMPLOYMENT OPPORTUNITY

See pages 52 to 54.

WORK HEALTH AND SAFETY

See pages 57 to 58.

HUMAN RESOURCES

STAFF STATISTICS AS AT 31 MARCH 2012

STAFF LEVEL AND SALARY RANGES ACADEMIC STAFF

Level E & above	\$168,002+
Level D	\$130,422 – \$143,680
Level C	\$108,318 – \$124,898
Level B	\$88,426 – \$105,004
Level A	\$61,898 – \$83,998

STAFF LEVEL AND SALARY RANGES GENERAL STAFF

HEO 10 & above	\$108,437+
HEO 9	\$101,444 – \$107,039
HEO 8	\$87,474 – \$98,651
HEO 7	\$78,152 – \$85,142
HEO 6	\$71,163 – \$76,752
HEO 5	\$61,845 – \$69,298
HEO 4	\$57,186 – \$60,447
HEO 3	\$50,197 – \$55,787
HEO 2	\$47,866 – \$49,265
HEO 1 & below	<=\$46,468

COMBINED TOTALS OF ACADEMIC AND GENERAL STAFF POSITIONS 2012 BY APPOINTMENT TERM AND GENDER (SHOWN AS A PERCENTAGE)

APPOINTMENT TERM	WOMEN (%)	MEN (%)
Continuing	53	47
Fixed-term	56	44
All staff	55	45

ACADEMIC STAFF POSITIONS 2012 BY APPOINTMENT TERM, LEVEL AND GENDER (SHOWN AS A PERCENTAGE)

APPOINTMENT TERM	WOMEN (%)	MEN (%)
Continuing		
Level E & above	27	73
Level D	38	62
Level C	45	55
Level B	54	46
Level A	45	55
All continuing academic staff	42	58
Fixed-term		
Level E & above	17	83
Level D	36	64
Level C	48	52
Level B	57	43
Level A	49	51
All fixed-term academic staff	45	55
All academic staff	44	56

GENERAL STAFF POSITIONS 2012 BY APPOINTMENT TERM, LEVEL AND GENDER (SHOWN AS A PERCENTAGE)

APPOINTMENT TERM	WOMEN (%)	MEN (%)
Continuing		
HEO 10 & above	53	47
HEO 9	46	54
HEO 8	54	46
HEO 7	61	39
HEO 6	69	31
HEO 5	69	31
HEO 4	66	34
HEO 3	43	57
HEO 2	47	53
HEO 1 & below	100	0
All continuing general staff	61	39
Fixed-term		
HEO 10 & above	36	64
HEO 9	61	39
HEO 8	65	35
HEO 7	68	32
HEO 6	70	30
HEO 5	76	24
HEO 4	80	20
HEO 3	80	20
HEO 2	78	22
HEO 1 & below	25	75
All fixed-term general staff	68	32
All general staff	64	36

COMBINED TOTALS OF ACADEMIC AND GENERAL STAFF POSITIONS 2009–12 BY APPOINTMENT TERM AND GENDER

	2009			2010			2011			2012		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing	1955	1754	3709	2023	1793	3816	1989	1772	3761	1990	1735	3725
Fixed-term	1813	1332	3145	1894	1336	3230	1853	1392	3245	1856	1430	3286
Total	3768	3086	6854	3917	3129	7046	3842	3164	7006	3846	3165	7011

ACADEMIC STAFF POSITIONS 2009–12 BY APPOINTMENT TERM, LEVEL AND GENDER

	2009			2010			2011			2012		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing												
Level E & above	57	205	262	65	202	267	69	215	284	80	220	300
Level D	75	153	228	86	176	262	103	177	280	112	183	295
Level C	220	257	477	219	255	474	224	250	474	218	264	482
Level B	237	209	446	225	199	424	208	193	401	195	165	360
Level A	36	17	53	34	21	55	26	20	46	19	23	42
Subtotal	625	841	1466	629	853	1482	630	855	1485	624	855	1479
Fixed-term												
Level E & above	32	136	168	37	162	199	40	187	227	40	195	235
Level D	42	74	116	46	74	120	50	90	140	53	94	147
Level C	99	100	199	114	108	222	114	110	224	119	128	247
Level B	236	211	447	234	215	449	244	201	445	257	192	449
Level A	308	276	584	337	258	595	303	296	599	302	320	622
Subtotal	717	797	1514	768	817	1585	751	884	1635	771	929	1700
Total academic	1342	1638	2980	1397	1670	3067	1381	1739	3120	1395	1784	3179

GENERAL STAFF POSITIONS 2009–12 BY APPOINTMENT TERM, LEVEL AND GENDER

	2009			2010			2011			2012		
Continuing	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
HEO 10 & above	71	82	153	70	81	151	80	73	153	89	78	167
HEO 9	76	86	162	79	88	167	78	87	165	73	85	158
HEO 8	154	156	310	156	158	314	161	162	323	182	154	336
HEO 7	206	131	337	237	139	376	246	135	381	230	147	377
HEO 6	332	181	513	361	193	554	338	177	515	353	158	511
HEO 5	272	99	371	274	104	378	247	103	350	249	110	359
HEO 4	126	52	178	121	58	179	109	59	168	102	53	155
HEO 3	47	87	134	59	81	140	57	84	141	49	64	113
HEO 2	38	39	77	31	38	69	38	37	75	28	31	59
HEO 1 & below	8	–	8	6	–	6	5	–	5	11	–	11
Subtotal	1330	913	2243	1394	940	2334	1359	917	2276	1366	880	2246
Fixed-term												
HEO 10 & above	34	59	93	44	61	105	39	68	107	40	72	112
HEO 9	50	39	89	46	37	83	51	29	80	51	33	84
HEO 8	129	67	196	144	66	210	134	70	204	129	68	197
HEO 7	193	89	282	199	94	293	185	92	277	201	95	296
HEO 6	274	122	396	248	118	366	264	108	372	252	106	358
HEO 5	288	101	389	305	93	398	278	97	375	266	82	348
HEO 4	71	31	102	70	25	95	84	21	105	83	21	104
HEO 3	43	13	56	54	11	65	56	13	69	53	13	66
HEO 2	12	6	18	15	7	22	9	6	15	7	2	9
HEO 1 & below	2	8	10	1	7	8	2	4	6	3	9	12
Subtotal	1096	535	1631	1126	519	1645	1102	508	1610	1085	501	1586
Total general	2426	1448	3874	2520	1459	3979	2461	1425	3886	2451	1381	3832

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 2012 for consistency.
 Source: Planning and Information Office

EQUAL EMPLOYMENT OPPORTUNITY

The University has a number of initiatives that seek to translate objectives in its strategic plan into operational strategies that support its commitment to equal employment opportunity (EEO). These strategies include removing barriers to employment and supporting equitable participation of equity target groups through policy development, affirmative action programs, training and monitoring and reporting on outcomes.

2012 ACTIVITIES AND DEVELOPMENTS

Throughout 2012 the University continued to implement its Equal Employment/Affirmative Action (EEO/AA) Management Plan and Indigenous Employment Strategy. The University also published its *Wingara Mura – Bunga Barrabugu* strategy to promote Aboriginal and Torres Strait Islander participation and made strong progress towards completing its new disability action plan.

Other areas of focus in 2012 included:

- the production of detailed EEO data (see page 48 for data on representation of target equity groups among University staff in 2012)
- the monitoring of data, policies and practice to support equal opportunity
- the targeting of EEO groups in recruitment strategies and practices
- the continuation and evaluation of the University's landmark Equity Fellowship scheme.

The following sections outline some of the many initiatives undertaken in 2012 to eliminate discrimination and promote equity in employment, and highlights some key outcomes.

PREVENTING HARASSMENT AND DISCRIMINATION

The University continued its proactive approach to promoting a positive workplace and preventing harassment and discrimination, including by providing training to staff from several areas across the University, and staff and senior students from residential colleges and other student residences.

The Staff and Student Equal Opportunity Unit (SSEOU) recruited staff from across the University to act as harassment and discrimination support officers in addition to their substantive role. These officers provide information, support and assistance to staff and students in relation to harassment and discrimination concerns.

The University also implemented a new complaints and disputes handling system. See page 48 for details.

ABORIGINAL AND TORRES STRAIT ISLANDER PARTICIPATION

See page 18 for detail.

SUPPORTING WOMEN IN THE WORKPLACE

In 2012 the University was recognised for the ninth consecutive year as an 'Employer of Choice for Women' by the federal government's Equal Opportunity for Women in the Workplace Agency (EOWA).

Other 2012 work to support the University's efforts to attract and retain female staff included the following.

- Career development support: The University awarded five Thompson Fellowships for 2012 to provide academic employment opportunities for women at levels C and D and prepare them for roles in the senior ranks (including Level E), where they remain significantly underrepresented. The University also awarded two Brown Fellowships, which are open to researchers whose careers have been interrupted by sustained primary caring duties. The fellowships help recipients to re-establish or enhance their academic research credentials. Recipients came from the faculties of Education and Social Work, Pharmacy, Veterinary Science and Health Sciences, as well as the Central Clinical School, the Business School and Sydney Conservatorium of Music.
- Affirmative recruitment practices: The University refined its recruitment and selection processes for Level E professorial appointments. It is now standard practice for the Chair of the Academic Board and the staff recruitment unit to challenge any selection process at this level where there are no female applicants or shortlisted women. In many cases hiring faculties or units are instructed to extend their recruitment process to identify eligible female applicants. It is also now standard practice for all academic selection committees to include at least two female committee members. Out of 15 internal female applicants for Level E positions in 2012, 11 were successful (a 73 percent success rate, against a 59 percent success rate for men). See page 23 for more information about 2012 academic promotions.
- Targeted training: The University offered several career development programs specifically for female staff. In 2012 the popular Developing Women Leaders Program (formerly known as the Women and Leadership program) included a pilot program tailored to general staff working in finance and IT. Female staff also welcomed targeted training programs in negotiating and influencing skills.
- Women in Science: Among other activities, the Faculty of Science's Women in Science Project surveyed current PhD students to identify factors that influence the choice of an academic career in the sciences. Follow-up recommendations are expected to be available in late 2013.
- Public engagement: The Sydney Ideas lecture series continued to include events focused on women's rights. In 2012, lectures included 'Why gender matters', 'The US's war on women', and the One Just World forum 'Empower a girl: change the world'.

SUPPORTING PEOPLE WITH A DISABILITY

Significant consultation took place throughout 2012 to support the development of the University's third disability action plan (DAP). The University held 15 workshops across all campuses, and more than 1500 students and staff completed a comprehensive survey about accessibility, disability awareness, learning and research support, and community perceptions of the University's commitment to equity of opportunity for people with a disability.

The Disability Action Plan 2013–18 will be finalised in 2013 and lodged with the Australian Human Rights Commission. A key part of the DAP is a Disability Employment Strategy which will be implemented across the University.

Other 2012 initiatives to support people with a disability included the following.

- The Australian Network on Disability, of which the University is a 'silver member', provided disability confidence training to staff in the University Library, covering issues such as defining disability and disability discrimination, communication tips, mental health, vision impairment, hearing impairment, mobility, speech impairment and intellectual disability.
- With the Australian Network on Disability, the University hosted regular forums on supporting people with disabilities in the workplace to share best practice and policy and to increase disability awareness and confidence. One initiative arising from the 2012 forums will develop formal 'personal emergency evacuation plans' for staff with disabilities.
- The SSEOU published an online video on attracting, retaining and supporting staff with disabilities.
- The University carried out significant work to improve access for students with disabilities at the University. More than 1600 students who had registered with the Disability Services unit received assistance through adjustments to timetables, examination and assessment procedures; provision of assistive technology; and on-site adjustments to enable participation. See page 34 for information about improvements in the Library.
- A pilot program was created to help students with Asperger syndrome to adjust to social and academic demands at the University. It is intended to expand the program in 2013, with a particular focus on transition into university study.
- The University worked with other Sydney-based universities to enhance the transition of students with disabilities into the workforce through promoting understanding, supporting skills development, and enabling students to connect with employers and identify opportunities.
- Sydney College of the Arts hosted a symposium that focused on artists with a disability and the support systems available to these artists.

SUPPORTING AND ENCOURAGING LINGUISTIC AND CULTURAL DIVERSITY

See the Multicultural Policies and Services Program report on pages 55 to 56.

REPRESENTATION OF GROUPS

The tables on the following page show data for 2012 and the previous three years on the representation of equal opportunity groups and the distribution of each group in academic and general staff subgroups.

EQUAL EMPLOYMENT OPPORTUNITY IN 2013

In 2013 the University plans to:

- continue to implement the EEO/AA Management Plan
- commence implementation of the University's Disability Action Plan 2013–18
- continue to implement the *Wingara Mura – Bunga Barrabugu* strategy, which sets targets for participation by Aboriginal and Torres Strait Islander staff and students
- enhance EEO data so the University can better understand diversity patterns and adjust its strategy accordingly
- support staff who seek to adopt flexible working arrangements, including staff with caring responsibilities
- extend consultation with employees about furthering equal opportunity at the workplace
- refine the Equity Fellowships scheme by responding to professional review and participant feedback.

TRENDS IN THE REPRESENTATION OF EEO GROUPS – ACADEMIC STAFF

EEO TARGET GROUP	PERCENTAGE OF TOTAL ACADEMIC STAFF				
ACADEMIC STAFF	BENCHMARK OR TARGET (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)
Women	50	45	46	44	44
Aboriginal and Torres Strait Islander people	2.6*	0.6	0.7	0.4	0.5
People whose first language was not English	19	6	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)	0.4	0.2	0.2	0.2

TRENDS IN THE REPRESENTATION OF EEO GROUPS – GENERAL STAFF

EEO TARGET GROUP	PERCENTAGE OF TOTAL ACADEMIC STAFF				
GENERAL STAFF	BENCHMARK OR TARGET (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)
Women	50	63	63	63	64
Aboriginal and Torres Strait Islander people	2.6*	0.7	1	0.7	0.6
People whose first language was not English	19	5	6	6	5
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)	0.2	0	0.2	0.1

* 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	2009	2010	2011	2012
Women	100	80	80	81	82
Aboriginal and Torres Strait Islander people	100	n/c	n/c	n/c	n/c
People whose first language was not English	100	96	97	100	102
People with a disability	100	100	100	92	96
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	2009	2010	2011	2012
Women	100	94	94	94	94
Aboriginal and Torres Strait Islander people	100	77	83	84	88
People whose first language was not English	100	96	98	97	94
People with a disability	100	97	101	98	99
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.

* 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 2012

MULTICULTURAL POLICIES AND SERVICES PROGRAM REPORT

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 commitment to supporting and fully engaging all members of its culturally, linguistically and religiously diverse staff, student and alumni communities is embodied in strategic plan initiatives. Relevant initiatives include:

- taking action to increase support for and improve the experience of international students (strategy 4(h))
- attracting and supporting promising students from a diversity of social and cultural backgrounds, and ensuring appropriate support for the retention and achievement of students from underrepresented groups (strategy 11)
- expanding and diversifying opportunities for students to develop as global citizens through greater exchange opportunities, and through attracting overseas students and academics (strategy 5)
- prioritising international engagement to support the effective development of University-wide partnerships and networks, including with alumni and other friends (strategies 13/15).

These initiatives, taken together with other measures, such as the 2011–15 Equal Employment Opportunity/Affirmative Action Management Plan (see page 52), encapsulate the University's commitment to the principles of multiculturalism in the NSW *Community Relations Commission and Principles of Multiculturalism Act 2002*.

2012 ACTIVITIES AND DEVELOPMENTS

The following section covers progress at an institutional level to support multiculturalism at the University. Throughout the year, faculties continued to deliver research and teaching programs that supported this objective, for example through working with local communities or carrying out international research. Some of these initiatives were reported on the University's website at sydney.edu.au/news.

ENCOURAGING AND SUPPORTING MULTICULTURAL DIVERSITY IN TEACHING, LEARNING AND RESEARCH

Student recruitment: International students, from almost 130 countries, comprised around 22 percent of student enrolments in 2012. The International Student Office, which is responsible for international student recruitment, was active in more than 40 countries in 2012 to conduct interviews, train offshore agents, visit local schools and universities, and recruit students. See page 19 for details.

Student exchange: To further enhance the multicultural dimension of the University's student body, the University signed 25 new student exchange agreements in 2012 with universities in the Americas, Asia and Europe. See page 34 for more information. Highlights included new exchange agreements with members of the C9 group of elite Chinese universities and an agreement signed by the Vice-Chancellor on behalf of the Group of Eight universities that should significantly increase the number of Brazilian students coming to Australia.

Outreach to families from diverse backgrounds: The University's Compass program (see page 37), which encourages and supports school students into higher education, incorporated an additional five schools from south-west Sydney into its schools engagement program in 2012. Many people in these communities speak a first language other than English. Compass hosted a series of parent campus visits, which involved interpreters accompanying parent groups to campus. Representatives from a wide range of community backgrounds are featured in a video shown to visiting groups, and multilingual materials are made available. Through the University's partnership with four other Sydney-based universities in the federal government-funded 'Bridges to Higher Education' program, a series was produced with community television station TVS, to screen in 2013, which highlighted success stories of students from a diversity of backgrounds.

Multicultural staff diversity: In 2012, 6 percent of academic staff and 5 percent of general staff were from backgrounds where their first language not English. Trend data suggests that academic staff from a language background other than English are now slightly more likely to be in senior positions. The University continued to support faculties wishing to appoint an academic to serve part of the year in Sydney and part in their 'home' overseas institution, supporting initiative 5(e) of the strategic plan. Such appointments help to enhance the University's multicultural profile. During 2012 there were some outstanding professorial appointments of this kind to the Faculty of Arts and Social Sciences and the Business School, and more are expected in coming years.

Building partnerships with Asia: The University's China Studies Centre and Sydney Southeast Asia Centre (established in 2012) enhance its contribution to Australia's understanding of and cooperation with those regions (see page 36). Through its international promotion work (see pages 19 to 21), the University continued to build other partnerships in Asia and other regions of the world. A 2012 federal government report on science and research collaboration between Australia and China showed that the University published more joint papers with China between 2000 and 2009 than any other Australian university.

SUPPORT FOR PEOPLE OF ALL BACKGROUNDS

Support for international students: In conjunction with the University of Sydney Union, the University continued to improve orientation for new international students in 2012. Activities include information sessions for international students, their partners and families. International students with families were linked into local community services and support networks. The University's International Student Program Committee, recently established under the strategic plan, undertook significant scoping work in 2012 in relation to English-language support, accommodation and orientation. See page 34 for more information.

Targeted training courses: In 2012, approximately 70 percent of the almost 2000 students who enrolled in workshops at the University's Learning Centre (offering grammar, academic reading and writing, oral presentation and discussion skills) were from backgrounds where the first language was not English. Enrolled students represented all 16 faculties. The centre also ran teaching programs in 15 faculties for more than 3000 students. (Although these programs are for all students, they are customised for specific groups such as students from non-English speaking backgrounds and those from Aboriginal and Torres Strait Islander backgrounds.) In 2012, funding from the federal government's Higher Education Participation and Partnerships Program allowed the Learning Centre to develop and run a face-to-face and online bridging program in academic literacy for disadvantaged students, and students from rural and remote backgrounds. (Many of these students are refugees of non-English speaking backgrounds studying for a degree in social work.) This bridging program will be extended in 2013 to students entering University under the new 'principals' recommendation scheme' (see page 37).

Support for religious diversity: The University facilitates the spiritual pastoral care of staff and students through the recognition of chaplains from a range of faiths. In 2012 additional chaplaincy services were provided through the Jewish community. The University provides an Islamic prayer room for ongoing religious observances, with a larger space provided for Friday prayers.

COMMUNITY ENGAGEMENT

International alumni engagement: The University supports its 30,000+ strong international alumni community through country-specific social networking sites, nine international alumni groups and related events. In 2012, the University ran more than 30 alumni events in 15 different cities around the world.

Opening the campus: The University's campuses are open to all, but a number of activities were organised in 2012 in conjunction with local communities. The Macleay Museum hosted its annual children's day as part of Sydney's Chinese New Year celebrations, with activities in both Mandarin and English, while an exhibition of ancient Cypriot antiquities opened in the Nicholson Museum in late 2012 with support from the Cyprus Community of NSW and the Cyprus Hellene Club Ltd. This exhibition will be used for a number of Cypriot-Australian community events in 2013.

KEY MULTICULTURAL STRATEGIES FOR 2013

In 2013 the University plans to continue its work towards initiatives in its 2011–15 Strategic Plan that support multiculturalism. In addition, it plans to:

- support contributions from culturally and linguistically diverse staff in decision-making at all levels
- monitor University agreements, policies and practice to support and further staff and student diversity
- chart and promote career progression and student progression respectively for staff and students from diverse backgrounds.

WORK HEALTH AND SAFETY

In 2012 the University undertook a range of strategies to achieve its goal of maintaining a safe and healthy workplace, and it continues to encourage all staff to embrace this commitment. It also adopted the new nomenclature of 'work health and safety' (WHS), consistent with revised legislation. A new WHS policy was approved, incorporating changes to legislation, as well as changes to WHS governance and responsibilities within the University. New procedures were also introduced to ensure high standards of health and safety during planning and day-to-day operations.

GOVERNANCE AND MANAGEMENT

WHS is a key priority for the University and it remained at the top of the Senate agenda in 2012, with the Vice-Chancellor providing a summary report at the start of each meeting. The Safety and Risk Management Committee (SRMC) of Senate met regularly to monitor WHS governance performance and compliance.

The Senior Executive Group (SEG) WHS Committee was enhanced by the addition of several faculty deans to its membership. The committee continued to monitor WHS operational performance and ensure a coordinated approach to University-wide WHS issues. (See pages 44 to 45 for more information about SEG.)

Consultation

Health and safety representatives were recruited from across the University to support WHS consultation, replacing the Occupational Health and Safety committees. These representatives were provided with relevant training and networking opportunities to support their new role.

PERFORMANCE MONITORING

Auditing

The biennial WHS management system audit was conducted, assessing the management of health and safety across the University against the relevant policy and procedures. The audit results generally indicated continued improvement in the management of health and safety.

A survey was conducted of academic faculties involved in hazardous activities. The findings of this survey confirmed that most hazardous activities had already been outsourced where possible, thereby reducing risk within the University.

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.

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

A new depot was established to hold radioactive sources which are now redundant. The depot provides a greatly enhanced level of safety and security.

Training

The University's online WHS induction training was enhanced and completed by 2097 workers, including new employees.

Specialist WHS training programs were also provided to staff and research students working in key risk areas, involving chemicals, ionising radiation and biological hazards (see 'Inspections and licensing'), as well as more general training in manual handling, first aid, CPR, emergency management, and WHS management for managers and supervisors.

Student safety

A 'Smart and Safe' stall was available during Orientation Week, promoting student health and safety through activities and giveaways. Photos were posted online to direct students to the University's student safety tips (sydney.edu.au/student-safety), which are translated into seven common languages spoken by students.

Health and wellbeing

The University introduced a Smoke-Free Environment Policy in early 2012, banning smoking on all campuses, except for designated smoking areas. Cigarette sales on campus ceased and a 'quit smoking' program was provided to help staff kick the habit.

Workplace mental health awareness training was provided for key work groups. Events were held to promote health and wellbeing, RUOK Day and Ride to Work Day.

To achieve an integrated and coordinated strategy for health and wellbeing, the 'healthy university' Initiative was established. The planned approach focuses on making the physical and social setting within the University a healthier place to work and learn. It combines relevant policies and an enhanced environment with complementary education, information and research. The initiative (which is linked to the University's strategic plan, see page 36) aims to encourage all members of the University community to be more physically active, make better choices in relation to food (and alcohol), and build resilience to cope better with stress and pressure.

WHS INCIDENTS

There were 923 reports of incidents and hazards in 2012, an increase of 25 percent from the previous year, indicating a continued improvement in the University's reporting culture. The reporting of hazards increased by 50 percent, a pleasing trend that allows corrective actions to be taken on related matters before they result in injury or mishap. Seventy-one percent of reports involved employees and 24 percent involved students – the same ratio as for 2011. In total 594 of the reported incidents resulted in injuries to staff, students, affiliates, contractors or visitors.

WORKERS' COMPENSATION

Claims cost and frequency

In 2012, 456 notifications of potential staff injuries were made to our workers compensation insurer. Of these, 151 were injury claims with incurred costs (as compared with 193 in the previous year). At 31 December, 128 injury claims remained active, with 47 of these injuries having occurred during 2012.

As the following table shows, in 2012 the University improved its performance in relation to the costs and time lost associated with injury claims.

	2012	2011	CHANGE
Total cost of claims	\$451,342	\$944,624	–53%
Average cost per claim	\$882.71	\$2053.53	–58%
Average time loss due to work related injury	1.95 days	5.05 days	–62%

Decreases in claims frequencies are attributed to improved injury prevention and earlier triage procedure in the claims management process. Decreases in claims costs and time lost are the result of a strong return-to-work program including direct, early contact with all injured employees and their treating doctors, coupled with early, supported return-to-work practices.

The most common injury causes were slips, trips and falls (23 percent) and muscular strains (33 percent). Respectively, these injuries accounted for 19 percent and 41 percent of total claims costs.

Psychological injury claims remain the most costly claim type. In 2012 there were 34 notifications of psychological injuries (an increase of 25 percent from 27 in 2011).

However, only four of the 34 progressed to claims in 2012 (as compared with five in 2011). The average cost of a psychological injury claim in 2012 was \$15,022.25 (\$11,333 in 2011) with an average of 37.25 days lost per psychological injury claim (27.25 days in 2011). Overall, psychological injury claims accounted for 15 percent of all claims costs, but only 3 percent of reported claims (frequency).

Insurance arrangements

The University has completed a very successful first year in the NSW Retro-Paid Loss Workers Compensation Scheme and obtained approval from WorkCover to continue in the scheme for 2013. It is anticipated that the University will achieve close to the minimum premium of \$1.2m for 2012 with projected development to a total of \$3.2m for 2012 (final adjustment payable in January 2017).

Injury prevention

The University maintained an active injury prevention program focussing on areas of need; specifically ergonomics, manual handling and psychological injury prevention. A total of 124 individual ergonomic assessments were carried out in 2012 (saving a potential \$2.5 million in workers compensation premium costs had these progressed to injury). Manual handling training was delivered to 14 work groups (covering 151 staff members in total). Psychological injury prevention training was attended by 165 University staff members, saving another potential \$1.9m in workers compensation premium costs.

Regulatory action

A number of notifiable incidents were reported to WorkCover NSW (the WHS regulator). Improvement notices were issued by WorkCover for two of these.

- A contractor using earth-moving equipment for construction at the Plant Breeding Institute, Narrabri, came into contact with overhead power lines.
- An experienced academic caught her fingers in a sheet metal roller in a workshop in Sydney College of the Arts.

The University promptly complied with the WorkCover notices and addressed reported incidents and hazards via relevant improvements in each case.

LEGAL AFFAIRS, RISK MANAGEMENT AND PUBLIC INTEREST DISCLOSURES

NEW LEGISLATION AND CHANGES TO LEGISLATION

Defence Trade Controls Act 2012

The *Defence Trade Controls Act 2012* commenced on 13 November 2012. The Act gives effect to the Australia–United States Defense Trade Cooperation Treaty and is intended to strengthen Australia's export control regime.

The Act introduces a permit regime for intangible transfers of controlled technology and software on the Defence Strategic Goods List (DSGL), and makes it a criminal offence to fail to obtain a permit to supply DSGL technology. The Act may thereby impact university research activities, with a permit being required to supply information to a person outside Australia about the development, production or use of a controlled DSGL technology (for example by way of email, facsimile, or allowing access from a server).

The DSGL contains (among other things) dual-use goods and technology that have a commercial use as well as a military or weapons of mass destruction use. The Act also introduces a criminal offence for publication or other dissemination of DSGL technology to the public by electronic or other means. Individual approval can be sought for publication from the Minister for Defence.

The Act has a two-year transition period, during which no offences will apply. During the transition period a steering committee will monitor a pilot program and advise the ministers for Defence and Research on recommended amendments to the Act as well as the risks and costs of its implementation.

Autonomous Sanctions Act 2011

The *Autonomous Sanctions Act 2011* is concerned with measures applied as autonomous sanctions to specific goods, services, and persons and entities.

Universities are exposed to strict liability criminal offences under the Act, but can defend against prosecution for an offence if they are able to prove that they took reasonable precautions and exercised due diligence to avoid contravening the Act.

In 2012 the Department of Foreign Affairs and Trade (DFAT) highlighted to the University the following key concerns which it has in relation to the implementation of the Act:

- higher degree research relating to the manufacture, maintenance or use of controlled goods and technologies, undertaken by a person from a sanctioned country
- certain high-end specialised research (consultancy and other joint-venture research collaborations).

The University introduced a compliance framework to address DFAT's concerns and protect against prosecution and fines. During 2012, the University worked to:

- assess the University's exposure under the Act and identify the key risks
- identify 'at risk' faculties based on the types of goods and technologies controlled under the Act
- implement an education campaign about the Act
- assess the provision of certain educational or commercial services provided by the University which could be prohibited under the Act
- implement other measures outside of those 'at risk' faculties to identify areas of potential exposure for the University.

Patents Act 1990

The *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* amended the *Patents Act 1990* to include an explicit statutory 'experimental use' exemption from 16 April 2012.

Section 119C of the amended Act provides that a person may do an act that would otherwise amount to an infringement of the patent, if the act is done for experimental purposes relating to the subject matter of the invention.

In the words of the Act, "experimental purposes relating to the subject matter of the invention" include, but are not limited to:

- a) determining the properties of the invention
- b) determining the scope of a claim relating to the invention
- c) improving or modifying the invention
- d) determining the validity of the patent or of a claim relating to the invention
- e) determining whether the patent for the invention would be, or has been, infringed by the doing of an act.

According to the Act's explanatory memorandum, the exemption applies where specific acts are undertaken for predominantly experimental rather than commercial purposes. Also, the exemption applies where an experiment inherently includes the subject matter of a patent but the researcher is unaware of the existence of the patent. However, it does not exempt the use of patented "research tools" to facilitate an experiment.

REGULATORY CHANGES

Streamlined visa processing arrangements for certain student visa applicants commenced on 24 March 2012. The arrangements were implemented through amendments to the Migration Regulations, as recommended by the 2011 Knight Report, *Strategic Review of the Student Visa Program*.

Of the 42 universities in Australia, 41 (including the University of Sydney) have 'opted in' to participate in the streamlined visa processing arrangements. As part of the arrangements, student visa applicants with a 'confirmation of enrolment' from a participating university at bachelor's, master's or doctoral degree level will benefit from reduced evidentiary requirements when applying for a student visa because they are assessed by the Department of Immigration and Citizenship as a "lower migration risk".

In order to maintain its eligibility as a participating institution, the University must continue to meet the Guidelines for University Participation in Streamlined Visa Processing Arrangements, which includes a commitment to maintaining high standards of English-language requirements and providing ongoing support to international students.

RISK MANAGEMENT

The University's risk framework uses a dual process to identify and manage its risks. The University's Register of Consolidated Risks is linked directly to the University's strategic plan and covers all the significant risks to University operations. It also details the University's medium and long-term mitigation strategies for each identified risk. This register is updated twice yearly to reflect any changes in the University's overall risk profile.

The Emerging Risk register records the significant risk issues currently affecting the University at any one time. It is updated monthly and presented to the monthly SEG Finance and Infrastructure Committee meetings. The committee is responsible for reviewing the risks and the mitigation strategies to ensure they are appropriate and effective.

The registers are also presented to the relevant meetings of two Senate committees on a regular basis throughout the year: the Senate Safety and Risk Management Committee and the Finance and Audit Committee. The former has responsibility for overseeing and approving the updated risk registers, along with the University's rolling three-year risk management plan.

PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosures Act 1994* (the Act) sets in place a system to encourage public officials to report serious wrongdoing. Under section 6D of the Act, public authorities are required to have a policy and procedures for receiving, assessing and dealing with reports of wrongdoing. The University of Sydney is a NSW public authority and its Reporting Wrongdoing Policy 2012 satisfies this requirement.

Public authorities are required to report annually to Parliament on their obligations under Section 31 of the Act. The calendar year 2012 was the first year for this requirement.

Accordingly, the following is the University's report for 2012.

Number of public officials who made Public Interest Disclosures (PIDs) to the University	0
Number of PIDs received by the University	0
Of PIDs received by the University, number primarily about: Corrupt conduct Maladministration Serious and substantial waste Government information contravention	N/A
Number of PIDs finalised	N/A

PRIVACY AND PERSONAL INFORMATION

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

The strategic actions the University took to promote privacy in 2012 include:

- development of a new privacy policy (finalised in 2013)
- reviewing and rewriting the University's Privacy Management Plan
- reporting privacy matters to the University's Serious Complaints Committee and to the Safety and Risk Management Committee of Senate
- voluntarily notifying the NSW Privacy Commissioner of privacy-related matters that do not result in an application for review of conduct (which would be required to be notified to the commissioner), and of the University's responses to such incidents.

At an operational level the University took a number of steps, such as:

- including privacy notices on electronic and hard-copy forms used to collect personal information
- linking to privacy statements from the University's websites
- including consideration of 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
- adding warnings against 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 (sydney.edu.au/arms/privacy)
- 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 ACT

The University conducted two reviews under Part 5 of the Act during 2012, both related to the same incident.

An honours student inserted the email addresses of her research participants in the "To" field rather than the "BCC" field when sending a routine message. As a consequence every recipient was able to view the email addresses of

all other participants in the study. Apologies were sent to the research participants, and two of them complained. The two complaints were treated as internal reviews under NSW privacy legislation and the Privacy Commissioner was notified accordingly. The matter was also reported to the University's Human Research Ethics Committee (HREC) Executive for consideration as a Serious Adverse Event. The HREC Executive noted that the matter had been reported to the Privacy Commissioner and was satisfied that all reasonable steps were being taken in response to the privacy breach. The HREC Executive recommended that, as a matter of courtesy, the society that the research participants belonged to be informed of the complaint.

In response to the complaints, the University:

- recommended clarifying and strengthening privacy protection measures in its ethics approval process and Research Code of Conduct (both currently under review)
- ensured its Privacy Management Plan is explicitly referred to in the revised privacy policy, the Code of Conduct for Staff and Affiliates and the Research Code of Conduct, to support compliance with NSW privacy legislation.

The review under Part 5 of the Act recommended that:

- the University should apologise without reservation to the two complainants
- the matter should be referred to the University Registrar for consideration under Chapter 8 of the *University of Sydney By-law 1999* (as amended) (By-law), which deals with student discipline.

The University considered it appropriate to deal with the matter in accordance with the procedures for dealing with allegations of conduct which, if proven, may amount to research misconduct and ultimately be dealt with under Chapter 8 of the By-law.

In accordance with the preliminary part of that process, the matter was referred to the Registrar. After considering the matter, the Registrar formed the view that the conduct did not constitute research misconduct. The Registrar referred the matter to the Deputy Vice-Chancellor (Research) with the recommendation that it be referred back to the relevant dean to take appropriate action with the student. The Registrar recommended that the student be counselled regarding the required standard of conduct for researchers, and that the student follow the directions of supervisors.

In addition, a draft of the HREC report was sent to the Privacy Commissioner, who had no submissions to make.

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* 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 2012 that have resulted in increased release of information.

2. Business systems:

The University is regularly revising existing electronic business systems and introducing new ones. A feature of the web-based systems is the increased level of access they provide to information within them. 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 50,000 current students and around 8000 staff, changes to electronic business systems provide significant benefits to many people.

The University's most significant new business system in recent years is Sydney Student, which manages and records all aspects of each student's candidature at the University. The Sydney Courses module was launched in 2011 (sydney.edu.au/courses) and has proven to be very popular, with hits exceeding 200,000 per month in peak periods. This module provides students and the public with improved access to complete information about the University's academic offerings.

In 2012 Phase D was a major priority for Sydney Student. This phase provides important functionality including online enrolment, fee collection, mark entry, academic progression and unit of study selection and variations. However, the rescheduling of this phase in late 2012 means that prospective and current students will benefit from the greater availability of information and online functionality for interacting with the University in 2013.

Other developments included the following.

Sydney Uni app: The University developed an 'app' for smart phones – primarily for students – and made it available during the year. The app provides maps, events, news, important dates, access to the library catalogue and online learning management system, staff contact details, images and video as well as the units of study database (see sydney.edu.au/mobile)

Policy Register: Launched in late 2011, the redesigned web-based policy database has been progressively populated in 2012 with the University's policies, procedures and guidelines. sydney.edu.au/policies

Research metadata: As part of the University's commitment to effective management of (and better public access to) its research data, a 'research metadata' project began in 2012. This project will produce a research metadata store for the University, which will support improved public awareness of research data produced at the University by increasing the number of research data collections and activities discoverable through internet search engines such as Google and web portals such as Research Data Australia (which is provided by Australian National Data Services and funded by the federal government).

3. University Archives

The University Archives' commitment to returning images of Aboriginal and Torres Strait Islander peoples reached a significant milestone with the publication of *Mali'Buku-Runanmaram: Images from Milingimbi and surrounds, 1926–1948* in Milingimbi by the Deputy Vice-Chancellor (Indigenous Strategy and Services) in August (see sydney.edu.au/arms/archives/gumbulaproject).

4. University museums

The University museums (the Nicholson, Macleay and the University Art Collection) have a new public collections search web page at sydney.edu.au/museums/collections_search which covers their extensive holdings.

TOTAL NUMBER OF ACCESS APPLICATIONS

There have been 35 applications from 1 January to 31 December 2012.

APPLICATIONS REFUSED UNDER SCHEDULE 1 OF THE ACT

The University must report the total number of access applications it refused (in part or full) 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 eight such applications in 2012.

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	0	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	0	1	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	15	10	5	3	1	1	0	1

* 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*	15	5	0	0	0	1	0	1
Access applications (other than personal information applications)	0	5	5	3	1	0	0	0
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0

* 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	NUMBER OF APPLICATIONS
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
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	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	8
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	5
Law enforcement and security	0
Individual rights, judicial processes and natural justice	4
Business interests of agencies and other persons	7
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

TABLE F: TIMELINESS

	NUMBER OF APPLICATIONS
Decided within the statutory timeframe (20 days plus any extensions)	25
Decided after 35 days (by agreement with applicant)	8
Not decided within time (deemed refusal)	0
Total	33

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

* 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)

	NUMBER OF APPLICATIONS FOR REVIEW
Applications by access applicants	3
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

WASTE AND SUSTAINABILITY

WASTE GENERATION, RESOURCE RECOVERY AND RECYCLING

GENERAL WASTE

In 2012, the University produced just over 3300 tonnes of general waste (1960 tonnes in 2011). About 70 percent of this general waste was recovered and recycled through specialist waste processing and resource recovery facilities.

- Sixty percent (2000 tonnes) was made up of mixed waste. This was diverted to the Advanced Resource Recovery Facility at Kemps Creek, where 40 to 60 percent of mixed waste by weight can be recovered. Dry-waste components (such as plastics, aluminium cans and other metals) were separated from wet organic waste components, while separated organic waste was aerobically composted in enclosed tunnels to produce compost. A limited amount of residual waste was sent to landfill.
- The other 40 percent (1300 tonnes) was made up of paper waste, which was sent to the VISY Materials Recovery Facility at Botany for pulping and processing into high-grade paper and cardboard products.

ELECTRONIC WASTE

The University sent more than 24 tonnes of redundant electronic equipment (e-waste) to Reverse E-Waste in 2012 to minimise the amount of waste sent to landfill. Reverse E-Waste dismantles electronic machines to recover useful marketable material. About 97 percent by weight of electronic waste is recovered. In 2011 the University collected 33 tonnes of e-waste, with a 94 percent recovery rate.

HAZARDOUS WASTE

The total volume of chemical and clinical/biological waste generated during 2012 was 76 tonnes, a 3 percent increase from 2011. There were increased volumes of both chemical and clinical/biological waste. Hazardous waste volumes vary each year depending on the University's activities, but in general are increasing due to improved compliance with the University's hazardous waste procedures and the progressive disposal of legacy chemical storage.

The University's largest chemical waste stream, flammable solvents, is 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.

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

SUSTAINABILITY INITIATIVES

In 2012, the University took several steps to improve energy efficiency and reduce its use of electricity, gas and water.

- Work began to implement a new web-based platform to provide more detailed information on the University's carbon emissions and sustainability performance. The 'Carbon systems' platform will monitor electricity, gas, fuel and water account data, waste generation, and carbon emissions across the University. This will enable institution-wide benchmarking that can be used to inform future programs to improve energy efficiency and reduce related costs.
- The University is also in the process of procuring an advanced system to track and improve building efficiency by monitoring detailed real-time data from existing building-level water, gas and electricity sub-meters.
- The University participated in a carbon benchmarking modelling project with other Group of Eight universities which identified the potential for reducing energy costs and associated carbon emissions.
- During the 2012–13 summer period, the University took part in a program that aimed to reduce peak seasonal demand on electrical infrastructure in the Sydney region. Participation in the program should enable the University to systematically reduce its peak demand and reduce its future costs.
- The University further developed its sustainability framework, which incorporates sustainability design and performance measures for buildings. This framework aims to reduce energy and water consumption in new buildings, and improve indoor environment air quality.

The University continued to engage with students and staff on sustainability issues throughout 2012.

- The University's Campus Infrastructure and Services (CIS) unit continued to provide research project opportunities to students. In 2012, CIS engaged geography students to identify University-specific green travel initiatives, while engineering students analysed a water recycling system on the Camperdown Campus. Such placements are of mutual benefit by incorporating students' work into future CIS projects, while students develop practical research and technical analysis skills.
- An Orientation Week stall provided information about how students could limit their environmental impact during their time on campus, and provided reusable coffee cups and water bottles to help reduce plastic waste on campus.
- 'Ride2Work Day' in October brought staff and students together to share breakfast and cycle route tips and also provided useful training and tips on bike maintenance.

FINANCIAL REVIEW OF 2012

The University of Sydney recorded an operating result of \$136.1 million for the financial year ended 31 December 2012, which represented growth of \$43.5 million, or 47 percent, over the 2011 operating result of \$92.6 million.

The growth in the operating result can be largely attributed to a change in accounting policy that now recognises unrealised investment gains in the operating margin (see below for further detail). The growth was enhanced by strong investment returns generated by the University's philanthropic funds during 2012.

This result also included several items that can only be used for specific purposes and which are therefore quarantined from funding the day-to-day operations and capital works programs of the University.

After making allowance for these and other factors, the University's financial statements reveal a negative operating margin for the year ended 31 December 2012 of \$46.3 million (2011: deficit \$77.4 million).

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Operating revenue ¹	1,736.5	1,597.1	139.4	8.7
Operating expenses ²	1,600.4	1,504.5	95.9	6.4
Operating result	136.1	92.6	43.5	47.0
Adjusted for:				
Philanthropic funds ³	(78.0)	(72.2)	(5.8)	(8.0)
Investment funds ³	(29.1)	(10.9)	(18.2)	(167.0)
Capital grants ³	(53.9)	(54.5)	0.6	1.1
Specific purpose grants ³	(21.4)	(32.4)	11.0	34.0
Net available operating margin	(46.3)	(77.4)	31.1	40.2

¹ For further information, see Section 1 on operating revenue (opposite).

² For further information, see Section 2 on operating expenses (page 70). Note also that 2011 operating expenses included impairment of available-for-sale assets of \$19.8 million.

³ Figures include internal rate of return and reflect net margin. Certain philanthropic and investment funds are restricted and unavailable for general use.

Quarantined items contributing to the operating result included the following.

- A large proportion of the philanthropic funds managed by the University must be invested in perpetuity. Under the terms of many of the endowments, some investment income derived from these investments must be retained to maintain the real value of the endowment and is not therefore available to fund day-to-day operations.
- A number of capital grants have been received to fund specific infrastructure projects.
- A range of research and education grants that must be applied to specific projects.

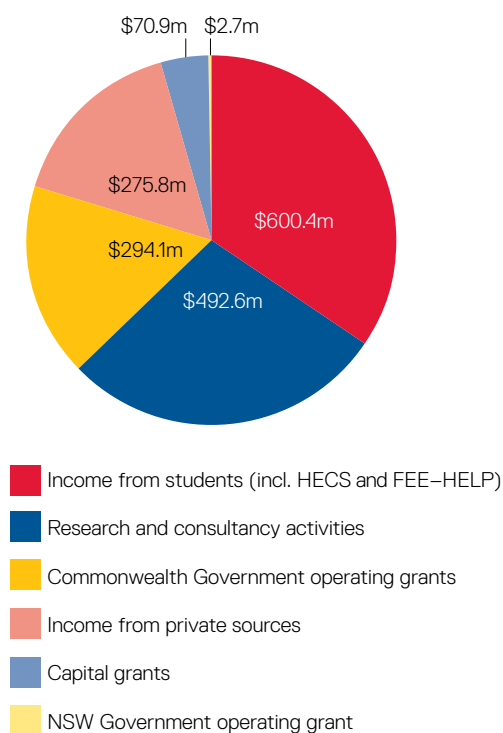
Funding provided by the Commonwealth, which predominantly contributes to the University's net available operating margin, continues to shrink as a proportion of the overall income generated by the University. This places increasing reliance on income generated from other sources in order to meet the University's ongoing operating expenditures and capital works requirements.

During 2012, the University 'early adopted' the Australian Accounting Standards Board (AASB) 9 'Financial Instruments' accounting standard. The impact of this decision has been to reclassify investment earnings generated on the University's pool of investment funds from equity to the income statement. As a result, the University recorded an additional \$61.6 million of investment income in 2012 (2011: N/A). These investment earnings include substantial unrealised gains that do not generate cash receipts for the University. To the extent that cash is generated, the majority of the income is derived from endowment funds, which can only be used for the specific purposes nominated by the donor and are therefore not available to meet the University's day-to-day operational requirements.

1. OPERATING REVENUE

The 2012 operating revenue of \$1,736.5 million was \$139.4 million more than in 2011. The following table and chart show the major components of this increased revenue.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Income from students (incl. HECS and FEE-HELP)	600.4	548.0	52.4	9.6
Research and consultancy activities	492.6	475.3	17.3	3.6
Commonwealth Government operating grants	294.1	276.7	17.4	6.3
Income from private sources	275.8	256.4	19.4	7.6
Capital grants	70.9	38.9	32.0	82.3
NSW Government operating grant	2.7	1.8	0.9	50.0
Total	1,736.5	1,597.1	139.4	8.7

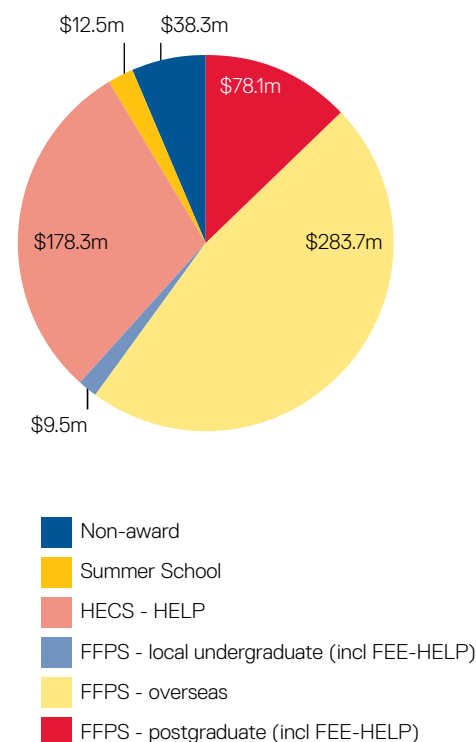
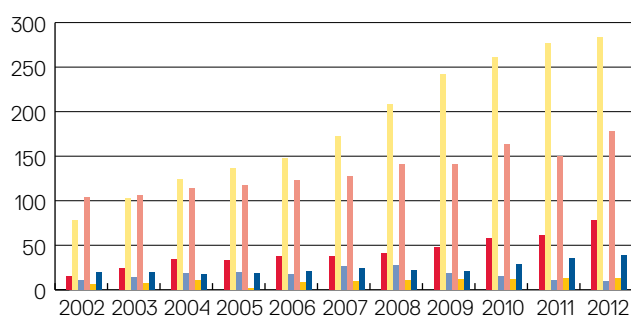


1.1 INCOME FROM STUDENTS

The 2012 growth in income from students of \$52.4 million was mainly attributable to additional fees generated through Australian Government financial assistance programs, including \$18.3 million from FEE-HELP (a 41.6 percent increase over 2011), \$28.1 million from HECS-HELP and \$2.7 million from SA-HELP.

While growth in full fee-paying international student numbers slowed in 2012, full fee-paying students continued to provide significant sources of income to the University, and once again accounted for a larger proportion of income than that derived from HECS-HELP payments.

Income from students 2002-12 (\$M)



1.2 COMMONWEALTH GOVERNMENT FUNDING

The overall level of Commonwealth funding grew by \$68.8 million in 2012 to \$761.2 million, a rise of 10 percent.

This growth was driven mainly by an increase in capital funding of \$26.3 million, an additional \$23.1 million in teaching and learning grants, funding increases of \$9.8 million from other Commonwealth agencies and an additional \$6.7 million in funding generated through the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE). The majority of the capital funding growth was Commonwealth funding for the University's capital works program, including the construction of the building for the Charles Perkins Centre.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
DIISRTE research funding	149.5	142.8	6.7	4.7
Other Commonwealth agencies – research	144.6	134.8	9.8	7.3
Australian Research Council	76.4	72.6	3.8	5.2
Scholarships	25.7	26.5	(0.8)	(3.0)
Commonwealth research funding	396.2	376.7	19.5	5.2
Teaching and learning operating grants	294.1	271	23.1	8.5
Capital funding	70.9	44.6	26.3	59.0
Total Commonwealth funding	761.2	692.3	68.9	10.0

The continued growth in income from student fees and HECS, together with the relative decline of funding received from Commonwealth operating grants, means that the proportion of University revenue received from HECS and student fee income has grown considerably since 2002 (2012: 34.6 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 (2012: 16.9 percent; 2002: 19.5 percent).

The University continues to feel financial pressure as a result of the continuing decline in financial support from the Commonwealth as a percentage of total revenue.

1.3 RESEARCH AND CONSULTANCY ACTIVITIES

Income received by the University for research, collaborative research and consultancy activities increased by \$17.2 million in 2012, or 3.6 percent, to \$492.6 million. Commonwealth research funding of \$396.2 million represented 80.4 percent of the total funding in this category.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Commonwealth research funding	396.2	376.7	19.5	5.2
Industry research grants	24.7	20.8	3.9	18.8
Foundations and individual research grants	17.1	15.1	2.0	13.2
NSW Government research grants	15.8	18.0	(2.2)	(12.2)
Local collaborative research funds	15.6	18.5	(2.9)	(15.7)
Overseas collaborative research funds	15.2	16.5	(1.3)	(7.9)
Consultancies	8.0	9.7	(1.7)	(17.5)
Total research and consultancy income	492.6	475.3	17.3	3.6

1.4 NSW GOVERNMENT GRANTS

Grants provided by the NSW State Government decreased by \$1.3 million, or 6.6 percent, to \$18.5 million in 2012.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Research grants	15.8	18.0	(2.2)	(12.2)
Operating grants	2.7	1.8	0.9	50.0
Total NSW Government grants	18.5	19.8	(1.3)	(6.6)

1.5 INCOME FROM PRIVATE SOURCES

The major components of this income group were as follows:

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Investment income	116.4	76.3	40.1	52.6
Philanthropic income	50.8	79.4	(28.6)	(36.0)
Commercial and other activities	56.0	48.1	7.9	16.4
Contributions from external organisations	29.8	30.7	(0.9)	(2.9)
Other fees and charges	17.2	16.1	1.1	6.8
Sponsorship income	5.6	5.8	(0.2)	(3.4)
Total income from private sources	275.8	256.4	19.4	7.6

1.6 PHILANTHROPIC INCOME

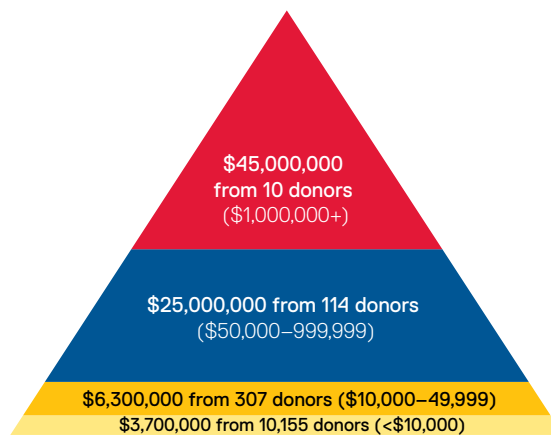
The University's philanthropic fundraising program had an exceptional year in 2012, breaking all previous records. During the year, \$80 million (2011: \$79 million) in pledged and receipted funds were committed through the University's various programs. Of this total, \$50.8 million (2011: \$79.4 million) was receipted in the year ended 31 December. This was a particularly remarkable achievement given that the previous record year, 2011, included the gift to the University of a Picasso painting that raised \$20 million at auction.

A highlight of 2012 was the commitment from John Grill, an alumnus and distinguished business executive, for a gift of \$20 million to establish a world-class centre for project leadership as a collaborative partnership between the Business School and the Faculty of Engineering and Information Technologies.

Other philanthropy highlights in 2012 included the following.

- Bequest income exceeded \$20 million for the third consecutive year.
- 1,409 donors supported scholarship provision within the University.
- Ten faculties each raised more than \$1 million.
- There were 5,511 first-time donors.
- Large individual donations continued to be very significant, with 56 percent of the total funds raised being donated through 10 individual donors and 84 percent of all funds raised being contributed by 124 donors.

Distribution of donations to the University during 2012

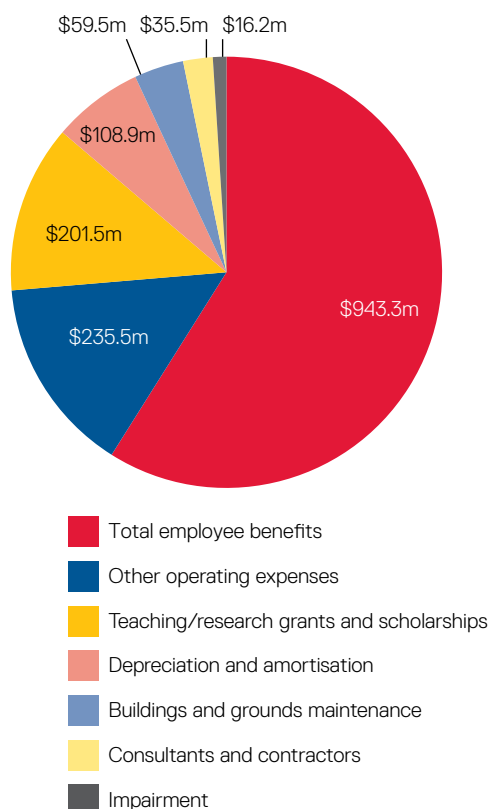


2. OPERATING EXPENSES

The 2012 operating expenditure of \$1,600.4 million was \$95.9 million, or 6.4 percent, higher than that for 2011.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Salaries	750.6	708.6	42.0	5.9
Payroll on-costs	192.7	186.3	6.4	3.4
Total employee benefits	943.3	894.9	48.4	5.4
Other operating expenses	235.5	199.8	35.7	17.9
Teaching/research grants and scholarships	201.5	187.0	14.5	7.8
Depreciation and amortisation	108.9	103.8	5.1	4.9
Buildings and grounds maintenance	59.5	61.4	(1.9)	(3.1)
Consultants and contractors	35.5	37.8	(2.3)	(6.1)
Impairment	16.2	19.8	(3.6)	(18.2)
Total expenses	1,600.4	1,504.5	95.9	6.4

Expenses from continuing operations



During 2012, a number of assets (including a number of buildings which are due to be replaced as a result of the University's capital works program) were retired, with a resulting expense impact of \$14.5 million. In addition, non-capitalised infrastructure enhancements to the value of \$17.4 million, associated with the University's information technology and property management operations, were charged to profit and loss in 2012. These were made up of project-related preliminary costs and project costs incurred on programs with a value below the University's capitalised costs limit. In accordance with University policy, these have been charged to profit or loss. The University continues to have a large maintenance backlog that is being addressed.

Total employee benefits increased by \$48.4 million, or 5.4 percent, in comparison to 2011. Of the overall increase in salaries, \$32.9 million related to growth in academic salaries, inclusive of \$13.3 million related to growth in termination payments. Non-academic employee costs increased by \$15.5 million, or 3.8 percent, of which \$5 million related to growth in termination payments made as a result of restructuring activities carried out in 2012. Academic part-time teaching salaries constituted 8.5 percent of the total academic salaries (2011: 9.3 percent).

3. EXPENDITURE ON ASSETS

In accordance with its 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.

In 2012, the University incurred capital expenditure of \$252.9 million, which was \$59.3 million or 30.6 percent more than in 2011.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Land and buildings	6.6	6.8	(0.2)	(2.9)
Equipment	15.6	20.9	(5.3)	(25.4)
Capital works – software	29.4	27.2	2.2	8.1
Capital works – buildings	192.6	128.3	64.3	50.1
Other	8.7	10.4	(1.7)	(16.3)
Total capital expenditure	252.9	193.6	59.3	30.6

The substantial increase in capital expenditure incurred in 2012 was due to the continuing investment in major projects such as the building for the Charles Perkins Centre, the completion of the Nepean Clinical School at Nepean Hospital, the commencement of the Abercrombie Precinct Development for the Business School and a number of projects funded by federal government schemes such as the Better Universities Renewal Fund.

In addition to the above incurred expenditures, the University entered into capital expenditure commitments totalling \$223.9 million (2011: \$272.7 million).

Where the capital expenditure incurred was greater than the operating surplus, the balance was funded from a new borrowing facility established during 2012.

4. EQUITY

The total equity of the University at 31 December 2012 was \$3,503 million, \$141.8 million higher than at 31 December 2011.

The three major components of the total equity were as follows.

Restricted funds, which totalled \$825.4 million at 31 December 2012 (2011: \$751.4 million) and 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 of \$74 million was generated from restricted-use funds relating to bequests, capital preserved trusts, scholarships and prizes.

Reserves, which are largely revaluation reserves that relate to the revaluation of land and buildings. Up to 31 December 2011, available-for-sale financial assets revaluations were held as a revaluation reserve. However, following the early implementation of a new accounting standard, AASB9 'Financial Instruments', the available-for-sale asset revaluation reserve of negative \$26.9 million was transferred to retained earnings. Investment income is now recognised through profit or loss. There was a net increase of \$30.3 million in 2012 in these reserves, due mainly to the transfer of the available-for-sale asset revaluation reserve to retained earnings.

Retained earnings of the University have increased to \$2,398.6 million, made up of the initial revaluation reserve of \$1,660.5 million created in 1992 together with the cumulative net operating surpluses generated, excluding reserves, in the periods up to 31 December 2012.

In the financial year to 31 December 2012, the retained earnings growth of \$37.5 million was generated from the operating result for the year of \$136.1 million (from which \$74 million is quarantined for restricted purposes and \$26.9 million was deducted as a result of the transfer of the negative available-for-sale asset revaluation reserve).

The following table compares equity balances as at December 2012 and December 2011 and indicates the change in each category.

	2012	2011	GROWTH	GROWTH
	\$M	\$M	\$M	%
Restricted funds	825.4	751.4	74.0	9.8
Reserves	279.0	248.7	30.3	12.2
Retained earnings	2,398.6	2,361.1	37.5	1.6
Total equity	3,503.0	3,361.2	141.8	4.2

5. OPERATING STATEMENT

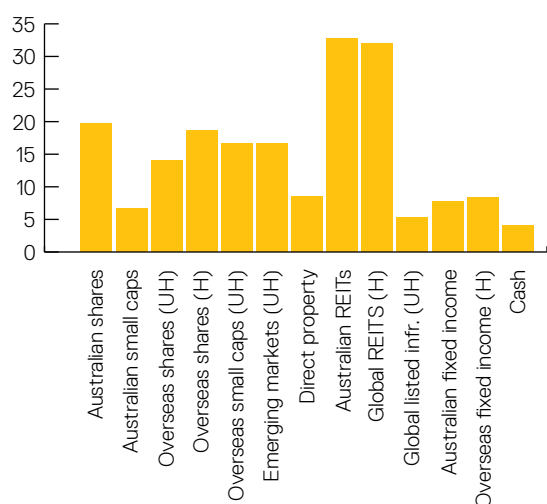
	2012	2012	2012	2013
Comparison to budget Parent entity – University	Budget \$M	Forecast \$M	Actual \$M	Budget \$M
Revenue and income from continuing operations				
Australian Government financial assistance:				
Australian Government grants	765.7	764.2	761.1	742.6
HECS–HELP – Australian Government payments	130.5	132.3	131.6	156.7
FEE–HELP	49.4	57.5	59.6	63.9
SA–HELP	2.5	2.7	2.7	2.7
New South Wales Government financial assistance	20.2	20.3	18.5	19.3
HECS–HELP – student payments	38.5	38.7	46.7	39.6
SA–HELP – student payments	7.5	7.6	8.0	9.6
Fees and charges	376.3	368.0	369.0	341.6
Investment revenue	70.2	94.5	116.4	78.4
Royalties, trademarks and licences	2.3	2.1	2.1	2.3
Consultancy and contract research	82.4	76.7	80.6	82.5
Other revenue	60.0	55.7	56.2	79.2
Other income	88.6	84.6	83.8	105.3
Gains/(losses) on disposal of assets	(9.0)	-	0.2	-
Total revenue and income from continuing operations	1,685.1	1,704.8	1,736.5	1,723.7
Expenses from continuing operations				
Employee-related expenses	965.1	961.1	943.3	974.5
Depreciation and amortisation	112.2	113.7	108.9	122.3
Repairs and maintenance	60.9	40.0	59.5	43.2
Borrowing costs	-	-	3.1	9.4
Impairment	-	-	16.2	-
Other expenses	203.0	223.8	232.4	258.4
Grant and scholarship expenses	96.7	84.5	92.7	87.2
Consultants and contractors	26.6	32.8	35.5	32.1
Teaching and research grants	82.0	106.1	108.8	111.3
Total expenses from continuing operations	1,546.4	1,562.0	1,600.4	1,638.3
Operating result before income tax	138.6	142.8	136.1	85.3
Income tax benefit/(expense)	-	-	-	-
Operating result after income tax	138.6	142.8	136.1	85.3
Operating result attributable to members of the University of Sydney	138.6	142.8	136.1	85.3

Note: The approved budget and forecast, where possible, have been adjusted to take account of the year-end presentation of accounting adjustments, including fixed asset purchases and depreciation, in order to provide a meaningful comparison. However, other year-end statutory accounting requirements such as impairment of assets are not included in the development of the approved budget and forecast. All financial assets are subject to an annual impairment review.

6. INVESTMENTS AND INVESTMENT PERFORMANCE

As detailed below, the 2012 investment environment was favourable with positive returns across all main asset classes.

ASSET CLASS RETURNS (%)



12 months to December 2012. (UH: unhedged; H: hedged)
Data source: Thomson Financial Datastream; MSCI. Data provided 'as is'.

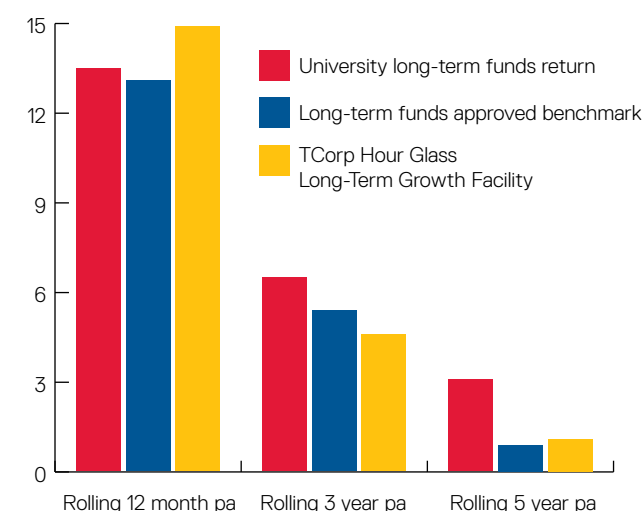
The strong returns generated across all asset classes in 2012 reflected a general abatement in investor concern over the European and US sovereign debt and banking crises. While economic growth in Europe remained mostly weak or negative, other OECD countries, including the United States, experienced moderately positive growth. Fears of a 'hard landing' in China also diminished as 2012 drew to a close.

In comparison with its OECD peers, Australia achieved a more robust pace of growth, largely driven by mining investment. Notwithstanding this outcome, the two-speed nature of growth and the subdued activity in the manufacturing and housing sectors was a continuing concern for sustaining employment and, as such, the Reserve Bank of Australia reduced its cash rate target through the year from 4.25 percent to 3 percent. The Australian dollar finished the year slightly up from its level at 31 December 2011, both against the US dollar and compared to the trade-weighted index.

The University's long-term funds portfolio, which had a total market value of approximately \$850 million as at 31 December 2012, reported a solid return for the year (see the long-term fund performance chart, above right) and outperformed its benchmark over the rolling 12 months, 3 years per annum, and 5 years per annum periods. This outperformance reflects the positive impact of both asset allocation and stock selection (manager selection). Relative to the comparable TCorp Hour Glass Long-Term Growth Facility (referred to as the statutory benchmark), the University's long-term funds portfolio outperformed over the rolling three and five year periods, but underperformed

over the rolling 12-month period. The underperformance by 1.34 percent over the year largely reflects asset allocation differences, with the TCorp Hour Glass Long-Term Growth Facility having a more concentrated asset allocation in domestic equities, which increased 20.3 percent on a total return basis over 2012.

LONG-TERM FUND PERFORMANCE AS AT END DECEMBER 2012



Note:
University portfolio returns are after external management fees and include franking credits. External management fees are approximately 70 basis points per annum for the long-term funds.
The University portfolio returns have been adjusted downwards to reflect the equivalent TCorp fixed interest sector external manager fee.
Unless otherwise stated, reference to a benchmark in this report refers to a benchmark approved by the Senate's Investment and Commercialisation Committee.
'Statutory Benchmark' refers to the NSW TCorp Hour Glass Long-Term Growth Facility. NSW TCorp reported returns are after external manager fees. These returns have been adjusted upwards to reflect performance before TCorp's internal administration fees.

The following table provides a broader peer-based comparison (on a 'net-of-fees' basis) of the University's long-term funds performance over one, three and five year rolling periods as at 31 December 2012, including the performance of superannuation funds.

Period	University of Sydney	NSW TCorp Hour Glass Long Term Growth Facility	Super Funds Mercer Employer Super Balanced Growth (60-80% growth) Median	Super Funds Mercer Employer Super Balanced Growth (60-80% growth) Top Quartile
1 yr	13.52%	14.86%	14.20%	14.80%
3yr, pa	6.46%	4.58%	5.20%	6.30%
5yr, pa	3.05%	1.12%	1.10%	1.70%

Note: All results are after underlying management fees, and before administration costs. Superannuation returns have also been 'grossed up' for taxation.

7. CREDITORS' PAYMENT PERFORMANCE

CREDITORS' PAYMENT PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2012

	MARCH QUARTER		JUNE QUARTER		SEPTEMBER QUARTER		DECEMBER QUARTER	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of accounts paid on time:								
by number of invoices	84	80	91	80	91	80	88	80
by value	84	80	87	80	91	80	91	80
Amount of accounts paid on time (excluding investments)	(\$'000)		(\$'000)		(\$'000)		(\$'000)	
	140,959		139,247		161,888		146,391	
Total amount of accounts paid (excluding investments)	(\$'000)		(\$'000)		(\$'000)		(\$'000)	
	167,118		159,154		178,130		160,824	

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
- teaching and research leased land
- commercial farms
- student housing
- commercial teaching and research properties.

Teaching and research land

The major teaching and research facilities of the University, located on the Camperdown and Darlington campuses 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 properties include:

- St James Campus Building, 173–175 Phillip Street, Sydney
- Cumberland Campus (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 and Environment)

- 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 and Environment, Veterinary Science and Science.

The University classifies its teaching and research facilities into two sub-categories. The non-commercial teaching and research component represents land that is subject to specific restrictions. These include land grants, zoned special use and/or specific contractual arrangements. The book value of this land as at 31 December 2012, utilising the cost basis as defined in the accounting standards, was \$161.7 million (2011: \$171 million).

The balance of the facilities held for teaching and research, which are not subject to specific usage constraints, are classified as commercial teaching and research properties. These properties are valued utilising the fair value basis as defined in the accounting standards and were valued at \$221.5 million as at 31 December 2012 (2011: \$209 million).

The total value of teaching and research land and the teaching and research properties held by the University as at 31 December 2012 was \$383.2 million (2011: \$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 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 facilities at the Australian Technology Park at Redfern.

Commercial farms

The University operates two commercial farms that support teaching and research activities. The farms, which are located in the Liverpool Plains and Southern Highlands of New South Wales, are valued on a fair value basis. The value of these farms was \$18.8 million as at 31 December 2012 (2011: \$18.6 million).

Student housing

The University owns a total of 70 halls of residence properties in the vicinity of the Camperdown, Darlington, Cumberland and Camden campuses. Each of these properties provides student accommodation. In addition, the University owns an 18-unit residential block at Kingswood that accommodates 44 students who are studying at the Nepean Clinical School at Penrith.

The student housing halls of residence were valued on a fair value basis as defined in the accounting standards at \$73.7 million as at 31 December 2012 (2011: \$71.3 million).

9. FINANCIAL STATEMENTS FOR SUBSIDIARIES

Please refer to note 43 of the financial statements (page 137) for details of the University's 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.



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 2012, 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 2012, 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 2012 Reporting Period' (the Guidelines), issued by the Australian Government 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 Guidelines, and for such internal control as the Senate determine 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 roles by the possibility of losing clients or income.



A T Whitfield
Deputy Auditor-General

25 March 2013
SYDNEY



Dr Michael Spence
Vice-Chancellor and Principal

18 March 2013

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 2012 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 2012 Reporting Period" issued by the Australian Government 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 2012

START OF AUDITED
FINANCIAL STATEMENTS

Start of audited financial statements
The University of Sydney
Income statement
For the year ended 31 December 2012

		Economic entity [Consolidated]		Parent entity [University]	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Revenue and income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	761,121	692,312	761,121	692,300
HELP - Australian Government payments	2	131,584	115,951	131,584	115,951
FEE-HELP	2	59,628	44,037	59,628	44,037
SA-HELP	2	2,723	0	2,723	0
State and local government financial assistance	3	18,539	19,745	18,539	19,745
HECS-HELP - student payments		46,676	34,234	46,676	34,234
Fees and charges	4	377,373	370,199	377,015	369,929
Investment revenue	5	64,534	76,151	64,530	76,142
Royalties, trademarks and licences	6	2,127	2,379	2,127	2,379
Consultancy and contract research	7	80,551	80,644	80,551	80,644
Other revenue	8	56,428	85,242	56,226	85,177
Total revenue from continuing operations		1,601,284	1,520,894	1,600,720	1,520,538
Gains/(losses) on disposal of assets	9	155	200	152	200
Share of profit on investments accounted for using the equity method	45	29	(4,136)	0	0
Other investment income	5	51,831	0	51,831	0
Other income	8	84,228	78,527	83,799	76,402
Total revenue and income from continuing operations		1,737,527	1,595,485	1,736,502	1,597,140
Expenses from continuing operations					
Employee-related expenses	10	944,344	896,490	943,258	894,861
Depreciation and amortisation	11	109,219	104,171	108,953	103,830
Repairs and maintenance	12	59,669	61,535	59,467	61,392
Borrowing costs	15	3,082	0	3,082	0
Impairment of assets	13	16,204	854	16,210	860
Other expenses	14	232,614	199,603	232,444	198,908
Grant and scholarship expenses		92,696	90,511	92,696	90,506
Consultants and contractors		35,915	38,419	35,494	37,804
Teaching and research grants		106,921	95,538	108,754	96,567
Total expenses from continuing operations		1,600,664	1,487,121	1,600,358	1,484,728
Operating result before income tax and impairment of available-for-sale assets		136,863	108,364	136,144	112,412
Income tax benefit/(expense)	16	145	(40)	0	0
Impairment of available-for-sale assets		0	(19,808)	0	(19,808)
Operating result after income tax and impairment of available-for-sale assets for the year*		137,008	88,516	136,144	92,604
Operating result attributable to members of The University of Sydney	36(b)	137,008	88,516	136,144	92,604
Operating result attributable to members from:					
Continuing operations	36(b)	137,008	88,516	136,144	92,604
Total	36(b)	137,008	88,516	136,144	92,604

* Includes net operating result of 2012 \$73,997k (2011: \$61,975k) received from sources with specific restrictions in use, such as bequests, trusts etc. (Refer to Note 35 '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 2012

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating result after income tax for the year and impairment of available-for-sale assets for the year		137,008	88,516	136,144	92,604
Other comprehensive income					
Gain/(loss) on revaluation of land and buildings, net of tax	36(a)	10,250	8,548	10,250	8,548
Realised (gains)/loss transferred from reserves	36(a)	0	(24,641)	0	(24,641)
Gain/(loss) on fair value of available-for-sale financial assets	36(a)	0	(32,193)	0	(32,193)
Defined benefit actuarial gains/(losses)	36(b)	(420)	(11,286)	(420)	(11,286)
Valuation movement on hedge reserve	36(a)	(4,652)	0	(4,652)	0
Reserve transfer relating to associates and joint ventures, net of tax	36(a)	0	1,289	0	0
Reserve transfer relating to impairment of available-for-sale-assets	13	0	19,808	0	19,808
Total other comprehensive income		5,178	(38,475)	5,178	(39,764)
Total comprehensive income		142,186	50,041	141,322	52,840
Total comprehensive income attributable to non-controlling interest		0	0	0	0
Total comprehensive income attributable to members of The University of Sydney		142,186	50,041	141,322	52,840

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

		Economic entity [Consolidated]		Parent entity [University]	
	Notes	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	17	364,836	210,866	364,624	210,676
Receivables	18	94,852	90,145	94,987	91,643
Inventories	20	154	365	131	344
Available-for-sale financial assets	21	0	10,415	0	10,415
Other financial assets	22	30,787	0	30,787	0
Other current assets	19	0	10,733	0	10,733
Total current assets		490,629	322,524	490,529	323,811
Non-current assets					
Receivables	18	1,158,590	1,052,339	1,158,590	1,052,339
Investments accounted for using the equity method	45	5,151	4,949	0	0
Available-for-sale financial assets	21	0	718,386	0	718,386
Other financial assets	22	740,598	2,165	740,598	2,165
Property, plant and equipment	24	1,833,738	1,789,069	1,833,415	1,788,490
Deferred tax assets	29	0	11	0	0
Intangible assets	28	78,630	72,192	78,630	72,192
Other non-financial assets	30	2,969	3,454	2,969	3,454
Heritage assets	25	249,157	237,385	249,157	237,385
Library collections	26	376,431	427,037	376,431	427,037
Works in progress	27	250,434	157,897	250,434	157,897
Total non-current assets		4,695,698	4,464,884	4,690,224	4,459,345
Total assets		5,186,327	4,787,408	5,180,753	4,783,156
LIABILITIES					
Current liabilities					
Trade and other payables	31	174,249	160,873	174,481	161,554
Provisions	34	164,763	144,585	164,688	144,533
Income tax payable		4	35	0	0
Total current liabilities		339,016	305,493	339,169	306,087
Non-current liabilities					
Trade and other payables	31	12	0	0	0
Borrowings	32	110,000	0	110,000	0
Derivative financial instruments	33	4,652	0	4,652	0
Provisions	34	1,223,952	1,115,892	1,223,908	1,115,853
Total non-current liabilities		1,338,616	1,115,892	1,338,560	1,115,853
Total liabilities		1,677,632	1,421,385	1,677,729	1,421,940
Net assets		3,508,695	3,366,023	3,503,024	3,361,216
EQUITY					
Parent entity interest					
Restricted funds	35	825,435	751,438	825,435	751,438
Reserves	36(a)	280,854	250,628	278,956	248,730
Retained earnings	36(b)	2,402,406	2,363,957	2,398,633	2,361,048
Parent entity interest		3,508,695	3,366,023	3,503,024	3,361,216
Total equity		3,508,695	3,366,023	3,503,024	3,361,216

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 2012

	Economic entity [Consolidated]				Parent entity [University]			
	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
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 of 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
	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 2012	751,438	250,628	2,363,957	3,366,023	751,438	248,730	2,361,048	3,361,216
Adjustments for change in accounting policy	0	26,885	(26,399)	486	0	26,885	(26,399)	486
Balance as restated	751,438	277,513	2,337,558	3,366,509	751,438	275,615	2,334,649	3,361,702
Profit or loss	73,997	0	63,011	137,008	73,997	0	62,147	136,144
Revaluation of land and buildings, net of tax	0	10,250	0	10,250	0	10,250	0	10,250
Actuarial gains/(losses) defined benefit plan	0	0	(420)	(420)	0	0	(420)	(420)
Reserve transferred to retained earnings	0	(2,257)	2,257	0	0	(2,257)	2,257	0
Derivative financial instruments	0	(4,652)	0	(4,652)	0	(4,652)	0	(4,652)
Total comprehensive income	73,997	3,341	64,848	142,186	73,997	3,341	63,984	141,322
Balance at 31 December 2012	825,435	280,854	2,402,406	3,508,695	825,435	278,956	2,398,633	3,503,024

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 2012

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash flows from operating activities					
Australian Government grants received	2(h)	955,374	852,114	955,374	852,114
New South Wales Government grants received	3	18,539	19,745	18,539	19,745
HECS-HELP student payments		46,676	34,234	46,676	34,234
Receipts from student fees and others		670,164	670,742	665,264	669,092
Dividends received		23,581	31,302	23,581	31,302
Interest received		21,186	25,789	21,182	25,780
Interest and other costs of finance		(1,756)	0	(1,756)	0
Other investment income received		6,106	3,984	6,106	3,984
Payments for employee-related expenses		(922,598)	(878,684)	(919,338)	(878,282)
Payments to suppliers (inclusive of goods and services tax)		(553,440)	(553,946)	(551,652)	(553,086)
Income taxes paid		(35)	0	0	0
Net cash provided by/(used in) operating activities	46	<u>263,797</u>	<u>205,280</u>	<u>263,976</u>	<u>204,883</u>
Cash flows from investing activities					
Proceeds from sale of shares, managed funds and fixed income securities		278,739	430,768	278,739	430,768
Proceeds from sale of property, plant and equipment		393	658	391	658
Receipts/(payments) for joint venture partnership and associates		416	(3,296)	217	(3,296)
Payments for property, plant and equipment		(252,901)	(170,852)	(252,901)	(170,535)
Payments for shares, managed funds and fixed income securities		(246,622)	(415,866)	(246,622)	(415,866)
Net cash provided by/(used in) investing activities		<u>(219,975)</u>	<u>(158,588)</u>	<u>(220,176)</u>	<u>(158,271)</u>
Cash flows from financing activities					
Proceeds from borrowings		110,000	0	110,000	0
Net cash provided by/(used in) financing activities		<u>110,000</u>	<u>0</u>	<u>110,000</u>	<u>0</u>
Net increase/(decrease) in cash and cash equivalents		153,822	46,692	153,800	46,612
Cash and cash equivalents at beginning of financial year		210,866	163,350	210,676	163,240
Effects of exchange rate changes on cash and cash equivalents		148	824	148	824
Cash and cash equivalents at the end of the financial year	17	<u>364,836</u>	<u>210,866</u>	<u>364,624</u>	<u>210,676</u>
Non-cash financing and investing activities	48				

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

Note	Contents of the notes to the financial statements	Page
1	Summary of significant accounting policies	86
	Revenue	
2	Australian Government financial assistance including HECS-HELP and other Australian Government loan programs	100
3	State and local government financial assistance	102
4	Fees and charges	103
5	Investment revenue and income	103
6	Royalties, trademarks and licences	103
7	Consultancy and contract research	104
8	Other revenue and income	104
9	Gains/(losses) on disposal of assets	104
	Expenses	
10	Employee-related expenses	105
11	Depreciation and amortisation	105
12	Repairs and maintenance	106
13	Impairment of assets	106
14	Other expenses	106
15	Borrowing costs	107
16	Income tax (benefit)/expense	107
	Assets	
17	Cash and cash equivalents	107
18	Receivables	109
19	Other current assets	110
20	Inventories	110
21	Available-for-sale financial assets	111
22	Other financial assets	112
23	Investment properties	112
24	Property, plant and equipment	113
25	Heritage assets	117
26	Library collections	118
27	Works in progress	119
28	Intangible assets	120
29	Deferred tax assets	122
30	Other non-financial assets	123
	Liabilities	
31	Trade and other payables	123
32	Borrowings	124
33	Derivative financial instruments	124
34	Provisions	125
	Equity	
35	Restricted funds	127
36	Reserves and retained earnings	128
	Disclosure Notes	
37	Key management personnel disclosures	129
38	Remuneration of auditors	130
39	Commitments	130
40	Contingencies	132
41	Amounts owing by Commonwealth and New South Wales Governments	133
42	Defined benefit plans	133
43	Subsidiaries	137
44	Investments in associates	139
45	Investments accounted for using the equity method	140
46	Reconciliation of net operating result after income tax to net cash flows from operating activities	141
47	Financial risk management	141
48	Non-cash financing and investing activities	147
49	Events occurring after the balance sheet date	147
50	Financing facilities and balances	148
51	Acquittal of Australian Government financial assistance	149
52	Disaggregated information	157

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 18 March 2013.

(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 *Higher Education Support Act 2003* (Financial Statement Guidelines), the *Public Finance and Audit Act 1983*, and 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 University of Sydney is a not-for-profit entity and these financial statements and notes have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with IFRS requirements.

- Accounting for government grants. Under AASB 1004 'Contributions' a not-for-profit 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 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 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 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. All significant estimates or assumptions made in the preparation of the financial statements have been explained in the accounting policy notes.

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 Note 1(a) and Note 1(l), 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 Statements include 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 43. 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 property, 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 subdivision 50-B of the *Income Tax Assessment Act 1997*. 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 statement 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 (HECS-HELP) Commonwealth payments, Higher Education Loan Program (FEE-HELP) student payments, New South Wales State Government grants, other research grants, consultancy and contract research income, 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 revenue 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 and notes to the financial statements have, unless otherwise stated, been rounded to the nearest thousand dollars.

(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.

Financial assets at fair value through profit or loss and in 2011, 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 reclassified to cash and cash equivalents.

(i) **Changes in accounting policy**

In 2011 a study was undertaken to assess the University's business model for managing financial assets. The result of this review was that management consider the classifications under AASB 9 'Financial Instruments' best reflect the nature and strategic position of the University's financial assets. The University's business model supports the classification and measurement of the majority of the University's financial assets at "fair value through profit or loss". The remaining financial assets which are primarily held to collect principal and interest are classified at amortised cost. The following standards covering the early adoptions are AASB 9 'Financial Instruments' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)' as at 1 January 2012.

Adoption of these Standards has resulted in the following adjustments as at 1 January 2012.

- i) reclassification of financial assets previously classified as available-for-sale assets and other financial assets at fair value through profit or loss and financial assets at amortised cost.
- ii) the transfer of the balance in the available-for-sale asset revaluation reserve of \$26,885k to retained earnings.
- iii) an increase/(decrease) in retained earnings relating to the remeasurement to fair value of unlisted equity investments that were previously classified as other financial assets and recorded at cost.

1 Summary of significant accounting policies

The following table summarises the financial statement changes.

It should be noted that the consolidated and parent figures for the financial assets are the same.

	31 December 2011 \$000	Reclassification \$000	Remeasurements \$000	1 January 2012 \$000
Economic entity [Consolidated]				
Available-for-sale financial assets previously measured under AASB 139	728,801	(728,801)	0	0
Financial assets at fair value through profit or loss	0	724,154	457	724,611
Financial assets at amortised cost	0	6,812	29	6,841
Other financial assets previously measured under AASB 139	2,165	(2,165)	0	0
Total assets	<u>730,966</u>	<u>0</u>	<u>486</u>	<u>731,452</u>
Transfer of available-for-sale asset reserve balance to retained earnings as at 1 January 2012				
Retained earnings	2,363,957	(26,885)	486	2,337,558
Transfer of available-for-sale asset revaluation reserve	(26,885)	26,885	0	0
Net effect on equity	<u>2,337,072</u>	<u>0</u>	<u>486</u>	<u>2,337,558</u>
	31 December 2011 \$000	Reclassification \$000	Remeasurements \$000	1 January 2012 \$000
Parent entity [University]				
Available-for-sale financial assets previously measured under AASB 139	728,801	(728,801)	0	0
Financial assets at fair value through profit or loss	0	724,154	457	724,611
Financial assets at amortised cost	0	6,812	29	6,841
Other financial assets previously measured under AASB 139	2,165	(2,165)	0	0
Total assets	<u>730,966</u>	<u>0</u>	<u>486</u>	<u>731,452</u>
Retained earnings	2,361,048	(26,885)	486	2,334,649
Available for sale reserve	(26,885)	26,885	0	0
Net effect on equity	<u>2,334,163</u>	<u>0</u>	<u>486</u>	<u>2,334,649</u>

Unlisted equity investments of \$2,165k have been reclassified to financial assets at fair value through profit or loss and remeasured to fair value as at 1 January 2012. The remeasurement has resulted in an increase in retained earnings at 1 January 2012.

1 Summary of significant accounting policies

The impact of these changes in the entity's accounting policy on individual line items in the financial statements can be summarised as follows:

	Current year impact		
	Profit increase/(decrease)		
	\$'000		
Economic entity [Consolidated]			
Income statement (extract)			
Realised gains/(losses)			9,763
Unrealised gains/(losses) and other investment income			<u>2</u>
Investment revenue			9,765
Change in fair value of financial assets designated as at fair value through profit or loss			585
Change in fair value of financial assets designated as at fair value through profit or loss			<u>51,246</u>
Other investment income			51,831
Profit for the year			61,596
Statement of comprehensive income (extract)			
Gain/(loss) on fair value of available-for-sale financial assets			(51,246)
Realised gains/(losses) transferred from reserves			<u>(9,763)</u>
Other comprehensive income for the year			(61,009)
Total comprehensive income for the year			587
	31 December 2012	Increase/(decrease)	31 December 2012 as presented
	\$'000	\$'000	\$'000
Balance sheet (extract)			
Non-current other financial assets			
Available-for-sale financial assets previously measured under AASB 139	737,359	(737,359)	0
Financial assets at fair value through profit or loss	0	734,160	734,160
Financial assets at amortised cost	0	6,438	6,438
Other financial assets previously measured under AASB 139	<u>2,165</u>	<u>(2,165)</u>	<u>0</u>
Non-current other financial assets	739,524	1,074	740,598
Net assets	3,507,621	1,074	3,508,695
Other reserves			
Transfer available-for-sale financial assets revaluation reserve to retained earnings	(26,885)	26,885	0
Change in fair value of other financial assets	51,246	(51,246)	0
Realised gains/(losses) for the year ended 31 December 2012	<u>9,763</u>	<u>(9,763)</u>	<u>0</u>
Available-for-sale investments revaluation reserve	34,124	(34,124)	0
Retained earnings	2,367,208	35,198	2,402,406
Total equity	3,507,621	1,074	3,508,695

An available-for-sale financial asset of \$6,812k was reclassified in the year as a financial asset at amortised cost with a value of \$6,841k. The asset was remeasured during the year using an effective interest rate of 8.19%.

(j) Investments and other financial assets

i) Financial assets at fair value through profit or loss

This classification applies from 1 January 2012

Financial assets which do not meet a criteria of the objective of the economic entity's business model for managing financial assets or the characteristics of the contractual cash flows, are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss principally comprise marketable securities, unit trusts and debt instruments. They are included in non-current assets unless the maturity date of the asset is within 12 months of balance date. Financial assets at fair value through profit or loss (Note 22) are initially recognised at fair value, with subsequent increases or decreases in fair value recognised in profit or loss. Transaction costs incurred in the acquisition of financial assets at fair value through profit or loss are recognised as expenses in net profit for the period they are incurred.

1 Summary of significant accounting policies

The University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in the measurements. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance 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). Valuation techniques that are not based on using observable market data (Level 3) such as discounted cash flow analysis involving substantial estimates, or option pricing models refined for the issuer's specific circumstances, are used to determine fair value for the remaining financial instruments.

If the economic entity reclassifies these assets, their fair value is determined at reclassification date. Any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in profit or loss.

ii) Financial assets at amortised cost

This classification applies from 1 January 2012.

Where the main objective of the University holding an asset or portfolio of assets is to collect contractual cash inflows on specific dates and those cash flows are generally in the form of principal and/or interest, they are measured at amortised cost using the effective interest method and net of any impairment loss.

When a financial asset at amortised cost is reclassified, its fair value at the reclassification date becomes its new carrying amount.

Financial assets at amortised cost are assessed for evidence of impairment at each balance sheet date.

ii (a) Available-for-sale financial assets

This classification applies to 31 December 2011.

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 21) 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. On adoption of AASB 9, available-for-sale financial assets are reclassified as financial assets at fair value through profit or loss and at amortised cost. Refer to Note 1(i).

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.

ii (b) Other financial assets

This classification applies to 31 December 2011.

The University has investments in a number of companies that are unlisted. These were previously classified as other financial assets and 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. On adoption of AASB 9 these assets have been reclassified to fair value through profit or loss. Refer to Note 1(i).

ii (c) 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 or 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.

1 Summary of significant accounting policies

ii (d) 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.

(k) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The University designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expenses.

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of fixed interest rate swaps compared to variable rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'.

However, when the forecast cash flow that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously recognised in other comprehensive income are either reclassified as a reclassification adjustment to the income statement or are included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or other expenses.

1 Summary of significant accounting policies

(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 assets the University has determined that these asset classes can be reliably measured and has applied 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 other comprehensive income. Commercial teaching and research land, buildings, and infrastructure are externally revalued every five years and in the remaining four 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 heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

Commercial teaching and research properties

Investments in commercial teaching and research properties are land and buildings carried at fair value that are used by the University to meet service delivery obligations. The University's commercial teaching and research properties have been revalued during the year ending 31 December 2012.

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 during the year ending 31 December 2012.

Student housing

The University's student housing has been revalued during the year ending 31 December 2012.

Plant and equipment

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

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.

1 Summary of significant accounting policies

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 2012. 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 \$29,468k (2011: \$28,890k). 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 AASB 116 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 accumulated depreciation.

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 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 fair value less the estimated costs to sell.

Inventories

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

Trade and other receivables

Trade receivables 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 where there is objective evidence that the University or a subsidiary 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).

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.

(m) 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.

(n) 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 statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement 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.

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

1 Summary of significant accounting policies

(o) Borrowing costs

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

(p) 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 differences 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.

(q) Intangible assets

Intangibles include major computer software, the digitalised library collection and the right to use specific assets (a 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 computer software is recorded at historic cost and depreciated at 14.29 % per annum. Digitalised library collections are held by perpetual licence and are 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.

(r) 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 projected unit credit 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 national 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 2012.

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.

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.

1 Summary of significant accounting policies

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.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The University recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of a formally accepted offer of voluntary redundancy. Benefits falling due within 12 months are valued at their nominal amounts, and amounts falling due more than 12 months after reporting date are discounted to their net present values.

(s) 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%-6.67%
Computing equipment	20%
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%
Commercial teaching and research farms	2%
Commercial teaching and research student housing	2%
Leasehold improvements**	various
Library collections	10%

* The depreciation rate for laboratory equipment is 5% and 6.67% for all other plant and equipment.

** The amortisation rates applied to leasehold improvements are based on the term of the lease. The amortisation rates applied to leasehold improvements in respect of make good are based on the estimated period in which the make good will occur.

(t) 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 economic entity 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.

1 Summary of significant accounting policies

(u) Leases

The University leases various items of 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.

(v) 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 to be used.

(w) 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 the valuation of assets policies stated in Note 1(l). 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 44). 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.

(iii) Available-for-sale asset revaluation reserve

Until 31 December 2011, changes in the fair value of investments classified as available-for-sale financial assets were recognised in other comprehensive income and accumulated in the available-for-sale asset revaluation reserve within equity, as described in Note 1(j). Amounts were reclassified to profit or loss when the assets were sold or impaired. Following the change in accounting policy described in Note 1(i) due to the adoption of AASB 9 'Financial Instruments' on 1 January 2012, the balance in the reserve was transferred to retained earnings.

(iv) Hedging reserve-cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are, for the effective portion of changes in the fair value of the interest rate swap, recognised in other comprehensive income, as described in Note 1(k). Any gain or loss in respect of the ineffective portion of an interest rate swap is recognised immediately in profit or loss.

(x) Joint ventures and cooperative research centres

The University's CRC involvement is reported in Note 39(d) 'CRC commitments'.

When the University has an interest in a 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 statement, and the share of movements in reserves is recognised in reserves in the balance sheet. At the date of this report the University does not have an interest in any joint venture partnerships.

(y) 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 the 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.

1 Summary of significant accounting policies

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

The University of Sydney has 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.

(aa) New accounting standards and AASB interpretations

A number of new accounting standards, amendments and interpretations have been issued during 2012 or in prior years but are not yet effective. With the exception of AASB 9 'Financial Instruments', as disclosed in Note 1(i), 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:

Revised AASB 101 'Presentation of Financial Statements' - 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 2014. 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 2014. 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 2014. The financial impact of adopting this standard has not been quantified.

AASB 13 'Fair Value Measurement' - This standard establishes a single source of guidance for determining the fair value of assets and liabilities. The 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'

i) **Defined 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 for the expected return on plan asset will be determined using a risk-free rate rather than expected earnings.

ii) **Short-term employee benefits** - The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. 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 1053 'Application of Tiers of Australian Accounting Standards' - This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements. This standard is applicable from 1 January 2014.

AASB 2012-2 'Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities' (effective from 1 January 2013). This standard principally amends AASB 7 'Financial Instruments Disclosures'. This standard requires disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This standard is mandatory from 1 January 2013.

AASB 2012-3 'Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities' - This Standard adds application guidance to AASB 132 'Financial Instruments Presentation' to address inconsistencies identified in applying some of the criteria of AASB 132 including clarifying the meaning of "currently has a legally enforceable right of set off" and that some gross settlement systems may be considered equivalent to net settlement. This standard is mandatory from 1 January 2014.

AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle' (effective from 1 January 2013) - This standard addresses a range of improvements, including the following: repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; and, clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 'Presentation of Financial Statements').

1 Summary of significant accounting policies

(ab) Charitable Fundraising Act 1991 (CFA)

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

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs

Notes	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Commonwealth Grants Scheme and other grants				
51.1				
Commonwealth Grants Scheme	290,479	264,456	290,479	264,456
Indigenous Support Program	1,292	1,292	1,292	1,292
Partnership and Participation Program	1,793	2,704	1,793	2,704
Disability Support Program	156	148	156	148
Learning and Teaching Performance Fund	95	0	95	0
Capital Development Pool	0	5,663	0	5,663
Diversity and Structural Adjustment Program	0	2,140	0	2,140
Transition Cost Program	65	248	65	248
Excellence in Learning & Teaching	215	0	215	0
Total Commonwealth Grants Scheme and other grants	294,095	276,651	294,095	276,651
(b) Higher Education Loan Programs				
51.2				
HECS-HELP	131,584	115,951	131,584	115,951
FEE-HELP	59,628	44,037	59,628	44,037
SA-HELP	2,723	0	2,723	0
Total Higher Education Loan Programs	193,935	159,988	193,935	159,988
(c) Scholarships				
51.3				
Australian Postgraduate Awards	23,803	20,665	23,803	20,665
International Postgraduate Research Scholarships	2,134	2,093	2,134	2,093
Commonwealth Education Costs Scholarships	(318)	3,642	(318)	3,642
Commonwealth Accommodation Scholarships	5	5	5	5
Indigenous Access Scholarships	49	65	49	65
Total scholarships	25,673	26,470	25,673	26,470
(d) DIISRTE - Research				
51.4				
Joint Research Engagement Program	34,892	35,522	34,892	35,522
Research Training Scheme	65,811	63,815	65,811	63,815
Research Infrastructure Block Grants	28,831	28,150	28,831	28,150
JRE Engineer Cadetships	120	0	120	0
Commercialisation Training Scheme	0	710	0	710
DIISRTE SRE Base and Threshold 1	4,744	3,588	4,744	3,588
DIISRTE SRE Threshold 2	15,146	11,039	15,146	11,039
Total DIISRTE - Research	149,544	142,824	149,544	142,824
(e) Other capital funding				
51.5				
Education Investment Fund	69,100	22,600	69,100	22,600
Total other capital funding	69,100	22,600	69,100	22,600

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(f) Australian Research Council	51.6				
(i) Discovery	51.6(a)				
Projects		35,814	39,563	35,814	39,563
Future fellowships		13,899	8,940	13,899	8,940
Federation fellowships		832	1,945	832	1,945
Laureate fellowships		3,958	0	3,958	0
Indigenous researchers		209	126	209	126
DIISRTE ARC Super Science Fellowship		587	471	587	471
Total discovery		<u>55,299</u>	<u>51,045</u>	<u>55,299</u>	<u>51,045</u>
(ii) Linkages	51.6(b)				
Linkage - infrastructure		1,650	2,588	1,650	2,588
International researcher exchange		(13)	0	(13)	0
Laureate fellowships		5,084	3,561	5,084	3,561
Projects		7,822	8,997	7,822	8,997
Total linkages		<u>14,543</u>	<u>15,146</u>	<u>14,543</u>	<u>15,146</u>
(iii) Networks and centres	51.6(c)				
Centres		6,540	6,501	6,540	6,501
Total networks and centres		<u>6,540</u>	<u>6,501</u>	<u>6,540</u>	<u>6,501</u>
Total Australian Research Council		<u>76,382</u>	<u>72,692</u>	<u>76,382</u>	<u>72,692</u>
(g) Other Australian Government financial assistance					
Education, science and training		3,633	7,849	3,633	7,837
Human services and health		121,908	113,372	121,908	113,372
Industry, technology and regional development		3,465	770	3,465	770
Primary industry and energy		13,605	11,631	13,605	11,631
Other		1,966	1,149	1,966	1,149
Capital grant other		1,750	16,304	1,750	16,304
Total other Australian Government financial assistance		<u>146,327</u>	<u>151,075</u>	<u>146,327</u>	<u>151,063</u>
Total Australian Government financial assistance		<u>955,056</u>	<u>852,300</u>	<u>955,056</u>	<u>852,288</u>
Reconciliation					
Australian Government grants [(a) + (c) + (d) + (e) + (f) + (g)]		761,121	692,312	761,121	692,300
HECS-HELP payments		131,584	115,951	131,584	115,951
FEE-HELP - other Australian Government loan programs		59,628	44,037	59,628	44,037
SA-HELP payments		2,723	0	2,723	0
Total Australian Government financial assistance		<u>955,056</u>	<u>852,300</u>	<u>955,056</u>	<u>852,288</u>

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs

Notes	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(h) Australian Government grants received - cash basis				
Commonwealth Grants Scheme and other grants	294,007	277,046	294,007	277,046
Higher Education Loan Programs	193,608	159,373	193,608	159,373
Scholarships	26,614	26,470	26,614	26,470
DIISRTE - Research	149,544	142,824	149,544	142,824
ARC - Discovery	55,299	51,045	55,299	51,045
ARC - Linkages	14,543	15,146	14,543	15,146
ARC - Networks and centres	6,540	6,501	6,540	6,501
Other Australian Government financial assistance	146,341	151,063	146,341	151,063
Other capital funding	69,100	22,600	69,100	22,600
Total Australian Government grants received - cash basis	955,596	852,068	955,596	852,068
OS-HELP liability to Australian Government (net)	(222)	46	(222)	46
Total Australian Government funding received - cash basis	955,374	852,114	955,374	852,114

3 State and local government financial assistance

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
State government research grants	15,792	17,961	15,792	17,961
Other	2,747	1,784	2,747	1,784
Total state government financial assistance	18,539	19,745	18,539	19,745

4 Fees and charges

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Course fees and charges				
Fee-paying overseas students	283,675	277,141	283,675	277,141
Continuing education	12,083	11,476	11,725	11,221
Fee-paying domestic postgraduate students	23,507	21,075	23,507	21,075
Fee-paying domestic undergraduate students	4,436	6,786	4,436	6,786
Students undertaking non-award courses	9,702	6,888	9,702	6,888
Course fees	11,810	15,663	11,810	15,648
Law extension course fees	2,440	2,140	2,440	2,140
Summer School fees	12,537	12,947	12,537	12,947
Total course fees and charges	360,190	354,116	359,832	353,846
Other fees and charges				
Hire of equipment and venues	2,709	2,387	2,709	2,387
Fees late enrolment	161	129	161	129
Parking fees	2,689	2,793	2,689	2,793
Rental - other	2,345	1,672	2,345	1,672
Student residences	7,210	6,582	7,210	6,582
Library service charges	0	625	0	625
Miscellaneous	2,069	1,895	2,069	1,895
Total other fees and charges	17,183	16,083	17,183	16,083
Total fees and charges	377,373	370,199	377,015	369,929

5 Investment revenue and income

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Distributions from managed funds	10,913	26,396	10,913	26,396
Dividends received	12,725	14,297	12,725	14,297
Rental income from investment properties	0	19	0	19
Interest and discount from investments	23,040	25,650	23,079	25,922
Realised gains/(losses)	22,116	9,771	22,116	9,771
Unrealised gains/(losses) and other investment income	(4,260)	18	(4,303)	(263)
Total investment revenue	64,534	76,151	64,530	76,142
Change in fair value of financial assets designated as at fair value through profit or loss	51,831	0	51,831	0
Total other investment income	51,831	0	51,831	0
Net investment income	116,365	76,151	116,361	76,142

6 Royalties, trademarks and licences

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Licence, trademarks and royalty income	2,127	2,379	2,127	2,379
Total royalties, trademarks and licences	2,127	2,379	2,127	2,379

7 Consultancy and contract research

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Local collaborative and other research	15,521	18,527	15,521	18,527
Consultancy	7,964	9,674	7,964	9,674
Research grants industry	24,720	20,815	24,720	20,815
Research grants individuals and foundations	17,129	15,111	17,129	15,111
Research grants overseas organisations	15,217	16,517	15,217	16,517
Total consultancy and contracts research	80,551	80,644	80,551	80,644

8 Other revenue and income

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Other revenue				
Philanthropic income*	50,855	79,368	50,855	79,368
Sponsorship income	5,573	5,874	5,371	5,809
Total other revenue	56,428	85,242	56,226	85,177
Other income				
Veterinary/medical practice income	13,383	13,300	13,383	13,300
Recovery of expenses from external organisations	0	488	0	488
Commission received	790	807	790	807
Memberships and subscriptions	0	270	0	270
Contributions (external organisations)	29,806	31,095	29,888	30,691
Shop sales (incl. commercial services)	5,515	5,764	4,651	4,342
Farms	3,121	3,202	3,121	3,202
Other	31,613	23,601	31,966	23,302
Total other income	84,228	78,527	83,799	76,402
Total other revenue and income	140,656	163,769	140,025	161,579

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

9 Gains/(losses) on disposal of assets

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Disposal of property, plant and equipment				
Proceeds from sale	394	658	391	658
Carrying amount of assets sold	(239)	(458)	(239)	(458)
Total of net gain/(loss) on disposal of assets	155	200	152	200

The consolidated net gain on disposal of property, plant and equipment in 2012 includes a gain of \$136k (2011: \$190k) on motor vehicles and a gain of \$19k (2011: \$10k) on property, plant and equipment.

10 Employee-related expenses

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Academic				
Salaries	394,216	376,778	394,216	376,778
Contributions to superannuation and pension schemes	60,283	57,214	60,283	57,214
Payroll tax	24,717	24,066	24,717	24,066
Workers' compensation	1,372	2,327	1,372	2,327
Long service leave expense	12,532	16,800	12,532	16,800
Annual leave	7,824	2,170	7,824	2,170
Academic severance fixed term	686	0	686	0
Termination payments	14,716	1,388	14,716	1,388
Total academic	<u>516,346</u>	<u>480,743</u>	<u>516,346</u>	<u>480,743</u>
Non-academic				
Salaries	332,221	326,394	331,470	325,235
Contributions to superannuation and pension schemes	49,095	47,687	48,852	47,448
Payroll tax	20,571	20,686	20,406	20,521
Workers' compensation	962	1,621	962	1,622
Long service leave expense	10,192	11,713	10,192	11,712
Annual leave	6,663	2,052	6,662	2,060
General severance fixed term	546	0	546	0
Termination payments	10,089	5,257	10,163	5,183
Total non-academic	<u>430,339</u>	<u>415,410</u>	<u>429,253</u>	<u>413,781</u>
Deferred employment benefits for superannuation*	<u>(2,341)</u>	<u>337</u>	<u>(2,341)</u>	<u>337</u>
Total employee-related expenses	<u>944,344</u>	<u>896,490</u>	<u>943,258</u>	<u>894,861</u>

* Includes \$86k (2011: \$130k) of Professorial Superannuation Scheme and (\$2,427k) (2011: \$207k) of State Authorities Non-contributory Scheme.

11 Depreciation and amortisation

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Depreciation				
Buildings	27,553	26,157	27,553	26,157
Plant and equipment	22,676	18,283	22,410	17,979
Leasehold improvements	4,309	2,624	4,309	2,624
Motor vehicles	807	950	807	950
Computer equipment	496	452	496	452
Infrastructure	3,376	3,355	3,376	3,355
Library collection*	42,838	47,609	42,838	47,609
Commercial teaching and research buildings/infrastructure	1,110	1,042	1,110	1,042
Total depreciation	<u>103,165</u>	<u>100,472</u>	<u>102,899</u>	<u>100,168</u>
Amortisation				
Intangibles - computer software	<u>6,054</u>	<u>3,699</u>	<u>6,054</u>	<u>3,662</u>
Total depreciation and amortisation	<u>109,219</u>	<u>104,171</u>	<u>108,953</u>	<u>103,830</u>

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

12 Repairs and maintenance

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Maintenance of buildings and grounds	27,284	33,393	27,239	33,363
Other buildings and grounds expenses	32,385	28,142	32,228	28,029
Total repairs and maintenance	59,669	61,535	59,467	61,392

13 Impairment of assets

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Bad debts	27	149	23	121
Doubtful debts	(1,046)	705	(1,036)	739
Impairment of land and buildings	17,223	0	17,223	0
Total impairment of debts and real property	16,204	854	16,210	860
Impairment of available-for-sale assets	0	19,808	0	19,808
Total impairment of assets	16,204	20,662	16,210	20,668

14 Other expenses

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-capitalised equipment	24,200	25,059	24,199	24,983
Advertising, marketing and promotional expenses	4,975	4,230	4,964	4,228
Audit fees, bank charges, legal costs, insurance and taxes	10,712	10,706	10,685	10,685
Printing, postage and stationery	11,135	11,704	11,109	11,646
Operating lease and rental expenses	16,088	15,562	16,068	15,544
Rent and room hire	6,822	5,972	6,652	5,818
Telecommunications	10,351	11,134	10,328	11,106
Travel and related staff development and training	37,410	35,819	37,561	35,845
Farm operations	6,079	5,912	6,079	5,912
Laboratory, medical supplies and materials	23,458	24,126	23,431	24,109
Library materials	5,589	4,660	5,589	4,660
Licences, patents, copyright and commissions	13,088	12,908	13,064	12,893
Miscellaneous expenses	17,806	15,943	17,904	15,855
Retired assets at net book value	14,495	3,373	14,495	3,373
Non-capitalisable project costs	17,415	1,530	17,415	1,530
Equipment repairs and maintenance	12,991	10,965	12,901	10,721
Total other expenses	232,614	199,603	232,444	198,908

15 Borrowing costs

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Fees and charges	1,597	0	1,597	0
Interest expense	1,485	0	1,485	0
Total borrowing costs	3,082	0	3,082	0

16 Income tax (benefit)/expense

	Economic entity [Consolidated]	
	2012 \$'000	2011 \$'000

(a) Income tax (benefit)/expense

The components of tax expense comprise:

Current tax expense	82	72
Income tax benefit relating to origination and utilisation of prior period tax losses	(227)	(32)
	<u>(145)</u>	<u>40</u>
Income tax (benefit)/expense	(145)	40

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Operating result from continuing operations before income tax expense	136,863	88,556
Tax at the Australian tax rate of 30% (2011 - 30%)	41,059	26,567
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income/(loss) of the tax-exempt entities.	(41,036)	(27,808)
Differential on tax attributed to equity accounted entities	(181)	1,241
Reversal of prior period deferred tax assets	0	(32)
Current period tax losses not brought to account	68	72
Utilisation of prior period tax losses now brought to account	(55)	0
	<u>(145)</u>	<u>40</u>

17 Cash and cash equivalents

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash at bank and on hand*	42,032	52,668	41,933	52,647
Cash equivalents**	322,804	158,198	322,691	158,029
Total cash and cash equivalents	364,836	210,866	364,624	210,676

* These are interest bearing at a variable average rate of 3.74% (2011: 3.94%).

** 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. The majority of these investments are held to support the University's operational cash flow requirements.

17 Cash and cash equivalents

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]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Gross cash balance	<u>364,836</u>	<u>210,866</u>	<u>364,624</u>	<u>210,676</u>
Balances per cash flow statement	<u>364,836</u>	<u>210,866</u>	<u>364,624</u>	<u>210,676</u>

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 2012. The accounts and balances are:

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Australian dollars	362,731	208,861	362,519	208,671
US dollars	527	721	527	721
UK pounds	115	90	115	90
Euros	<u>1,463</u>	<u>1,194</u>	<u>1,463</u>	<u>1,194</u>
	<u>364,836</u>	<u>210,866</u>	<u>364,624</u>	<u>210,676</u>

18 Receivables

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Receivables				
Student fees	3,118	3,304	3,118	3,304
Provision for impaired receivables	(207)	(224)	(207)	(224)
Total receivables	<u>2,911</u>	<u>3,080</u>	<u>2,911</u>	<u>3,080</u>
GST recoverable				
GST recoverable	7,859	7,255	7,852	7,199
Total GST recoverable	<u>7,859</u>	<u>7,255</u>	<u>7,852</u>	<u>7,199</u>
Debtors				
Debtors	69,161	50,294	67,682	49,876
Provision for impaired receivables	(1,541)	(3,468)	(1,535)	(3,453)
Total debtors	<u>67,620</u>	<u>46,826</u>	<u>66,147</u>	<u>46,423</u>
Other				
Student loans	849	859	848	858
Amount due from associated company	0	14,461	0	14,461
Amount due from controlled entities	0	0	1,616	2,370
Total other	<u>849</u>	<u>15,320</u>	<u>2,464</u>	<u>17,689</u>
Other current receivables				
Accrued income	15,613	17,664	15,613	17,252
Total other receivables	<u>15,613</u>	<u>17,664</u>	<u>15,613</u>	<u>17,252</u>
Total current receivables	<u>94,852</u>	<u>90,145</u>	<u>94,987</u>	<u>91,643</u>
Non-current				
Deferred government contribution for superannuation (refer to Note 41)	1,154,035	1,046,509	1,154,035	1,046,509
Super Asset Plan (State Authorities Superannuation Trustee Corporation)	(562)	702	(562)	702
Prepaid lease*	5,000	5,000	5,000	5,000
Student loans	117	128	117	128
Total non-current receivables	<u>1,158,590</u>	<u>1,052,339</u>	<u>1,158,590</u>	<u>1,052,339</u>
Total receivables	<u>1,253,442</u>	<u>1,142,484</u>	<u>1,253,577</u>	<u>1,143,982</u>

* 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 2013.

(a) Impaired receivables

As at 31 December 2012 current receivables with a nominal value of \$1,748k (2011: \$3,692k) were impaired.

The amount of the provision that relates to specific provisions was \$1,459k (2011: \$3,165k).

The individually impaired receivables mainly relate to private sector organisations which are in unexpectedly difficult economic situations. The remaining provision of \$288k (2011: \$527k) 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]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
3 to 6 months	376	469	376	470
Over 6 months	<u>1,372</u>	<u>3,223</u>	<u>1,366</u>	<u>3,207</u>
	<u>1,748</u>	<u>3,692</u>	<u>1,742</u>	<u>3,677</u>

As at 31 December 2012, trade receivables of \$12,131k (2011: \$14,052k) 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	8,812	10,174	8,808	10,148
3 to 6 months	2,753	1,998	2,733	1,910
Over 6 months	<u>566</u>	<u>1,880</u>	<u>539</u>	<u>1,880</u>
	<u>12,131</u>	<u>14,052</u>	<u>12,080</u>	<u>13,938</u>

Movements in the provision for impaired receivables are as follows:

At 1 January	3,692	3,277	3,677	3,221
Provision for impaired receivables recognised during the year	(1,046)	766	(1,036)	751
Receivables written off during the year as uncollectible	<u>(898)</u>	<u>(351)</u>	<u>(899)</u>	<u>(295)</u>
At 31 December	<u>1,748</u>	<u>3,692</u>	<u>1,742</u>	<u>3,677</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]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Workers' compensation - security deposit*	<u>0</u>	<u>10,733</u>	<u>0</u>	<u>10,733</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. In 2012 the security deposit has been replaced by a bank guarantee.

20 Inventories

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Harvested crops and other inventory	<u>154</u>	<u>365</u>	<u>131</u>	<u>344</u>
Total inventories	<u>154</u>	<u>365</u>	<u>131</u>	<u>344</u>

21 Available-for-sale financial assets

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Investment securities at fair value:				
Fixed interest bonds	0	10,313	0	10,313
Other	0	102	0	102
Total unlisted securities in other corporations	0	10,415	0	10,415
Total current available-for-sale financial assets	0	10,415	0	10,415
Non-current				
Investment securities at fair value:				
Listed securities	0	220,793	0	220,793
External fund managers*	0	353,908	0	353,908
Unlisted securities	0	2,760	0	2,760
Fixed interest bonds	0	105,959	0	105,959
Floating rate notes	0	24,250	0	24,250
Secured company loan	0	6,812	0	6,812
Convertible notes	0	3,904	0	3,904
Total non-current available-for-sale financial assets	0	718,386	0	718,386
Total available-for-sale financial assets	0	728,801	0	728,801
	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Summarised by maturity date				
Within 3 months	0	102	0	102
Within 4 to 12 months	0	10,313	0	10,313
Within 1 to 5 years	0	89,352	0	89,352
More than 5 years	0	51,570	0	51,570
No maturing date (shares, convertible notes, property trusts, etc.)	0	577,464	0	577,464
At end of year	0	728,801	0	728,801

Refer to Note 1(i)

* Includes listed/unlisted unit trusts, listed property trusts and listed managed investment schemes.

22 Other financial assets

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets at fair value through profit or loss				
Current				
Fixed interest bonds	10,379	0	10,379	0
Term deposits	20,408	0	20,408	0
Total	<u>30,787</u>	<u>0</u>	<u>30,787</u>	<u>0</u>
Total current financial assets at fair value through profit or loss	<u>30,787</u>	<u>0</u>	<u>30,787</u>	<u>0</u>
Non-current				
Shares in associates and other companies at fair value through profit or loss				
Shares in associates and other companies	5,960	2,165	5,960	2,165
Total shares in associates and other companies at fair value through profit or loss	<u>5,960</u>	<u>2,165</u>	<u>5,960</u>	<u>2,165</u>
Financial assets at fair value through profit or loss				
Listed securities	222,529	0	222,529	0
External fund managers	434,545	0	434,545	0
Fixed interest bonds	57,323	0	57,323	0
Floating rate notes	10,178	0	10,178	0
Convertible notes	3,625	0	3,625	0
Total other financial assets at fair value through profit or loss	<u>728,200</u>	<u>0</u>	<u>728,200</u>	<u>0</u>
Financial assets at amortised cost				
Secured company loan	6,438	0	6,438	0
Total other financial assets at amortised cost	<u>6,438</u>	<u>0</u>	<u>6,438</u>	<u>0</u>
Total non-current other financial assets	<u>740,598</u>	<u>2,165</u>	<u>740,598</u>	<u>2,165</u>
Total other financial assets	<u>771,385</u>	<u>2,165</u>	<u>771,385</u>	<u>2,165</u>

Refer to Note 1(i).

23 Investment properties

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
At fair value				
Opening balance at 1 January	0	13,832	0	13,832
Sale of asset	0	(13,832)	0	(13,832)
Closing balance at 31 December	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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
As at 1 January 2011													
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>
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
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
At 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)	(124,745)	(4,320)	(10,798)	(8,370)	(482,401)
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 2012
(continued)

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 2012													
Opening net book amount	171,377	981,082	208,540	65,270	117,167	193	18,591	71,105	99,553	2,882	1,229	52,080	1,789,069
Revaluation increment/ (decrement)	0	0	2,339	0	0	5	310	3,913	0	0	0	0	6,567
Additions/donations received	491	46	0	150	46	0	0	66	14,565	711	318	5,706	22,099
Add/(less) completed capital works	0	100,544 (15,169)	153 0	0 (472)	73 (32)	0 0	0 0	0 (617)	8 (5,286)	0 (979)	0 (1,880)	3,981 (23)	104,759 (24,458)
Disposals/ retirements	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment due to recategorisation	0	(17,143)	0	(80)	0	0	(83)	0	0	0	0	0	(17,223)
Depreciation charge	0	(27,553)	(2,665)	(8,759)	(3,376)	(5)	0	(1,022)	(11,250)	(807)	(496)	(4,309)	(60,325)
Write back accumulated depreciation due to retirement	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers/recategorisation	(9,800)	4,498 (19,832)	(76)	126	10	0	0	(8)	3,828	739	1,810	5	10,932
Closing net book amount	162,068	1,006,473	221,101	73,393	113,888	193	18,818	73,523	103,865	2,546	852	57,018	1,833,738
At 31 December 2012													
Cost	161,686	1,291,022	0	102,267	160,547	0	0	0	233,613	6,934	10,336	69,692	2,036,097
Valuation	382	0	221,555	0	0	194	18,832	73,691	2,318	0	0	0	316,972
Accumulated depreciation	0	(284,549)	(454)	(28,874)	(46,659)	(1)	(14)	(168)	(132,066)	(4,388)	(9,484)	(12,674)	(519,331)
Net book amount	162,068	1,006,473	221,101	73,393	113,888	193	18,818	73,523	103,865	2,546	852	57,018	1,833,738

24 Property, plant and equipment

Parent entity (University)	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
At 1 January 2011													
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>
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	0	420	0	0	0	0	0	0	7,914	1,011	1,912	0	11,257
Write back accumulated depreciation due to reclassification	0	175	(161)	0	(7)	0	0	(13)	(9)	0	9	0	(6)
Transfers/reclassification	(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>
As 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>

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2012
(continued)

24 Property, plant and equipment

Parent entity (University)	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 2012													
Opening net book amount	171,377	981,082	208,540	65,270	117,167	193	18,591	71,105	98,975	2,882	1,228	52,080	1,788,490
Revaluation increment/ (decrement)	0	0	2,339	0	0	5	310	3,913	0	0	0	0	6,567
Additions/donations received	491	46	0	150	46	0	0	66	14,565	711	318	5,706	22,099
Add/(less) completed capital works	0	100,544	153	0	73	0	0	0	8	0	0	3,981	104,759
Disposals/retirements	0	(15,169)	0	(472)	(32)	0	0	(617)	(5,286)	(979)	(1,880)	(23)	(24,458)
Impairment due to recategorisation	0	(17,143)	0	(80)	0	0	0	0	0	0	0	0	(17,223)
Depreciation charge	0	(27,553)	(2,665)	(8,759)	(3,376)	(5)	(83)	(1,022)	(10,985)	(807)	(496)	(4,309)	(60,060)
Write back accumulated depreciation due to retirement and recategorisation	0	4,498	(76)	126	10	0	0	(8)	3,818	739	1,811	5	10,923
Transfers/recategorisation	(9,800)	(19,832)	12,810	17,158	0	0	0	86	2,447	0	(129)	(422)	2,318
Closing net book amount	<u>162,068</u>	<u>1,006,473</u>	<u>221,101</u>	<u>73,393</u>	<u>113,888</u>	<u>193</u>	<u>18,818</u>	<u>73,523</u>	<u>103,542</u>	<u>2,546</u>	<u>852</u>	<u>57,018</u>	<u>1,833,415</u>
At 31 December 2012													
Cost	161,686	1,291,022	0	102,267	160,547	0	0	0	232,226	6,934	10,325	69,692	2,034,699
Valuation	382	0	221,555	0	0	194	18,832	73,691	2,318	0	0	0	316,972
Accumulated depreciation	0	(284,549)	(454)	(28,874)	(46,659)	(1)	(14)	(162)	(131,002)	(4,388)	(9,473)	(12,674)	(518,256)
Net book amount	<u>162,068</u>	<u>1,006,473</u>	<u>221,101</u>	<u>73,393</u>	<u>113,888</u>	<u>193</u>	<u>18,818</u>	<u>73,523</u>	<u>103,542</u>	<u>2,546</u>	<u>852</u>	<u>57,018</u>	<u>1,833,415</u>

25 Heritage assets

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Works of art - University collection	56,076	51,526	56,076	51,526
Rare books	90,913	79,713	90,913	79,713
Museum collection	102,168	106,146	102,168	106,146
Total heritage assets	249,157	237,385	249,157	237,385

	Works of art - University collection \$'000	Rare books \$'000	Museum collection \$'000	Total \$'000
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

Economic entity (Consolidated) - 2012				
Balance 1 January	51,526	79,713	106,146	237,385
Acquisitions	908	407	283	1,598
Revaluation increment/(decrement)	1,014	1,666	1,004	3,684
Disposals/retirement	(224)	0	(95)	(319)
Transfers/recategorisations	2,852	9,127	(5,170)	6,809
Balance 31 December	56,076	90,913	102,168	249,157

Parent entity (University) - 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) - 2012				
Balance 1 January	51,526	79,713	106,146	237,385
Acquisitions	908	407	283	1,598
Revaluation increment/(decrement)	1,014	1,666	1,004	3,684
Disposals/retirement	(224)	0	(95)	(319)
Transfers/recategorisations	2,852	9,127	(5,170)	6,809
Balance 31 December	56,076	90,913	102,168	249,157

26 Library collections

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Library collections	534,578	543,240	534,578	543,240
Undergraduate collection	0	0	0	0
Research collection	0	0	0	0
Accumulated depreciation - library collections	(132,418)	(90,474)	(132,418)	(90,474)
Accumulated impairment - library collections	(25,729)	(25,729)	(25,729)	(25,729)
Total library collections	376,431	427,037	376,431	427,037

	Library collections \$'000	Undergraduate collection \$'000	Research collection \$'000	Accumulated depreciation- library collections \$'000	Accumulated impairment - library collections \$'000	Total \$'000
Economic entity (Consolidated) - 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)
Depreciation	0	0	0	(47,609)	0	(47,609)
Write back accumulated depreciation due to retirement	0	0	0	477	0	477
Transfers/recategorisations	540,715	(45,398)	(495,952)	0	0	(635)
Balance 31 December	543,240	0	0	(90,474)	(25,729)	427,037

Economic entity (Consolidated) - 2012						
Balance 1 January	543,240	0	0	(90,474)	(25,729)	427,037
Acquisition/donations received	3,202	0	0	0	0	3,202
Disposals/retirement	(2,737)	0	0	0	0	(2,737)
Depreciation	0	0	0	(42,838)	0	(42,838)
Write back accumulated depreciation due to retirement	0	0	0	894	0	894
Transfers/recategorisations	(9,127)	0	0	0	0	(9,127)
Balance 31 December	534,578	0	0	(132,418)	(25,729)	376,431

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)
Depreciation	0	0	0	(47,609)	0	(47,609)
Write back accumulated depreciation due to retirement	0	0	0	477	0	477
Transfers/recategorisations	540,715	(45,398)	(495,952)	0	0	(635)
Balance 31 December	543,240	0	0	(90,474)	(25,729)	427,037

26 Library collections

	Library collections \$'000	Undergraduate collection \$'000	Research collection \$'000	Accumulated depreciation - library collections \$'000	Accumulated impairment - library collections \$'000	Total \$'000
Parent entity (University) - 2012						
Balance 1 January	543,240	0	0	(90,474)	(25,729)	427,037
Acquisitions/donations received	3,202	0	0	0	0	3,202
Disposals/retirement	(2,737)	0	0	0	0	(2,737)
Depreciation	0	0	0	(42,838)	0	(42,838)
Write back accumulated depreciation due to retirement	0	0	0	894	0	894
Transfers/recategorisations	(9,127)	0	0	0	0	(9,127)
Balance 31 December	<u>534,578</u>	<u>0</u>	<u>0</u>	<u>(132,418)</u>	<u>(25,729)</u>	<u>376,431</u>

27 Works in progress

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Capital works in progress	189,995	106,089	189,995	106,089
Major IT works in progress	<u>60,439</u>	<u>51,808</u>	<u>60,439</u>	<u>51,808</u>
Total works in progress	<u>250,434</u>	<u>157,897</u>	<u>250,434</u>	<u>157,897</u>

	Capital works in progress \$'000	Major IT works in progress \$'000	Total \$'000
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 - buildings and infrastructure	(45,932)	(11,442)	(57,374)
Non-capitalisable project costs	<u>(1,530)</u>	<u>0</u>	<u>(1,530)</u>
Balance 31 December	<u>106,089</u>	<u>51,808</u>	<u>157,897</u>

Economic entity (Consolidated) - 2012			
Balance 1 January	106,089	51,808	157,897
Add: Capital works expenditure	192,558	29,439	221,997
Completed capital works	(104,751)	(7,295)	(112,046)
Non-capitalisable project costs	<u>(3,901)</u>	<u>(13,513)</u>	<u>(17,414)</u>
Balance 31 December	<u>189,995</u>	<u>60,439</u>	<u>250,434</u>

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)
Non-capitalisable project costs	<u>(1,530)</u>	<u>0</u>	<u>(1,530)</u>
Balance 31 December	<u>106,089</u>	<u>51,808</u>	<u>157,897</u>

27 Works in progress

	Capital works in progress \$'000	Major IT works in progress \$'000	Total \$'000
Parent entity (University) - 2012			
Balance 1 January	106,089	51,808	157,897
Add: Capital works expenditure	192,558	29,439	221,997
Completed capital works	(104,751)	(7,295)	(112,046)
Non-capitalisable project costs	(3,901)	(13,513)	(17,414)
Balance 31 December	<u>189,995</u>	<u>60,439</u>	<u>250,434</u>

28 Intangible assets

	Computer software \$'000	Other intangible assets \$'000	Digitalised library collections \$'000	Total \$'000
Economic entity (Consolidated) - 2011				
At 1 January 2011				
At cost	42,979	2,100	40,901	85,980
Less: Accumulated amortisation	<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>
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
Economic entity (Consolidated) - 2012				
Year ended 31 December 2012				
Opening net book amount	22,590	3,084	46,518	72,192
Add: Completed software projects	7,287	0	0	7,287
Acquisitions/donations received	293	0	4,922	5,215
Disposal/retirements	(134)	0	0	(134)
Less: Amortisation charge	(5,887)	(168)	0	(6,055)
Accumulated amortisation write back due to retirement	0	0	0	0
Transfers/recategorisation	125	0	0	125
Closing net book amount	<u>24,274</u>	<u>2,916</u>	<u>51,440</u>	<u>78,630</u>
Accumulated impairment				
Closing net book amount	60,948	3,255	51,440	115,643
Accumulated amortisation and impairment	<u>(36,674)</u>	<u>(339)</u>	<u>0</u>	<u>(37,013)</u>
Net book amount	<u>24,274</u>	<u>2,916</u>	<u>51,440</u>	<u>78,630</u>
Parent entity (University) - 2011				
As at 1 January 2011				
Cost	42,858	2,100	40,901	85,859
Less: Accumulated amortisation	<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>
Year ended 31 December 2011				
Opening net book amount	15,136	2,039	40,901	58,076
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	(3,552)	(110)	0	(3,662)
Accumulated amortisation write back due to retirement	483	0	0	483
Transfers/recategorisation	(944)	0	0	(944)
Closing net book amount	<u>22,590</u>	<u>3,084</u>	<u>46,518</u>	<u>72,192</u>
Accumulated impairment				
Cost	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>

28 Intangible assets

	Computer software \$'000	Other intangible assets \$'000	Digitalised library collections \$'000	Total \$'000
Parent entity (University) - 2012				
Year ended 31 December 2012				
Opening net book amount	22,590	3,084	46,518	72,192
Add: Completed software projects	7,287	0	0	7,287
Acquisitions/donations received	293	0	4,922	5,215
Disposal/retirements	(134)	0	0	(134)
Less: Amortisation charge	(5,887)	(168)	0	(6,055)
Accumulated amortisation write back due to retirement	125	0	0	125
Closing net book amount	<u>24,274</u>	<u>2,916</u>	<u>51,440</u>	<u>78,630</u>
Accumulated impairment				
Closing net book amount	60,827	3,255	51,440	115,522
Accumulated amortisation and impairment	(36,553)	(339)	0	(36,892)
Net book amount	<u>24,274</u>	<u>2,916</u>	<u>51,440</u>	<u>78,630</u>

29 Deferred tax assets

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deferred tax asset	<u>0</u>	<u>11</u>	<u>0</u>	<u>0</u>
Total deferred tax assets	<u>0</u>	<u>11</u>	<u>0</u>	<u>0</u>

The balance comprises temporary differences attributable to:

Amounts recognised in operating result

Tax losses	0	13	0	0
Deferred tax asset relating to the origination and reversal of temporary differences	<u>0</u>	<u>(2)</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>11</u>	<u>0</u>	<u>0</u>

Movements - [Consolidated]

At 1 January 2011

Reduction in tax losses			16
Adjustment of temporary difference			(3)
At 31 December 2011			<u>(2)</u>
			<u>11</u>

\$'000

At 1 January 2012

Reduction in tax losses			11
Adjustment of temporary difference			(67)
At 31 December 2012			<u>56</u>
			<u>0</u>

Unrecognised deferred tax assets 2012 \$595k (2011: \$583k).

29 Deferred tax assets

This benefit will only be obtained if the economic entity 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]	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Livestock				
Balance 1 January	3,454	3,306	3,454	3,306
Purchases	42	18	42	18
Natural increase/revaluation	347	1,024	347	1,024
Sales	(855)	(876)	(855)	(876)
Natural decrease	(19)	(18)	(19)	(18)
Balance 31 December	<u>2,969</u>	<u>3,454</u>	<u>2,969</u>	<u>3,454</u>

31 Trade and other payables

	Economic entity [Consolidated]		Parent entity [University]	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors	60,514	54,404	60,739	54,338
Prepaid income	50,001	41,659	49,815	41,340
Accrued expenses	59,280	47,256	58,788	46,836
OS-HELP liability to Australian Government	253	475	253	475
Amounts due to associates	2,876	17,079	2,876	17,079
Amounts owed to controlled entities	0	0	685	1,486
Accrued interest and financing costs	1,325	0	1,325	0
Total trade and other payables current	<u>174,249</u>	<u>160,873</u>	<u>174,481</u>	<u>161,554</u>
Non-current				
Deferred tax liability	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total non-current trade and other payables	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total trade and other payables	<u>174,261</u>	<u>160,873</u>	<u>174,481</u>	<u>161,554</u>

31 Trade and other payables

Foreign currency risk

The carrying amounts of the economic and parent entity's trade and other payables are denominated in the following currencies:

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Australian dollars	171,986	157,107	172,193	157,788
US dollars	1,880	2,339	1,880	2,339
Canadian dollars	10	70	10	70
Swiss francs	0	4	8	4
Chinese renminbi	0	0	5	0
Euros	194	365	194	365
UK pounds	157	962	157	962
New Zealand dollars	2	2	2	2
Japanese yen	22	7	22	7
Indonesian rupiah	0	9	0	9
Indian rupee	10	4	10	4
South African rand	0	4	0	4
	<u>174,261</u>	<u>160,873</u>	<u>174,481</u>	<u>161,554</u>

32 Borrowings

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-current				
Unsecured				
Borrowings	<u>110,000</u>	<u>0</u>	<u>110,000</u>	<u>0</u>
Total non-current borrowings	<u>110,000</u>	<u>0</u>	<u>110,000</u>	<u>0</u>
Total borrowings	<u>110,000</u>	<u>0</u>	<u>110,000</u>	<u>0</u>

33 Derivative financial instruments

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-current liabilities				
Derivative financial instruments	<u>4,652</u>	<u>0</u>	<u>4,652</u>	<u>0</u>
Total non-current derivative financial instruments liabilities	<u>4,652</u>	<u>0</u>	<u>4,652</u>	<u>0</u>

(a) Instruments used by the University

The University is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates in accordance with the University's financial risk management policies (Refer to Note 47).

Interest rate swap contracts – cash flow hedges

Bank loans of the University currently bear interest at variable rates. It is policy to protect the loans from exposure to increasing variable interest rates. Accordingly, the University has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

33 Derivative financial instruments

At the balance date approximately 90% (2011: Nil) of the variable loan principal outstanding was hedged by variable interest rate swaps at a fixed average interest rate of 4.08%.

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from remeasuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the hedging reserve, to the extent that the hedge is effective. It is reclassified into profit or loss when the hedged interest expense is recognised. In the year ended 31 December 2012 there was no profit or loss impact (2011: Nil). There was no hedge ineffectiveness in the current year.

(b) Risk exposures and fair value measurements

Information about the University's exposure to credit risk, foreign exchange and interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 47. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial assets mentioned above.

34 Provisions

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	50,473	43,089	50,398	43,037
Long service leave	18,183	17,554	18,183	17,554
Professorial Superannuation Scheme	3,669	3,528	3,669	3,528
Provision for severance payment	6,268	0	6,268	0
Make good provision	565	90	565	90
Subtotal	<u>79,158</u>	<u>64,261</u>	<u>79,083</u>	<u>64,209</u>
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	12,599	10,759	12,599	10,759
Long service leave	73,006	69,565	73,006	69,565
Subtotal	<u>85,605</u>	<u>80,324</u>	<u>85,605</u>	<u>80,324</u>
Total current provisions	<u>164,763</u>	<u>144,585</u>	<u>164,688</u>	<u>144,533</u>
Non-current provisions				
Employee benefits				
Long service leave	29,772	27,615	29,728	27,576
Deferred contribution to superannuation schemes	1,187,971	1,087,300	1,187,971	1,087,300
Provision for make good	6,209	977	6,209	977
Total non-current provisions	<u>1,223,952</u>	<u>1,115,892</u>	<u>1,223,908</u>	<u>1,115,853</u>
Total provisions	<u>1,388,715</u>	<u>1,260,477</u>	<u>1,388,596</u>	<u>1,260,386</u>

34 Provisions

(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) - 2011		
Carrying amount at start last year	0	0
Additional provisions recognised	1,067	1,067
Carrying amount at end of year	<u>1,067</u>	<u>1,067</u>
Economic entity (Consolidated) - 2012		
Non-current		
Carrying amount at start of year	1,067	1,067
Additional provision recognised	5,707	5,707
Carrying amount at end of year	<u>6,774</u>	<u>6,774</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>
Parent entity (University) - 2012		
Non-current		
Carrying amount at start of year	1,067	1,067
Additional provisions recognised	5,707	5,707
Balance 31 December	<u>6,774</u>	<u>6,774</u>

35 Restricted funds

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Capital preserved trusts				
Accumulated funds at the beginning of the reporting period	298,969	287,271	298,969	287,271
Total income	56,821	18,782	56,821	18,782
Total expenses	(13,310)	(7,084)	(13,310)	(7,084)
Accumulated funds at 31 December	342,480	298,969	342,480	298,969
Bequests				
Accumulated funds at the beginning of the reporting period	434,346	383,791	434,346	383,791
Total income	49,489	59,690	49,489	59,690
Total expenses	(20,288)	(9,135)	(20,288)	(9,135)
Accumulated funds at 31 December	463,547	434,346	463,547	434,346
Scholarships				
Accumulated funds at the beginning of the reporting period	16,329	16,740	16,329	16,740
Total income	8,419	7,465	8,419	7,465
Total expenses	(7,220)	(7,876)	(7,220)	(7,876)
Accumulated funds at 31 December	17,528	16,329	17,528	16,329
Prizes				
Accumulated funds at the beginning of the reporting period	1,794	1,661	1,794	1,661
Total income	341	359	341	359
Total expenses	(255)	(226)	(255)	(226)
Accumulated funds at 31 December	1,880	1,794	1,880	1,794
Total accumulated funds at 1 January	751,438	689,463	751,438	689,463
Total income	115,070	86,296	115,070	86,296
Total expenses	(41,073)	(24,321)	(41,073)	(24,321)
Net operating result	73,997	61,975	73,997	61,975
Total accumulated funds at 31 December*	825,435	751,438	825,435	751,438

* The majority of these funds are quarantined within the University's long-term investment portfolios.

36 Reserves and retained earnings

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Reserves				
Property, plant and equipment revaluation reserve	283,608	275,615	283,608	275,615
Available-for-sale investments revaluation reserve	0	(26,885)	0	(26,885)
Hedging reserve - cash flow hedges	(4,652)	0	(4,652)	0
Associates' reserves	1,898	1,898	0	0
Balance 31 December	<u>280,854</u>	<u>250,628</u>	<u>278,956</u>	<u>248,730</u>
Movements:				
Property, plant and equipment revaluation reserve				
Balance 1 January	275,615	267,067	275,615	267,067
Less: Reserves transferred to retained earnings	(2,257)	0	(2,257)	0
Revaluation increments/(decrements)	10,250	8,548	10,250	8,548
Balance 31 December	<u>283,608</u>	<u>275,615</u>	<u>283,608</u>	<u>275,615</u>
Available-for-sale investments revaluation reserve				
Balance 1 January	(26,885)	10,141	(26,885)	10,141
Balances transferred on adoption of new accounting policy	26,885	0	26,885	0
Realised (gains)/losses transferred from reserves	0	(24,641)	0	(24,641)
Revaluation increments/(decrements) and adjustments	0	(32,193)	0	(32,193)
Impairment available-for-sale assets	0	19,808	0	19,808
Balance 31 December	<u>0</u>	<u>(26,885)</u>	<u>0</u>	<u>(26,885)</u>
Hedging reserve - cash flow hedges				
Balance 1 January	0	0	0	0
Valuation movement on hedge reserve	(4,652)	0	(4,652)	0
Balance 31 December	<u>(4,652)</u>	<u>0</u>	<u>(4,652)</u>	<u>0</u>
Associates reserves				
Balance 1 January	1,898	609	0	0
Less: Transfers from reserves	0	1,289	0	0
Balance 31 December	<u>1,898</u>	<u>1,898</u>	<u>0</u>	<u>0</u>

(b) Retained earnings

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Retained earnings at 1 January	2,363,957	2,348,702	2,361,048	2,341,705
Plus: Net operating result for the year	137,008	88,516	136,144	92,604
Transfers (to)/from plant and equipment reserve	2,257	0	2,257	0
Less: Amount set aside for restricted funds	(73,997)	(61,975)	(73,997)	(61,975)
Actuarial (gains)/losses on defined benefit plan	(420)	(11,286)	(420)	(11,286)
Transfers (to)/from available-for-sale asset reserve	(26,885)	0	(26,885)	0
Change in valuation of unlisted investments	486	0	486	0
Total retained earnings	<u>2,402,406</u>	<u>2,363,957</u>	<u>2,398,633</u>	<u>2,361,048</u>

37 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]	
	2012	2011	2012	2011
Remuneration of principal officers*				
\$290,000 to \$299,999	0	1	0	1
\$430,000 to \$439,900	1	0	1	0
\$500,000 to \$509,999	2	3	2	3
\$510,000 to \$519,999	1	0	1	0
\$550,000 to \$559,999	0	1	0	1
\$570,000 to \$579,999	1	0	1	0
\$600,000 to \$609,999	0	1	0	1
\$620,000 to \$629,999	1	0	1	0
\$900,000 to \$909,999	0	1	0	1
\$920,000 to \$929,999	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

(b) Key management personnel disclosures

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Aggregate remuneration of executives	<u>4,092</u>	<u>3,861</u>	<u>4,092</u>	<u>3,861</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.

38 Remuneration of auditors

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'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>	506	490	481	464
Audit fees for subsidiaries paid by parent entity	7	12	7	12
Audit services by private sector contractors	75	195	75	194
Total remuneration for audit services	588	697	563	670
(b) Non-audit services				
Audit-related services				
Fees paid to the Audit Office of NSW				
Audit of regulatory returns	31	22	31	22
Controls assurance services	0	3	0	3
Total remuneration for audit-related services	31	25	31	25
Total remuneration for audit and audit-related services	619	722	594	695

39 Commitments

(a) Capital expenditure commitments

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<i>Property, plant and equipment</i>				
Within one year	206,573	149,965	206,573	149,965
Later than one year but not later than five years	17,316	122,748	17,316	122,748
	223,889	272,713	223,889	272,713
<i>Intangible assets</i>				
Within one year	6,789	49	6,789	49
	6,789	49	6,789	49

(b) Operating lease commitments

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	20,328	18,704	20,309	18,698
Later than one year but not later than five years	40,805	33,817	40,789	33,812
Later than five years*	13,184	10,880	13,184	10,880
	74,317	63,401	74,282	63,390

*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).

39 Commitments

(c) Other non-payroll expenditure commitments

	Economic Entity [Consolidated]		Parent Entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	35,725	29,590	35,725	31,376
Later than one year and not later than five years	12,922	6,975	12,922	6,975
Later than five years	0	1,313	0	1,313
	<u>48,647</u>	<u>37,878</u>	<u>48,647</u>	<u>39,664</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]	
	2012 Cash \$'000	2012 In-kind \$'000	2011 Cash \$'000	2011 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	50	146	100	300
Future years involvement	0	0	50	146
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	51	337	101	673
Future years involvement	0	0	50	337
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	241	100	471
Future years involvement	300	724	400	965
CRC for Asthma and Airways				
The principal activity is to reduce the burden of asthma on the Australian community.				
Current year involvement	100	139	200	278
Future years involvement	0	0	100	139
CRC for International 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	0	0	20	332
Future years involvement	0	0	0	0

39 Commitments

	Parent entity [University]		Parent entity [University]	
	2012 Cash \$'000	2012 In-kind \$'000	2011 Cash \$'000	2011 In-kind \$'000
CRC for Polymers				
The principal activity is to undertake research into polymer synthesis.				
Current year involvement	0	0	60	0
Future years involvement	0	0	0	0
Smart Services CRC (previously CRC for Internet Technology)				
The principal activity is to capitalise on the outcomes of world class internet research and development for Australia.				
Current year involvement	150	658	150	658
Future years involvement	225	987	375	1,645
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	300	600	500	1,000
Pork CRC Ltd				
The principal activity 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	75	191	0	0
Future years involvement	525	997	600	1,187
Total CRC Commitments				
Current year involvement	726	2,112	931	3,112
Future years involvement	1,350	3,308	2,075	5,419

40 Contingencies

An estimate of the maximum exposure on proceedings against the University amounts to \$7,113k for 2012 (2011: \$7,232k).

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 \$15,000k of which \$13,434k has been used during 2012. The bank guarantees given primarily relate to provision of security for the workers' compensation insurance program.

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 assets of the controlled entities total \$458k (2011: net liabilities \$319k).

41 Amounts owing by Commonwealth and New South Wales Governments

The University contributes to five superannuation schemes. Three of these schemes, namely State Authorities 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*.

Since 1987, the University has recognised amounts owing from the Commonwealth and New South Wales Governments for unfunded deferred liabilities 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 New South Wales Government, to meet the unfunded liability for the University's State Superannuation Schemes on an emerging cost basis. 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 New South Wales 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 New South Wales 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 2012 was \$1,154m (2011: \$1,047m) and this is reflected in Note 18 as non-current trade and other receivables.

42 Defined benefit plans

(a) Fund-specific disclosure

State Authorities Superannuation 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 2012.

Liability

A net unfunded liability for retirement benefits of \$1,192m (2011: \$1,091m) is included in the statement of financial position as \$1,088m within non-current liability and \$4m within current liabilities. \$1,154m of this is payable by the Commonwealth and New South Wales Governments (Refer to Note 41).

42 Defined benefit plans

The valuation methodology and principal actuarial assumptions as at 31 December 2012 are as follows:

(i) Valuation method

The projected unit credit 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):

	2012 (%)	2011 (%)
Discount rate(s)*	3.30	3.70
Expected return on plan assets**	8.60	8.60
Expected rate(s) of salary increase***	2.50	2.50

* The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2012 used 3.4% (2011: 3.9%) discount rate assumption.

** The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2012 used 5.8% (2011: 5.8%) expected return on assets assumption.

*** The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2012 used 4.0% (2011: 4.0%) salary increase assumption. In respect of the SASS, SANCS and SSS Funds, the salary increase assumption for 2012 used 2.5% (2011: 2.5%).

The analysis of the plan assets and the expected rate of return at the statement of financial position date is as follows:

	2012 (%)	2011 (%)
Australian equities	30.70	32.10
Overseas equities	24.50	28.90
Australian fixed interest securities	7.00	6.80
Overseas fixed interest securities	2.50	2.80
Property	7.90	8.80
Cash	13.70	6.40
Other	13.70	14.20

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:

	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
Fair value of plan assets	406,382	429,986	493,964	533,868	534,740
Present value of defined benefit obligations	(1,598,585)	(1,520,111)	(1,251,376)	(1,203,888)	(1,331,288)
Surplus/(deficit)	(1,192,203)	(1,090,125)	(757,412)	(670,020)	(796,548)
Experience adjustments on plan liabilities	102,914	272,964	47,064	(110,764)	296,696
Experience adjustments on plan assets	18,678	35,650	17,769	(8,498)	(162,143)

42 Defined benefit plans

(b) Financial impact for funds guaranteed by the Commonwealth Government

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations - 2012					
Opening defined benefit obligation	121,736	25,967	1,327,398	45,010	1,520,111
Current service cost	4,278	1,060	1,024	599	6,961
Interest cost	4,245	883	47,782	1,376	54,286
Contributions from plan participants	1,944	0	2,661	0	4,605
Actuarial losses/(gains)	13,123	1,797	86,664	1,330	102,914
Benefits paid	(14,825)	(5,116)	(65,281)	(4,472)	(89,694)
Expenses paid	0	0	0	(599)	(599)
Closing defined benefit obligation	<u>130,501</u>	<u>24,591</u>	<u>1,400,248</u>	<u>43,244</u>	<u>1,598,584</u>
Present value of plan assets - 2012					
Opening fair value of plan assets	122,438	(317)	274,522	33,343	429,986
Expected return on plan assets	9,927	109	20,514	1,889	32,439
Actuarial gains/(losses)	6,041	(45)	9,930	2,752	18,678
Contributions from the employer	4,414	4,261	(1,235)	3,528	10,968
Contributions from plan participants	1,944	0	2,661	0	4,605
Benefits paid	(14,825)	(5,117)	(65,281)	(4,472)	(89,695)
Expenses paid	0	0	0	(599)	(599)
Closing fair value of plans assets	<u>129,939</u>	<u>(1,109)</u>	<u>241,111</u>	<u>36,441</u>	<u>406,382</u>
Reimbursement rights - 2012					
Opening value of reimbursement right	(702)	0	1,047,212	0	1,046,510
Actuarial gains/(losses)	7,082	0	76,734	0	83,816
Employer contributions	(4,414)	0	1,235	0	(3,179)
Expected return on reimbursement right	(1,404)	0	28,291	0	26,887
Closing value of reimbursement right	<u>562</u>	<u>0</u>	<u>1,153,472</u>	<u>0</u>	<u>1,154,034</u>
Net liability - 2012					
Defined benefit obligation	130,501	24,591	1,400,248	43,244	1,598,584
Fair value of plan assets	<u>(129,939)</u>	<u>1,109</u>	<u>(241,111)</u>	<u>(36,441)</u>	<u>(406,382)</u>
Net liability	562	25,700	1,159,137	6,803	1,192,202
Reimbursement right	562	0	1,153,473	0	1,154,035
Total liability/(asset)	<u>0</u>	<u>25,700</u>	<u>5,664</u>	<u>6,803</u>	<u>38,167</u>
Expense recognised 2012					
Current service cost	4,279	1,060	1,023	599	6,961
Interest on obligation	4,245	883	47,782	1,376	54,286
Expected return on plan assets	(9,927)	(109)	(20,514)	(1,889)	(32,439)
Expected return on reimbursement rights	1,403	0	(28,291)	0	(26,888)
Expense/(income)	<u>0</u>	<u>1,834</u>	<u>0</u>	<u>86</u>	<u>1,920</u>
Actual returns - 2012					
Actual return on plan assets	14,483	64	30,216	4,641	49,404
Actual return on reimbursement right	<u>1,403</u>	<u>0</u>	<u>(28,291)</u>	<u>0</u>	<u>(26,888)</u>
	<u>15,886</u>	<u>64</u>	<u>1,925</u>	<u>4,641</u>	<u>22,516</u>
Other comprehensive income - 2012					
Actuarial (losses)/gains on defined benefit obligations	(13,123)	(1,797)	(86,664)	(1,330)	(102,914)
Actuarial (losses)/gains on reimbursement rights	6,041	(45)	9,930	2,752	18,678
Actuarial gains on plan assets	<u>7,082</u>	<u>0</u>	<u>76,734</u>	<u>0</u>	<u>83,816</u>
Net actuarial gain/(loss) recognised in other comprehensive income	<u>0</u>	<u>(1,842)</u>	<u>0</u>	<u>1,422</u>	<u>(420)</u>
Cumulative total net actuarial (losses)/gains	<u>0</u>	<u>(10,439)</u>	<u>0</u>	<u>(17,582)</u>	<u>(28,021)</u>

42 Defined benefit plans

	\$'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)
Past service costs	0	0	0	(648)	(648)
Closing defined benefit obligation	<u>121,735</u>	<u>25,967</u>	<u>1,327,399</u>	<u>45,010</u>	<u>1,520,111</u>
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)
Exchange differences on foreign plans	0	0	0	0	0
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 plan assets	<u>122,437</u>	<u>(318)</u>	<u>274,522</u>	<u>33,343</u>	<u>429,984</u>
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	<u>(122,438)</u>	<u>318</u>	<u>(274,522)</u>	<u>(33,343)</u>	<u>(429,985)</u>
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	<u>123</u>	<u>0</u>	<u>(33,326)</u>	<u>0</u>	<u>(33,203)</u>
	<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 plan assets	(10,703)	(158)	(22,062)	(2,728)	(35,651)
Actual (loss) on reimbursement rights	<u>15,924</u>	<u>0</u>	<u>281,405</u>	<u>0</u>	<u>297,329</u>
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>

The gross liability for the University of Sydney Professorial Scheme is fully funded by the University.

42 Defined benefit plans

(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 the 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 2012, the total assets of UniSuper were estimated to be \$2,011m in deficiency of vested benefits. As at 30 June 2011 the total assets of UniSuper were estimated to be \$906m 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).

As at 30 June 2012, the total assets of UniSuper were estimated to be \$907m in deficiency of accrued benefits. As at 30 June 2011 the assets of the fund were estimated to be \$427m 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.

43 Subsidiaries

The consolidated financial statements incorporating assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name of entity	Country of incorporation	Equity holding	
		2012 %	2011 %
Wentworth Annexe Limited - On 13 November 2012 the constitution of the company was changed to exclude the University as a member.	Australia	N/A	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 Innovation, Industry, Science, Research and Tertiary Education (DIISRTE). At the date of this report the company is in the process of being liquidated.	Australia	0	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

43 Subsidiaries

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
	2012	2011
	\$'000	\$'000

Wentworth Annexe Limited*

Gross income	0	0
Surplus/(deficit)	0	0
Net assets	0	0

Sports Knowledge Australia Pty Limited

Gross income	0	36
Surplus/(deficit)	(1)	30
Net assets	0	1

SydneyLearning Pty Limited

Gross income	584	362
Surplus/(deficit)	37	4
Net assets	4	(33)

Sydney Talent Pty Limited

Gross income	2,782	2,888
Surplus/(deficit)	211	(215)
Net assets	295	84

The Warren Centre for Advanced Engineering Limited

Gross income	1,426	996
Surplus/(deficit)	683	88
Net assets	(100)	(783)

Bandwidth Foundry International Pty Limited

Gross income	872	1,476
Surplus/(deficit)	(227)	120
Net assets	259	486

Summary of results for consolidation of subsidiaries in 2012**

Gross Income	1,477	2,931
Surplus/(deficit)	(2,914)	(2,408)
Net assets	1,391	563

The 2012 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.

* In November 2012, the constitution of Wentworth Annexe Limited was changed to exclude the University as a member. The company was inactive whilst the University was a member.

** The summary results are net of transactions eliminated in the consolidation process.

44 Investments in associates

Associates are all entities over which the economic entity 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	
		2012 %	2011 %	2012 \$'000	2011 \$'000
Acumine Pty Limited	Commercialisation of research	25	25	160	182
Australian Technology Park Innovations Pty Limited (ATPI)	Business incubation	25	25	4,743	4,555
Nuflora International Pty Limited	Commercialisation of research	38	38	21	0
University of Sydney Foundation Program Pty Limited	Education programs	50	50	203	177
United States Studies Centre Limited*	Collaborative research on US and Australia relationship	50	50	0	0
ZingoTx Pty Limited	Commercialisation of research	21	21	24	35
Glycemic Index Foundation*	GI Symbol program	50	50	0	0
University of Sydney Hong Kong Foundation*	Higher education in Hong Kong	50	50	0	0
Westmead Millennium Institute*	Health research	33	33	0	0
				<u>5,151</u>	<u>4,949</u>

For the purposes of the University's final accounts and due to the lack of audited or published accounts at 31 December 2012, the University's equity interest at 31 December 2012 is based on management/unaudited accounts:

- (a) As at 30 June 2012:
 - Acumine Pty Limited
 - Australian Technology Park Innovations Pty Limited
 - Nuflora International Pty Limited
- (b) As at 31 December 2012:
 - 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.

44 Investments in associates

Notes	Economic entity [Consolidated]	
	2012 \$'000	2011 \$'000
(a) Movements in carrying amounts		
Carrying amount of investments at the beginning of the year	4,949	7,796
Share of net operating results	202	45
Other movements	0	(2,892)
Carrying amount at the end of the financial year	<u>5,151</u>	<u>4,949</u>
(b) Share of associate's operating result		
Operating profits/(losses) before income tax	29	45
Income tax benefits (expense)	173	0
Net operating result after income tax	<u>202</u>	<u>45</u>
Add/(less): Adjustment for change in equity interest	0	(4,181)
Retained profits/(losses) attributable to associates at the beginning of the financial year	<u>3,051</u>	<u>7,187</u>
Retained profits/(losses) attributable to associates at the end of the financial year	<u>3,253</u>	<u>3,051</u>
(c) Reserves attributable to associates		
Associates capital reserve		
Balance at the beginning of the financial year	1,898	609
Add/(less): Adjustment for change in equity interest	0	1,289
Balance at the end of the financial year	<u>1,898</u>	<u>1,898</u>

The associate's share of contingent liabilities for 2012 is Nil (2011: Nil).

45 Investments accounted for using the equity method

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Summary of results of associates and joint venture partnerships before income tax:				
Associated entities	<u>29</u>	<u>(4,136)</u>	<u>0</u>	<u>0</u>
	<u>29</u>	<u>(4,136)</u>	<u>0</u>	<u>0</u>
Summary of net assets of associates and joint venture partnerships:				
Associated entities	<u>5,151</u>	<u>4,949</u>	<u>0</u>	<u>0</u>
Total investments accounted for using the equity method	<u>5,151</u>	<u>4,949</u>	<u>0</u>	<u>0</u>

46 Reconciliation of net operating result after income tax to net cash flows from operating activities

Notes	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Net operating result	137,008	88,516	136,144	92,604
Depreciation/amortisation expense	109,219	104,171	108,953	103,830
Retired assets written off	14,495	3,373	14,495	3,373
(Gain)/loss on disposal of property, plant and equipment	(158)	0	(155)	0
(Gain)/loss on disposal of investments	(20,056)	(9,079)	(20,056)	(9,079)
Non-cash investment income	(15,612)	(1,166)	(15,612)	(1,166)
Non-cash investment impairment	0	19,808	0	19,808
Non-cash impairment of property, plant and equipment and receivables	16,201	0	16,211	0
Non-cash other (income)/expenses	(6,988)	(3,840)	(6,929)	(8,011)
(Increase)/decrease in inventories	211	89	213	97
(Increase)/decrease in receivables	(110,958)	(351,486)	(109,595)	(346,320)
(Increase)/decrease in joint venture partnership and associates	(189)	2,000	10	2,000
(Increase)/decrease in other assets	485	(148)	485	(148)
Increase/(decrease) in payables	12,055	14,856	11,602	9,675
Increase/(decrease) in provisions	128,119	338,186	128,210	338,220
Income tax paid	(35)	0	0	0
Net cash provided by/(used in) operating activities	263,797	205,280	263,976	204,883

47 Financial risk management

The University's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. 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 uses a variety of risk mitigation measures to manage the types of risk to which it is exposed.

The University's investment risk is managed by the Investments and Capital Management department under policies approved by the Investment and Commercialisation Committee (ICC), a committee of the Senate. The ICC is responsible for determining policies for overall investment 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 sector specialist managers and investment of excess liquidity. The ICC meets on a quarterly basis to review the performance of the University's investment portfolio, to set new policies or investment strategies including both the Tactical and Strategic Asset Allocation policies and to review compliance with existing policies and investment strategies.

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 denominated in Australian dollars.

A medium-term portfolio is used to generate returns over a three to seven year time frame. This portfolio invests in growth type assets (shares) and in short-to-medium-term fixed and floating rate securities

A long-term portfolio including the University's accumulated discretionary capital, the endowment portfolio and other reserves that have a long-term investment horizon. This portfolio has an investment profile oriented towards growth assets and is largely managed by external sector specialist managers.

Consistent with asset management best practice, investment funds are allocated so as to achieve diversification of risk. Debt investments are invested across a range of Australian dollar denominated instruments according to approved credit limits based upon credit ratings within the investment grade ratings band. Growth assets are invested across a diverse range of assets which include both domestic and international asset classes as well as both listed and unlisted investment vehicles.

The University has adopted a Treasury Management Policy that establishes the policy framework for the management of interest rate, liquidity and funding, foreign exchange, counterparty credit and operational risk.

The University's interest rate risk is managed by the Asset and Liability Committee (ALCO), an internal management committee reporting to the Finance and Audit Committee, a committee of the Senate. ALCO is responsible for determining interest rate risk management strategies and their tactical implementation, and monitoring the reporting of positions taken.

47 Financial risk management

Interest rate risk is managed through the use of derivative financial instruments such as interest rate swaps to hedge cash flow risk exposures. Derivatives, in relation to the University's debt, are used for hedging purposes, not as trading or other speculative instruments. The University uses a proactive risk management approach with an emphasis on risk reduction.

In addition, the University maintains foreign currency balances as a natural hedge against foreign exchange risk or occasionally enters into short dated forward contracts ahead of an 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.

Effective from 1 January 2012 the University adopted AASB 9 'Financial Instruments'. The major impact of this change is to reclassify the University's financial instruments from available-for-sale financial instruments to financial instruments at fair value through profit or loss and financial assets at amortised cost.

The following risk management disclosures are materially the same for both the parent and economic entity. The parent entity includes receivables from subsidiaries that are closely monitored.

Notes	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets				
Cash and cash equivalents	364,836	210,866	364,624	210,676
Trade and other receivables	73,245	95,273	73,381	96,771
Available-for-sale financial assets	0	728,801	0	728,801
Financial assets at fair value through profit or loss	764,947	0	764,947	0
Secured company loan at amortised cost	6,438	0	6,438	0
Other financial assets	0	2,165	0	2,165
Deferred government contribution for superannuation	1,154,035	1,046,509	1,154,035	1,046,509
Other	0	10,733	0	10,733
	<u>2,363,501</u>	<u>2,094,347</u>	<u>2,363,425</u>	<u>2,095,655</u>
Financial liabilities				
Trade and other payables	122,391	160,873	122,391	161,554
Borrowings	110,000	0	110,000	0
Derivative financial instruments	4,652	0	4,652	0
	<u>237,043</u>	<u>160,873</u>	<u>237,043</u>	<u>161,554</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.

If the Australian dollar had weakened/strengthened by 10% with all other variables held constant, profit for the year would have been \$9,506k higher/ \$7,778k lower. There would be no impact on equity. In 2011, for a similar 10% weakening/strengthening, the profit impact would have been \$245k higher/\$201k lower and the impact on equity would have been \$8,211k higher/\$6,718k lower. All foreign denominated available-for-sale investments were reclassified to fair value through profit or loss following early adoption of AASB 9 'Financial Instruments' effective 1 January 2012.

(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 at fair value through profit or loss. That is, 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 profit or loss.

The University is not materially exposed to commodity price risk.

To manage its price risk from investments in equity securities, the University has contracted the management of the portfolio to sector specialist managers. These sector specialist managers are mandated to diversify the investments of the portfolio under their management. Equity securities are invested across a diverse range of asset types including domestic and international classes as well as listed and unlisted investment vehicles. The quantum of funds under management per external fund manager and the investment objectives of each external fund manager are established in accordance with limits and policies set by the ICC. The University also undertakes periodic reviews of its strategic asset allocation to assess its risk return ratio.

The majority of the University's equity investments managed by external sector specialist managers are denominated in Australian dollars and are publicly traded and included in the ASX 300 index.

47 Financial risk management

As at 31 December 2012, the profit impact of a 10% increase/decrease in the ASX 300 Index with all other variables held constant would be a \$63,968k improvement/\$63,969k reduction. There would be no impact on equity. In 2011, for a similar strengthening/weakening, there would have been no impact on profit or loss and equity would have increased \$57,111k/decreased \$57,111k. As at 31 December 2012, all financial assets that are subject to price risk have been reclassified to fair value through profit or loss following adoption of AASB 9 'Financial Instruments' on 1 January 2012.

(iii) Interest rate risk

The University's exposure to market interest rates relates primarily to the University's long term borrowings and investment in debt securities (fixed and floating interest and short term money market securities).

The University maintains floating to fixed interest rate profiles according to the Treasury Management Policy approved by the Senate. The University uses interest rate swaps to hedge the interest rate risk on a portion of its borrowings drawn on its floating rate bank debt facility. These interest rate swaps are designated as cash flow hedge accounting relationships. As such, the impact of an interest rate change would be reflected as either an increase or decrease in the fair value of the derivatives through equity for the effective portion of the hedge. The gain or loss relating to the ineffective hedge portion (if any) is recognised immediately in profit or loss.

The University's 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 at fair value through profit or loss following early adoption of AASB 9 'Financial Instruments' effective 1 January 2012. As such, the impact of an interest rate change would be reflected as either an increase or decrease in profit or loss.

At 31 December 2012 if interest rates decreased/increased by 25 basis points with all other variables held constant, equity would have been \$1,346k lower/\$1,346k higher as a result of a decrease/increase in the fair value of the interest rate swaps (2011: \$931k lower/\$931k higher from debt securities). At 31 December 2012 if interest rates decreased/increased by 25 basis points with all other variables held constant, profit would have been \$431k higher/\$431k lower (2011: Nil) as a result of an increase/decrease in the fair value of debt securities. Following adoption of AASB 9 'Financial Instruments' on 1 January 2012, all debt securities were classified to fair value through profit or loss.

(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.

Economic entity [Consolidated]													
31 December 2012	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%	+0.25%	-0.25%	+0.25%	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	364,836	2	0	(2)	0	250	0	(205)	0	0	0	0	0
Financial assets at fair value through profit or loss	764,947	431	0	(431)	0	9,256	0	(7,573)	0	(63,968)	0	63,969	0
Sub Total		<u>433</u>	<u>0</u>	<u>(433)</u>	<u>0</u>	<u>9,506</u>	<u>0</u>	<u>(7,778)</u>	<u>0</u>	<u>(63,968)</u>	<u>0</u>	<u>63,969</u>	<u>0</u>
Financial liabilities													
Borrowings	110,000	(2)	0	2	0	0	0	0	0	0	0	0	0
Derivative financial instruments	4,652	0	(1,346)	0	1,346	0	0	0	0	0	0	0	0
Total													
increase/(decrease)		<u>431</u>	<u>(1,346)</u>	<u>(431)</u>	<u>1,346</u>	<u>9,506</u>	<u>0</u>	<u>(7,778)</u>	<u>0</u>	<u>(63,968)</u>	<u>0</u>	<u>63,969</u>	<u>0</u>

Economic entity [Consolidated]													
31 December 2011	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%	+0.25%	-0.25%	+0.25%	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
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)		<u>1</u>	<u>931</u>	<u>(1)</u>	<u>(931)</u>	<u>245</u>	<u>8,211</u>	<u>(201)</u>	<u>(6,718)</u>	<u>0</u>	<u>(57,111)</u>	<u>0</u>	<u>57,111</u>

47 Financial risk management

(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 counterparties with an investment grade long term credit rating as a means of mitigating 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.

Credit risks in respect to the deferred government contribution for superannuation are discussed at Note 42. The University does not have any other 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 investment grade long term credit ratings assigned by international credit rating agencies.

Impairment and provision against debtors has been duly considered in determining the carrying amounts of financial assets. Therefore the carrying amount of financial assets recorded in the statement of financial position 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 managing 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 regular payments from the Commonwealth Government, 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 are 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 50 'Financing facilities and balances'.

The University has in place weekly cash flow forecasting and review procedures to manage its liquidity risk.

47 Financial risk management

Financial Instruments

The following tables detail the economic entity's maturity profile as at 31 December 2012 and as at 31 December 2011:

Economic entity [Consolidated]	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Non Interest \$'000	Total \$'000
31 December 2012							
Financial assets							
Cash	4.11	42,145	0	0	0	0	42,145
Cash equivalents	3.01	0	322,691	0	0	0	322,691
Receivables	0.00	0	73,128	117	0	0	73,245
Term deposit	4.11	0	20,408	0	0	0	20,408
Fixed interest bonds	4.02	0	10,379	42,989	14,334	0	67,702
Floating rate notes	2.63	0	0	0	10,178	0	10,178
Convertible notes	4.53	0	0	0	3,625	0	3,625
Secured company loans	8.03	0	0	0	6,438	0	6,438
Listed securities	N/A	0	0	0	0	265,829	265,829
Shares - unquoted	N/A	0	0	0	0	5,960	5,960
External fund managers	N/A	0	0	0	0	391,245	391,245
Deferred government contribution for superannuation	0.00	0	0	0	0	1,154,035	1,154,035
Total financial assets		42,145	426,606	43,106	34,575	1,817,069	2,363,501
Financial liabilities							
Other current liabilities	0.00	0	62,413	0	0	0	62,413
Creditors	0.00	0	59,978	0	0	0	59,978
Borrowings*	N/A	0	0	110,000	0	0	110,000
Derivative financial instruments	4.08	0	0	2,961	1,691	0	4,652
Total financial liabilities		0	122,391	112,961	1,691	0	237,043
31 December 2011							
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
Deferred government contribution for superannuation	0.00	0	0	0	0	1,046,509	1,046,509
Total financial assets		52,668	269,491	89,480	56,573	1,626,135	2,094,347
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

* Due to confidentiality restrictions, the University is unable to disclose the rate applicable to borrowings.

47 Financial risk management

(d) Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

The fair value of financial instruments 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.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. Net interest is accrued separately as borrowing cost.

The fair value of unitised 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.

The University is unable to disclose the fair value of the deferred government contribution for superannuation and it is therefore disclosed at its book value.

Economic entity [Consolidated]	Carrying amount		Fair value	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets				
Cash and cash equivalents	364,836	210,866	364,836	210,866
Receivables	73,245	95,273	73,245	95,273
Other financial assets	0	2,165	N/A	N/A
Other	0	10,733	0	10,733
Available-for-sale assets	0	728,801	0	728,801
Financial assets at fair value through profit or loss	764,947	0	764,947	0
Secured company loan	6,438	0	6,438	0
Total financial assets	<u>1,209,466</u>	<u>1,047,838</u>	<u>1,209,466</u>	<u>1,045,673</u>
Financial liabilities				
Payables	(122,391)	(160,873)	(122,391)	(160,873)
Borrowings	(110,000)	0	(110,000)	0
Derivative financial instruments	(4,652)	0	(4,652)	0
Total financial liabilities	<u>(237,043)</u>	<u>(160,873)</u>	<u>(237,043)</u>	<u>(160,873)</u>
Total	<u>972,423</u>	<u>886,965</u>	<u>972,423</u>	<u>884,800</u>

Fair value measurements recognised in the statements of financial position are categorised into the following levels:

Economic entity [Consolidated]	2012 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets				
Listed securities	265,829	208,689	57,140	0
Secured company loans*	6,438	0	6,438	0
Fixed interest securities	67,703	0	67,703	0
Convertible notes	3,625	3,625	0	0
Floating rate notes	10,178	0	10,178	0
Managed funds	391,245	0	391,245	0
Shares - unquoted	5,960	0	0	5,960
Term deposit	20,408	0	20,408	0
Total financial assets	<u>771,386</u>	<u>212,314</u>	<u>553,112</u>	<u>5,960</u>
Financial liabilities				
Borrowings	110,000	0	110,000	0
Derivative financial instruments	4,652	0	4,652	0
Total financial liabilities	<u>114,652</u>	<u>0</u>	<u>114,652</u>	<u>0</u>
Total	<u>886,038</u>	<u>212,314</u>	<u>667,764</u>	<u>5,960</u>

47 Financial risk management

Economic entity [Consolidated]	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	728,801	208,101	517,940	2,760

* 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 40 'Contingencies' and Note 1(z) 'Private sector participation in the provision of student accommodation'.

Reconciliation of financial assets categorised as level 3:

Level 3 Financial assets 2012	Other financial assets \$'000	Total \$'000
Opening balance	2,760	2,760
Total gains or losses recognised in:		
Profit or loss	585	585
Other comprehensive income	458	458
Recategorisation of other unlisted shares	2,157	2,157
Closing balance	5,960	5,960
Level 3 Financial assets 2011		
Opening balance	2,940	2,940
Total gains or losses recognised in:		
Profit or loss	0	0
Other comprehensive income	(180)	(180)
Closing balance	2,760	2,760

48 Non-cash financing and investing activities

	Economic entity [Consolidated]		Parent entity [University]	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-cash investing and financing activities	<u>1,574</u>	<u>4,890</u>	<u>1,574</u>	<u>4,890</u>

The University had no non-cash financing or investing activities, with the exception of the following non-cash items received in 2012: books \$Nil (2011: \$825k), works of art gifted to the University \$908k (2011: \$907k), museum collectibles \$283k (2011: \$2,820k), plant and equipment \$Nil (2011: \$308k), land \$66k (2011: \$Nil) and rare books of \$317k (2011: \$30k).

49 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.

50 Financing facilities and balances

The University has access to an unsecured overdraft facility of \$25,000k which is unutilised as at 31 December 2012. Interest would be payable at the National Australia Bank's Base Lending Indicator Rate.

There is also a \$12,500k credit card facility of which \$4,876k has been used as at 31 December 2012, a letter of credit facility of up to \$400k which was unutilised during 2012, an additional letter of credit facility of up to \$1,200k of which \$184k is unutilised as at 31 December 2012 and a bank guarantee facility of up to \$15,000k of which \$13,434k has been used.

From 1 January 2012 the University has a bank agreement for a revolving debt facility of \$500,000k. The unused balance on the revolving debt facility at 31 December 2012 is \$390,000k (2011: N/A).

51 Acquittal of Australian Government financial assistance

51.1 DIISRTE-CGS and Other DIISRTE grants

Parent entity [University] ONLY

	Commonwealth Grants Scheme ¹		Indigenous Support Fund		Partnership and Participation Program		Disability Support Program		Workplace Productivity Program		Learning & Teaching Performance Fund		Capital Development Pool	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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)	290,391	264,061	1,292	1,292	1,793	2,704	156	148	0	0	95	0	0	5,663
Net accrual adjustments	88	395	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	290,479	264,456	1,292	1,292	1,793	2,704	156	148	0	0	95	0	0	5,663
Surplus/(deficit) from the previous year	0	0	0	0	3,089	1,403	0	(771)	0	1,605	0	0	3,950	5,241
Total revenue including accrued revenue	290,479	264,456	1,292	1,292	4,882	4,107	156	(623)	0	1,605	95	0	3,950	10,904
Less expenses including accrued expenses	(290,479)	(264,456)	(1,031)	(1,292)	(4,882)	(1,018)	(191)	623	0	(1,605)	(127)	0	(3,950)	(6,954)
Surplus/(deficit) for reporting period	0	0	261	0	0	3,089	(35)	0	0	0	(32)	0	0	3,950

Parent entity [University] ONLY

	Diversity & Structural Reform Program		Transition Cost Program		Excellence in Learning & Teaching		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'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	2,140	65	248	215	0	294,007	276,256
Net accrual adjustments	0	0	0	0	0	0	88	395
Revenue for the period	0	2,140	65	248	215	0	294,095	276,651
Surplus/(deficit) from the previous year	2,096	936	0	0	0	0	9,135	8,414
Total revenue including accrued revenue	2,096	3,076	65	248	215	0	303,230	285,065
Less expenses including accrued expenses	(2,098)	(980)	(65)	(248)	(27)	0	(302,850)	(275,930)
Surplus/(deficit) for reporting period	(2)	2,096	0	0	188	0	380	9,135

¹Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabled Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2012
(continued)

51 Acquitall of Australian Government financial assistance

51.2 Higher Education Loan programs (excluding OS-HELP)

Parent entity [University] ONLY	HECS-HELP - Australian Government payment							Total	
	FEE-HELP		SA-HELP		2011		2012		2011 \$'000
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	
Financial assistance received in cash during the reporting period	132,069	117,068	58,816	42,305	2,723	0	193,608	159,373	
Net accrual adjustments	(485)	(1,117)	812	1,732	0	0	327	615	
Revenue for the period	131,584	115,951	59,628	44,037	2,723	0	193,935	159,988	
Surplus/(deficit) from the previous year	0	0	0	0	0	0	0	0	
Total revenue including accrued revenue	131,584	115,951	59,628	44,037	2,723	0	193,935	159,988	
Less expenses including accrued expenses	(131,584)	(115,951)	(59,628)	(44,037)	(2,723)	0	(193,935)	(159,988)	
Surplus/(deficit) for reporting period	0	0	0	0	0	0	0	0	

²Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

51 Acquittal of Australian Government financial assistance

51.3 Scholarships

Parent entity [University] ONLY	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships ³		Commonwealth Accommodation Scholarships ³		Indigenous Access Scholarship		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	23,803	20,665	2,134	2,093	623	3,642	5	5	49	65	26,614	26,470
Net accrual adjustments	0	0	0	0	(941)	0	0	0	0	0	(941)	0
Revenue for the period	23,803	20,665	2,134	2,093	(318)	3,642	5	5	49	65	25,673	26,470
Surplus/(deficit) from the previous year	5,845	3,908	(13)	(5)	(301)	(2,109)	0	0	0	0	5,531	1,794
Total revenue including accrued revenue	29,648	24,573	2,121	2,088	(619)	1,533	5	5	49	65	31,204	28,264
Less expenses including accrued expenses	(22,308)	(18,728)	(2,136)	(2,101)	(713)	(1,834)	(5)	(5)	(49)	(65)	(25,211)	(22,733)
Surplus/(deficit) for reporting period	7,340	5,845	(15)	(13)	(1,332)	(301)	0	0	0	0	5,993	5,531

³Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2012
(continued)

51 Acquitall of Australian Government financial assistance

51.4 DIISRTE-Research

Parent entity [University] ONLY	Joint Research Engagement Program		Research Training Scheme		Research infrastructure block grants		JRE Engineer Cadetships		Implementation assistance program		Commercialisation training		DIISRTE SRE Base & Threshold 1	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	34,892	35,522	65,811	63,815	28,831	28,150	120	0	0	0	0	710	4,744	3,588
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	<u>34,892</u>	<u>35,522</u>	<u>65,811</u>	<u>63,815</u>	<u>28,831</u>	<u>28,150</u>	<u>120</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>710</u>	<u>4,744</u>	<u>3,588</u>
Surplus/(deficit) from the previous year	0	0	0	0	(612)	(687)	0	0	0	(1,183)	1,565	1,247	0	0
Total revenue including accrued revenue	<u>34,892</u>	<u>35,522</u>	<u>65,811</u>	<u>63,815</u>	<u>28,219</u>	<u>27,463</u>	<u>120</u>	<u>0</u>	<u>0</u>	<u>(1,183)</u>	<u>1,565</u>	<u>1,957</u>	<u>4,744</u>	<u>3,588</u>
Less expenses including accrued expenses	<u>(34,892)</u>	<u>(35,522)</u>	<u>(65,811)</u>	<u>(63,815)</u>	<u>(28,646)</u>	<u>(28,075)</u>	<u>(15)</u>	<u>0</u>	<u>0</u>	<u>1,183</u>	<u>(1,565)</u>	<u>(392)</u>	<u>(4,744)</u>	<u>(3,588)</u>
Surplus/(deficit) for reporting period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(427)</u>	<u>(612)</u>	<u>105</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,565</u>	<u>0</u>	<u>0</u>

Parent entity [University] ONLY

	DIISRTE SRE Threshold		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period	15,146	11,039	149,544	142,824
Net accrual adjustments	0	0	0	0
Revenue for the period	<u>15,146</u>	<u>11,039</u>	<u>149,544</u>	<u>142,824</u>
Surplus/(deficit) from the previous year	9,331	2,908	10,284	2,285
Total revenue including accrued revenue	<u>24,477</u>	<u>13,947</u>	<u>159,828</u>	<u>145,109</u>
Less expenses including accrued expenses	<u>(24,477)</u>	<u>(4,616)</u>	<u>(160,150)</u>	<u>(134,825)</u>
Surplus/(deficit) for reporting period	<u>0</u>	<u>9,331</u>	<u>(322)</u>	<u>10,284</u>

51 Acquittal of Australian Government financial assistance

51.5 Other Capital Funding

Parent entity [University] ONLY

Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)
Net accrual adjustments
Revenue for the period

Surplus/(deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus/(deficit) for reporting period

	Better Universities Renewal Funding		Education Investment Fund			Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
	0	0	69,100	22,600		69,100	22,600
	0	0	0	0	0	0	0
	0	0	69,100	22,600		69,100	22,600
	11,810	21,357	22,494	44,226		34,304	65,583
	11,810	21,357	91,594	66,826		103,404	88,183
	(10,002)	(9,547)	(62,808)	(44,332)		(72,810)	(53,879)
	1,808	11,810	28,786	22,494		30,594	34,304

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2012
(continued)

51 Acquittal of Australian Government financial assistance

51.6 Australian Research Council grants

(a) Discovery

Parent entity [University] ONLY

	Projects		Future fellowships		Federation fellowships		DECRA		Indigenous researchers development		DIIRTE ARC Super Science Fellowship		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	35,814	39,563	13,899	8,940	832	1,945	3,958	0	209	126	587	471	55,299	51,045
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	<u>35,814</u>	<u>39,563</u>	<u>13,899</u>	<u>8,940</u>	<u>832</u>	<u>1,945</u>	<u>3,958</u>	<u>0</u>	<u>209</u>	<u>126</u>	<u>587</u>	<u>471</u>	<u>55,299</u>	<u>51,045</u>
Surplus/(deficit) from the previous year	8,054	10,891	2,879	1,791	(2,326)	(2,056)	0	0	4	16	227	0	8,838	10,642
Total revenue including accrued revenue	<u>43,868</u>	<u>50,454</u>	<u>16,778</u>	<u>10,731</u>	<u>(1,494)</u>	<u>(111)</u>	<u>3,958</u>	<u>0</u>	<u>213</u>	<u>142</u>	<u>814</u>	<u>471</u>	<u>64,137</u>	<u>61,687</u>
Less expenses including accrued expenses	<u>(44,118)</u>	<u>(42,400)</u>	<u>(10,709)</u>	<u>(7,852)</u>	<u>(2,256)</u>	<u>(2,215)</u>	<u>(3,373)</u>	<u>0</u>	<u>(224)</u>	<u>(138)</u>	<u>(665)</u>	<u>(244)</u>	<u>(61,345)</u>	<u>(52,849)</u>
Surplus/(deficit) for reporting period	<u>(250)</u>	<u>8,054</u>	<u>6,069</u>	<u>2,879</u>	<u>(3,750)</u>	<u>(2,326)</u>	<u>585</u>	<u>0</u>	<u>(11)</u>	<u>4</u>	<u>149</u>	<u>227</u>	<u>2,792</u>	<u>8,838</u>

51 Acquittal of Australian Government financial assistance

51.6 Australian Research Council grants

(b) Linkages

Parent entity [University] ONLY

Financial assistance received in cash during

the reporting period

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

	Linkage - infrastructure		International researcher exchange		Laureate Fellowships		Projects		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
	<u>1,650</u>	<u>2,588</u>	<u>(13)</u>	<u>0</u>	<u>5,084</u>	<u>3,561</u>	<u>7,822</u>	<u>8,997</u>	<u>14,543</u>	<u>15,146</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>0</u>	<u>0</u>
	<u>1,650</u>	<u>2,588</u>	<u>(13)</u>	<u>0</u>	<u>5,084</u>	<u>3,561</u>	<u>7,822</u>	<u>8,997</u>	<u>14,543</u>	<u>15,146</u>
	<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>
	<u>10,582</u>	<u>11,056</u>	<u>(13)</u>	<u>212</u>	<u>6,404</u>	<u>4,574</u>	<u>19,503</u>	<u>19,272</u>	<u>36,476</u>	<u>35,114</u>
	<u>(3,432)</u>	<u>(2,124)</u>	<u>13</u>	<u>(212)</u>	<u>(4,764)</u>	<u>(3,254)</u>	<u>(13,075)</u>	<u>(7,591)</u>	<u>(21,258)</u>	<u>(13,181)</u>
	<u>7,150</u>	<u>8,932</u>	<u>0</u>	<u>0</u>	<u>1,640</u>	<u>1,320</u>	<u>6,428</u>	<u>11,681</u>	<u>15,218</u>	<u>21,933</u>

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2012
(continued)

51 Acquitall of Australian Government financial assistance

51.6 Australian Research Council grants

(c) Networks and centres

Parent entity [University] ONLY

Financial assistance received in cash during

the reporting period

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Research networks	Centres			Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000
	0	0	6,540	6,501	6,501
	0	0	0	0	0
	0	0	6,540	6,501	6,501
	0	(83)	(1,833)	(1,668)	(1,751)
	0	(83)	4,707	4,833	4,750
	0	83	(6,396)	(6,666)	(6,583)
	0	0	(1,689)	(1,833)	(1,833)

51 Acquittal of Australian Government financial assistance

51.7 OS-HELP

	Parent entity [University] ONLY	
	2012 \$'000	2011 \$'000
Cash received during the reporting period	1,558	1,244
Cash spent during the reporting period	<u>(1,780)</u>	<u>(1,198)</u>
Net Cash received	(222)	46
Cash surplus/(deficit) from the previous period	<u>475</u>	<u>429</u>
Cash Surplus / (deficit) for reporting period	<u>253</u>	<u>475</u>

52 Disaggregated information

(a) Industry

Economic entity [Consolidated]	Revenue		Results ¹		Assets	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Higher education	1,655,264	1,503,794	120,577	73,366	5,181,176	4,782,459
Other	<u>82,436</u>	<u>91,691</u>	<u>16,431</u>	<u>15,150</u>	<u>5,151</u>	<u>4,949</u>
Total	<u>1,737,700</u>	<u>1,595,485</u>	<u>137,008</u>	<u>88,516</u>	<u>5,186,327</u>	<u>4,787,408</u>

(b) Geographical

Economic entity [Consolidated]	Revenue		Results ¹		Assets	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Australia	1,724,976	1,592,889	135,626	87,811	5,181,176	4,782,459
Asia	5,605	2,409	1,234	657	0	0
Other	<u>7,119</u>	<u>187</u>	<u>148</u>	<u>48</u>	<u>5,151</u>	<u>4,949</u>
Total	<u>1,737,700</u>	<u>1,595,485</u>	<u>137,008</u>	<u>88,516</u>	<u>5,186,327</u>	<u>4,787,408</u>

¹The University reports revenue, results and assets by segments in accordance with the *Financial Statement Guidelines for Australian Higher Education Providers* for the 2012 Reporting Period issued by the Department of Industry, Innovation, Science Research and Tertiary Education.

Mark Easson

Chief Financial Officer

END OF AUDITED FINANCIAL STATEMENTS

AUDITED BY THE AUDIT OFFICE OF NEW SOUTH WALES

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 85.

In addition, the 2012 financial statements for the subsidiaries of the University have been published as a separate volume of this annual report.

A		E	
Aboriginal and Torres Strait Islander participation	18	Economic performance	66–75
Academic Board	41	Employees	see under staff
Academic promotions	23, 52	Environmental regulation	40
Access	160	Equal employment opportunity	52–54
Accounts, payment of	74	F	
Address	160	Financial statements	76–157
Aims and objectives	2, 32–40	Freedom of information	62–64
Alumni engagement	39	G	
Audits	45	Governance	
B		Academic Board	41
Budget, comparison to	72	Governance structures	24–25
C		Management	44–45
Charter	2	Senate	30
Complaints (consumer response)	15	Government Information (Public Access) Act	62–64
Contact details	160	H	
D		Harassment and discrimination prevention	52
Disability plans	53	Honorary awards	22
		Human resources	48

I		R	
Independent auditor's report	76–77	Research	
Indigenous participation	18, 37	excellence, support of	34–37
Industrial relations	48	performance	14
International engagement	19–21, 38	talent, identifying, developing and supporting	34–35
Insurance	40, 86	Review of operations	33–40
Investment performance	73	Risk management	60
L		S	
Legal affairs	59–60	Senate	
Legislation, changes to	59–60	attendance at meetings	31
Letter of submission	ifc*	committees	28–30
M		members	26–27
Management	44–47	Senior Executive Group	44–45
Multicultural policies and services program report	55–56	committees	44–45
O		divisional boards	45
Objectives, progress towards	33–40	Staff	
Occupational health and safety	57–58	diversity	55–56
Officers	42–43	executive management	46–47
Opening hours	160	HR policies/practices	48
Organisational chart	43	industrial relations	
Overseas visits	20–21	policies/practices	48
P		numbers/statistics	49–51
Payment of accounts	74	Statement by appointed officers	78
Performance and numbers of executive officers	46–47, 129	Strategic objectives	33–40
Principal activities	32	Students	
Privacy and personal information	61	diversity	55–56
Production costs	160	feedback from	15
Promotion (overseas visits)	20–21	numbers/statistics	16–17
Public availability of annual reports	160	student experience	33–34
Q		Subsidiaries	
Quality assurance	41	(see also Volume 2)	137–38
		Summary review of operations	33–40
		Sustainability	65
		W	
		Waste	65
		Women in the workplace, support for	52
		Work health and safety	57–58

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

The Annual Report is also available online at
sydney.edu.au/about/annual_report

For further information, please contact:

Information Management Officer
Marketing and Communications
The University of Sydney NSW 2006
T +61 2 9351 4625
F +61 2 9351 3289
E wpp.info@sydney.edu.au

FINANCIAL STATEMENTS FOR SUBSIDIARIES

The 2012 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. This volume can be downloaded from
sydney.edu.au/about/publications/annual_report

PRINTING COSTS

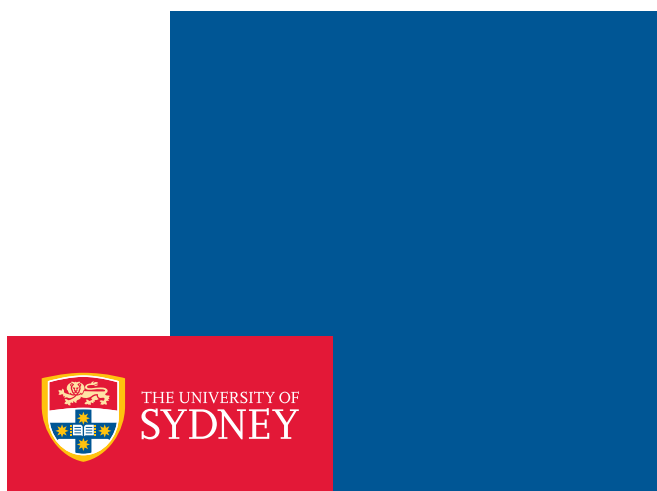
**Printing costs to comply with NSW annual reporting and
legal deposit requirements:** \$1030 (excluding GST)

ISSN 0313-4474
© The University of Sydney 2013
ABN 15 211 513 464
CRICOS 00026A



The world's largest-ever LEGO model of the Roman Colosseum and Arch of Constantine brought history to life at a free exhibition at the University's Nicholson Museum from July 2012. Built by the Southern Hemisphere's only registered LEGO builder, Ryan McNaught, the model accompanied ancient Roman sculptures, coins and other artefacts to give visitors a taste of life in 80AD, when the Colosseum opened.

The University of Sydney
NSW 2006 Australia
T +61 2 9351 2222
sydney.edu.au



Produced by the University of Sydney, April 2013.
The University reserves the right to make alterations
to any information contained within this publication
without notice. 13/3027

ABN 15 211 513 464
CRICOS 00026A