

**ANNUAL REPORT 2010**  
FINANCIAL REPORTS  
AND STATEMENTS



GPO BOX 12  
Sydney NSW 2001

## 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 comprises the statements of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, the statement of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information. 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.

#### Auditor's 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 2010, and of the financial performance 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* (PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2010 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, 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.

#### Senate's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Senate as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

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

#### **Independence**

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

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



Peter Achterstraat  
Auditor-General

17 March 2011  
SYDNEY

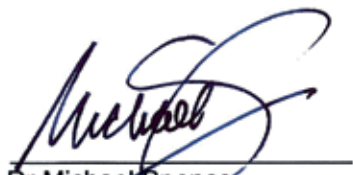


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## STATEMENT BY APPOINTED OFFICERS

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 2010 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 2010 Reporting Period" issued by the Australian Government Department of Education, Employment, and Workplace Relations.
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 render any particulars included in the financial reports 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 2010**  
START OF AUDITED  
FINANCIAL STATEMENTS

# INCOME STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
<b>Revenue and income from continuing operations</b>					
Australian government financial assistance					
Australian government grants	2	642,012	609,854	642,012	609,854
HECS-HELP – Australian government payments	2	126,746	106,605	126,746	106,605
FEE-HELP	2	42,838	35,276	42,838	35,276
New South Wales government financial assistance	3	15,936	13,427	15,936	13,427
HECS-HELP – student payments		36,336	34,251	36,336	34,251
Fees and charges	4	346,890	321,901	346,680	321,861
Investment revenue	5	88,525	80,960	88,477	80,959
Royalties, trademarks and licences	6	2,619	2,527	2,619	2,527
Consultancy and contract research	7	88,464	93,385	88,464	93,385
Other revenue	8	44,234	35,355	44,077	35,328
<b>Total revenue from continuing operations</b>		<b>1,434,600</b>	<b>1,333,541</b>	<b>1,434,185</b>	<b>1,333,473</b>
Gains/(losses) on disposal of assets	9	445	31	510	31
Investments accounted for using the equity method	44	(5,169)	157	0	0
Other income	8	73,206	61,325	70,943	58,779
<b>Total revenue and income from continuing operations</b>		<b>1,503,082</b>	<b>1,395,054</b>	<b>1,505,638</b>	<b>1,392,283</b>
<b>Expenses from continuing operations</b>					
Employee-related expenses*	10	848,199	806,632	845,039	803,162
Depreciation and amortisation	11	70,466	62,631	70,103	62,468
Repairs and maintenance	12	53,744	53,603	53,550	53,548
Borrowing costs	15	1,087	790	1,087	790
Impairment of assets	13	35	1,901	5,987	3,684
Other expenses	14	196,039	198,414	195,249	196,747
Grant and scholarship expenses		84,997	77,095	85,009	77,095
Consultants and contractors		36,547	41,485	35,988	40,779
Teaching and research grants		95,861	83,777	95,951	83,934
<b>Total expenses from continuing operations</b>		<b>1,386,975</b>	<b>1,326,328</b>	<b>1,387,963</b>	<b>1,322,207</b>
<b>Operating result before income tax and impairment of available-for-sale assets</b>		<b>116,107</b>	<b>68,726</b>	<b>117,675</b>	<b>70,076</b>
Income tax benefit/(expense)	16	(1)	(383)	0	0
Impairment of available-for-sale assets		(3,939)	(8,448)	(3,939)	(8,448)
<b>Operating result after income tax and impairment of available-for-sale assets for the year*</b>		<b>112,167</b>	<b>59,895</b>	<b>113,736</b>	<b>61,628</b>
<b>Operating result attributable to members of the University of Sydney**</b>	33(b)	<b>112,167</b>	<b>59,895</b>	<b>113,736</b>	<b>61,628</b>
Operating result attributable to members from:					
Continuing operations	33(b)	112,167	59,895	113,736	61,628
<b>Total</b>	33(b)	<b>112,167</b>	<b>59,895</b>	<b>113,736</b>	<b>61,628</b>

\*Includes net operating result of 2010 \$24,023K (2009 \$37,593K) received from sources with specific restrictions in use, such as bequests, specific research grants etc. (Refer to Note 32 'Restricted funds').

\*\*These results have been restated as a result of a change in accounting policy, refer to Note 34.

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

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
<b>Operating result after income tax for the period and impairment of available-for-sale for the year</b>		112,167	59,895	113,736	61,628
Other comprehensive income					
Gain/(loss) on revaluation of land and buildings, net of tax	33	9,939	8,618	9,939	8,618
Realised (gains)/loss transferred from reserves	33	(37,627)	(6,775)	(37,627)	(6,775)
Change in fair value of available-for-sale financial assets	33	1,307	52,030	1,307	52,030
Defined Benefit actuarial gains/(losses)*	33, 34	(3,572)	9,254	(3,572)	9,254
Reserve transfer relating to associates and joint ventures, net of tax	33	0	4	0	0
Reserve transfer relating to impairment of available-for-sale-assets	13	3,939	8,448	3,939	8,448
<b>Total other comprehensive income</b>		<b>(26,014)</b>	<b>71,579</b>	<b>(26,014)</b>	<b>71,575</b>
<b>Total comprehensive income</b>		<b>86,153</b>	<b>131,474</b>	<b>87,722</b>	<b>133,203</b>
Total comprehensive income attributable to non-controlling interest		0	0	0	0
<b>Total comprehensive income attributable to members of the University of Sydney</b>		<b>86,153</b>	<b>131,474</b>	<b>87,722</b>	<b>133,203</b>

\*These results have been restated as a result of a change in accounting policy, refer to Note 34.

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

# STATEMENT OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2010

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	17	163,350	130,106	163,240	129,920
Receivables	18	77,359	76,425	84,023	81,305
Inventories	19	454	11	441	0
Available-for-sale financial assets	20	66,015	5,150	66,015	5,150
<b>Total current assets</b>		<b>307,178</b>	<b>211,692</b>	<b>313,719</b>	<b>216,375</b>
<b>Non-current assets</b>					
Receivables	18	734,955	649,827	734,955	649,827
Investments accounted for using the equity method	44	7,796	12,965	0	0
Available-for-sale financial assets	20	727,964	826,042	727,964	826,042
Investment properties	22	13,832	13,300	13,832	13,300
Property, plant and equipment	23	1,765,309	1,776,522	1,764,743	1,775,729
Deferred tax assets	28	16	17	0	0
Intangible assets	27	58,113	48,136	58,076	47,901
Other financial assets	21	4,165	4,303	4,165	4,303
Other non-financial assets	29	3,306	2,393	3,306	2,393
Heritage assets	24	228,099	220,074	228,099	220,074
Library collections	25	472,279	469,384	472,279	469,384
Works in progress	26	61,286	42,955	61,286	42,955
<b>Total non-current assets</b>		<b>4,077,120</b>	<b>4,065,918</b>	<b>4,068,705</b>	<b>4,051,908</b>
<b>Total assets</b>		<b>4,384,298</b>	<b>4,277,610</b>	<b>4,382,424</b>	<b>4,268,283</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	30	146,025	216,073	151,882	216,144
Provisions	31	132,777	131,720	132,684	131,533
<b>Total current liabilities</b>		<b>278,802</b>	<b>347,793</b>	<b>284,566</b>	<b>347,677</b>
<b>Non-current liabilities</b>					
Provisions	31	789,514	699,988	789,482	699,952
<b>Total non-current liabilities</b>		<b>789,514</b>	<b>699,988</b>	<b>789,482</b>	<b>699,952</b>
<b>Total liabilities</b>		<b>1,068,316</b>	<b>1,047,781</b>	<b>1,074,048</b>	<b>1,047,629</b>
<b>Net assets</b>		<b>3,315,982</b>	<b>3,229,829</b>	<b>3,308,376</b>	<b>3,220,654</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Restricted funds	32	781,140	757,117	781,140	757,117
Reserves	33(a)	277,817	304,808	277,208	300,709
Retained earnings	33(b)	2,257,025	2,167,904	2,250,028	2,162,828
<b>Parent entity interest</b>		<b>3,315,982</b>	<b>3,229,829</b>	<b>3,308,376</b>	<b>3,220,654</b>
<b>Total equity</b>		<b>3,315,982</b>	<b>3,229,829</b>	<b>3,308,376</b>	<b>3,220,654</b>

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

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	CONSOLIDATED				PARENT			
	Reserves	Restricted funds	Retained earnings	Total	Reserves	Restricted funds	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2009</b>	243,044	684,365	2,170,946	3,098,355	238,949	684,365	2,164,137	3,087,451
Retrospective application/restatement*	0	35,159	(35,159)	0	0	35,159	(35,159)	0
<b>Balance as restated</b>	<b>243,044</b>	<b>719,524</b>	<b>2,135,787</b>	<b>3,098,355</b>	<b>238,949</b>	<b>719,524</b>	<b>2,128,978</b>	<b>3,087,451</b>
Changes resulting from the operating result	0	37,593	22,302	59,895	0	37,593	24,035	61,628
Revaluation of land and buildings, net of tax	8,618	0	0	8,618	8,618	0	0	8,618
Reserves transferred to retained earnings	(561)	0	561	0	(561)	0	561	0
Realised (gain)/loss transferred from reserves	(6,775)	0	0	(6,775)	(6,775)	0	0	(6,775)
Change in fair value of available-for-sale financial assets	52,030	0	0	52,030	52,030	0	0	52,030
Reserve transfer relating to associates and joint venture, net of tax	4	0	0	4	0	0	0	0
Reserve transfer relating to impairment of available-for-sale assets	8,448	0	0	8,448	8,448	0	0	8,448
Actuarial gains/(losses) Defined Benefit plan	0	0	9,254	9,254	0	0	9,254	9,254
<b>Total comprehensive income</b>	<b>61,764</b>	<b>37,593</b>	<b>32,117</b>	<b>131,474</b>	<b>61,760</b>	<b>37,593</b>	<b>33,850</b>	<b>133,203</b>
<b>Balance at 31 December 2009</b>	<b>304,808</b>	<b>757,117</b>	<b>2,167,904</b>	<b>3,229,829</b>	<b>300,709</b>	<b>757,117</b>	<b>2,162,828</b>	<b>3,220,654</b>
<b>Balance at 1 January 2010</b>	<b>304,808</b>	<b>757,117</b>	<b>2,167,904</b>	<b>3,229,829</b>	<b>300,709</b>	<b>757,117</b>	<b>2,162,828</b>	<b>3,220,654</b>
Changes resulting from the operating result	0	24,023	88,144	112,167	0	24,023	89,713	113,736
Revaluation of land and buildings, net of tax	9,939	0	0	9,939	9,939	0	0	9,939
Reserves transferred to retained earnings	(1,059)	0	1,059	0	(1,059)	0	1,059	0
Realised (gain)/loss transferred from reserves	(37,627)	0	0	(37,627)	(37,627)	0	0	(37,627)
Change in fair value of available-for-sale financial assets	1,307	0	0	1,307	1,307	0	0	1,307
Reserve transfer relating to associates and joint venture, net of tax	(3,490)	0	3,490	0	0	0	0	0
Reserve transfer relating to impairment of available-for-sale assets	3,939	0	0	3,939	3,939	0	0	3,939
Actuarial gains/(losses) Defined Benefit plan	0	0	(3,572)	(3,572)	0	0	(3,572)	(3,572)
<b>Total comprehensive income</b>	<b>(26,991)</b>	<b>24,023</b>	<b>89,121</b>	<b>86,153</b>	<b>(23,501)</b>	<b>24,023</b>	<b>87,200</b>	<b>87,722</b>
<b>Balance at 31 December 2010</b>	<b>277,817</b>	<b>781,140</b>	<b>2,257,025</b>	<b>3,315,982</b>	<b>277,208</b>	<b>781,140</b>	<b>2,250,028</b>	<b>3,308,376</b>

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

\*Adjustment for 2008 capital grants which were reclassified to restricted funds.

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Australian government grants received	2(h)	816,267	750,095	816,267	750,095
New South Wales government grants received	3	15,936	13,427	15,936	13,427
HECS-HELP – student payments		36,335	34,251	36,336	34,251
Receipts from student fees and others		615,980	552,998	615,032	552,798
Dividends received		11,681	12,199	11,681	12,199
Interest received		25,121	23,597	25,121	23,596
Other investment income received		10,433	17,294	10,433	17,294
Payments for employee-related expenses		(836,455)	(802,427)	(835,981)	(802,334)
Payments to suppliers (inclusive of goods and services tax)		(525,299)	(490,660)	(524,596)	(490,660)
<b>Net cash provided by/(used in) operating activities</b>	45	<b>169,999</b>	<b>110,774</b>	<b>170,229</b>	<b>110,666</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of shares, managed funds and fixed income securities		205,968	403,706	205,968	403,706
Proceeds from sale of property, plant and equipment		1,634	1,489	1,619	1,489
Receipts/(payments) for joint venture partnership and associates		274	(4,732)	54	(4,732)
Payments for property, plant and equipment		(97,605)	(150,062)	(97,524)	(150,062)
Payments for shares, managed funds and fixed income securities		(245,522)	(268,849)	(245,522)	(268,849)
<b>Net cash provided by/(used in) investing activities</b>		<b>(135,251)</b>	<b>(18,448)</b>	<b>(135,405)</b>	<b>(18,448)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings		(1,087)	(790)	(1,087)	(790)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,087)</b>	<b>(790)</b>	<b>(1,087)</b>	<b>(790)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>33,661</b>	<b>91,536</b>	<b>33,737</b>	<b>91,428</b>
Cash and cash equivalents at beginning of financial year		130,106	38,567	129,920	38,489
Effects of exchange rate changes on cash and cash equivalents		(417)	3	(417)	3
<b>Cash and cash equivalents at the end of the financial year</b>	17	<b>163,350</b>	<b>130,106</b>	<b>163,240</b>	<b>129,920</b>
Non-cash financing and investing activities	47				

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

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## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the University as an individual entity and the consolidated entity consisting of the University of Sydney and its subsidiaries.

The financial statements were authorised for issue, under the delegation of the Senate, on 10 March 2011.

### (a) Basis of preparation

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

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

### Compliance with International Financial Reporting Standards (IFRS)

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

- Accounting for government grants. Under AASB 1004 'Contributions' a not-for-profit (NFP) entity is required to recognise government grants upon receipt, irrespective of whether these grants have been expended in the year of receipt.
- Impairment of assets. Under AASB 136 'Impairment of Assets' a not-for-profit (NFP) entity is entitled to recognise any impairment loss on a revalued asset directly against the available revaluation reserve in respect of the same class of asset.

- Assets received at nil or nominal value. Under AASB 102 'Inventories', AASB 138 'Intangible Assets', AASB 140 'Investment Properties', and AASB 116 'Property Plant and Equipment', a not-for-profit (NFP) entity is entitled to recognise an asset acquired at no cost or nominal cost at its fair value as at the date of acquisition.
- Property held to meet service delivery objectives. Under AASB 140 'Investment Property', a not-for-profit (NFP) entity is entitled to hold investment property to meet service delivery objectives and as such must account for these assets under AASB 116 'Property Plant and Equipment'.

### Historical cost convention

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

### Critical accounting estimates

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

### Accrual basis of accounting

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

### Consolidated financial statements

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

**(b) Changes in accounting policies**

In the current year, the University has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to the operations and effective for the current annual reporting period. The adoption of these new and revised standards and interpretations have not resulted in changes to the University's accounting policies for the current and prior years.

The University has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 January 2010.

- (i) AASB 2009-5 'Further Amendments to Australian Accounting Standards' arising from the Annual Improvements Project (AASB 5, 8, 101, 107, 117, 118, 136 & 139) effective 1 January 2010
- (ii) AASB 3 'Business Combinations' (revised 2008) effective 1 July 2009
- (iii) AASB 127 'Consolidated and Separate Financial Statements' (revised 2008) effective 1 July 2009
- (iv) AASB 2009-4 'Amendments to Australian Accounting Standards' arising from the Annual Improvements Project effective 1 July 2009
- (v) AASB 2008-6 'Further Amendments to Australian Accounting Standards' arising from the Annual Improvements Project (AASB 1 & AASB 5) effective 1 July 2009
- (vi) AASB 2008-3 'Amendments to Australian Accounting Standards' arising from AASB 3 and AASB 127 effective 1 July 2009

In 2010, the University of Sydney changed its accounting policy with respect to the recognition of defined benefit superannuation actuarial gains and losses. The impact of this change is explained in Note 34 'Change in accounting policy'.

**(c) Insurance**

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

**(d) Income tax**

The University is exempt from income tax under Commonwealth income tax legislation. Within the consolidated entity there are entities that are not exempt from income tax. For these entities, the income tax expense or revenue for the period is the tax payable on the current period's taxable income, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

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

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

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.

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.

**(e) Business combinations**

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be 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 whether 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 re-measured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be 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 will be 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 shall not be re-measured.

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

**(f) Revenue recognition****(i) Operating revenue**

The University's operating activity income primarily consists of Commonwealth grants, Higher Education Contribution Scheme Commonwealth payments, Higher Education Loan Program student payments, NSW State government grants, other research grants and consultancy and contracts, investment income, and fees and charges. Revenue is recognised where it can be reliably measured. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes.

**(ii) Government grants**

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

**(iii) Fees and charges**

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

**(iv) Investment income**

Investment income is recognised as it is earned.

**(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. Donations, bequests and contributions from external organisations 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.

**(g) 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 statement of financial position. 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.

**(h) Rounding of amounts**

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

**(i) Valuation of assets*****Cash and cash equivalents***

Cash and cash equivalents includes 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 cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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

***Property, plant and equipment***

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

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

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

***Investment commercial teaching and research properties***

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

***Infrastructure***

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

***Commercial farms***

The University's commercial farms have been revalued at 31 December 2010.

***Student housing***

The University's student housing has been revalued at 31 December 2010.

***Plant and equipment***

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

***Embedded plant and equipment in buildings***

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

***Motor vehicles***

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

***Heritage assets***

Valuations for the University's heritage assets were provided by the curators of each collection. The valuation for the University's rare books collection was as at 31 December 2010. The Power Collection of Contemporary Art is owned by the University and is on loan under a management agreement with the Museum of Contemporary Art.

The collection was last valued in 2008 by the Museum of Contemporary Art Limited and is recorded on the University's books at a value of \$28,324,000. The valuations for the other collections are provided annually by the curators of each collection and are based on current market value using a combination of prices at auction of similar works, the curator's experience and appropriate indexation. Where assets are valued in a foreign currency they are translated into the 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 as at 31 December 1998 based on 1997 prices indexed to 1998 prices to reflect current market value. Under AASB 116, the library collections continue to be valued on the cost model less any loss on impairment. Only the undergraduate collection is subject to depreciation; the research collection does not diminish in value because of the nature of the collection.

#### **Works in progress**

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

#### **Agriculture assets**

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

#### **Inventories**

Inventories consist of store stock and unsold crops in silos. Inventories are valued at cost. Costs have been assigned to inventory quantities on hand at reporting date using the 'first in first out' basis. Unsold crops in silos are valued at fair 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 when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of the receivable.

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

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

#### **Available-for-sale financial assets**

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

Available-for-sale financial assets (see Note 20) are initially brought to account at fair value. Subsequent increases or decreases arising from changes in the fair value of an available-for-sale financial asset, that is not part of a hedging relationship is recognised directly in equity in the asset revaluation reserve, except for impairment losses until the financial asset is de-recognised. On de-recognition, the cumulative gain or loss is recognised in the income statement.

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

The University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices for assets or liabilities at the statement of financial position date (Level 1). The fair values of quoted investments are based on current bid prices.

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

**Other financial assets**

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

**Impairment of assets**

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

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

**Investment properties**

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

Subsequent to initial recognition at cost, 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 the other income.

**(j) Trade and other payables**

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

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

Securities sold subject to repurchase agreements are retained in 'Available-for-sale financial assets' (Note 20). The counterparty liability is included in 'Trade and other payables' (Note 30). The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

**(k) 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 the reporting date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the income statement.

Foreign exchange difference relating to available-for-sale financial assets which 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.

**(l) Intangible assets**

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

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

**(m) Employee benefits****(i) Annual leave**

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

**(ii) Long service leave**

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit cost method. Consideration is given to expected future wage and salary levels, trends of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on notional government bonds with monthly terms to maturity currencies that match, as closely as possible to 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 2010.

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 Benefit 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 statement of financial position, 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 (refer note 34 'Change in accounting policy').

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

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

**(n) 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	10%
Computing equipment	25%
Motor vehicles	15%
Buildings and infrastructure	2%
Embedded plant and equipment in buildings	
– Embedded mech and electrical install	6.70%
– Embedded plant and equipment	10%
Library undergraduate collection	20%
Leasehold improvements*	2%
Intangibles – computer software	5%–40%
Commercial teaching and research farms	2%
Commercial teaching and research student housing	2%

\*Depreciated at 2% or over the life of lease if lease is for a period less than 50 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted as required, for any loss of service potential.

**(o) Leases**

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

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

**(p) Restricted funds**

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

**(q) Reserves**

The University has the following reserves:

**(i) Asset revaluation reserve**

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

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

**(ii) Associates' reserves**

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

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

**(r) Joint ventures and cooperative research centres (CRCs)**

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

The interest in a joint venture partnership is accounted for using the equity method. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statements, and the share of movements in reserves is recognised in reserves in the statement of financial position. Details relating to the partnerships are set out in Note 43.

**(s) Associates**

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

The University's share of its associates' 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 Group'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.

**(t) Private sector participation in the provision of student accommodation**

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

**(u) New Accounting Standards and AASB Interpretations**

The University has assessed the new Australian Accounting Standards that have recently been issued or amended but are not yet effective or applied. It has been determined that these new accounting standards will have no material impact on the University's financial statements in the period of initial application with the exception of AASB 9 'Financial Instruments'. The University has not adopted AASB 9 in accordance with DEEWR's instructions included in their 2010 guidelines. Mandatory adoption of this standard is required on 1 January 2013; the likely adoption date for the University is 1 January 2013. The adoption of the standard will result in the reclassification of available-for-sale assets to various other asset categories. The adoption of the standard may have a material impact on the results of the University. At the date of this report we are unable to quantify the effect of this change.

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the University.

**(v) Charitable Fundraising Act 1991 (CFA)**

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

## 2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>(a) Commonwealth Grants Scheme and other grants</b>	50.1				
Commonwealth Grants Scheme		258,108	225,638	258,108	225,638
Indigenous Support Program		1,495	1,722	1,495	1,722
Partnership and Participation Program		1,535	219	1,535	219
Disability Support Program		233	159	233	159
Workplace Reform Program		0	2,544	0	2,544
Workplace Productivity Program		1,216	1,161	1,216	1,161
Learning and Teaching Performance Fund		0	5,488	0	5,488
Capital Development Pool		6,283	0	6,283	0
Diversity and Structural Adjustment Program		1,783	1,526	1,783	1,526
Practical Component of Teacher Education		0	579	0	579
Transition Cost Program		540	1,282	540	1,282
<b>Total Commonwealth Grants Scheme and other grants</b>		<b>271,193</b>	<b>240,318</b>	<b>271,193</b>	<b>240,318</b>
<b>(b) Higher Education Loan Programs</b>	50.2				
HECS-HELP		126,746	106,605	126,746	106,605
FEE-HELP		42,838	35,276	42,838	35,276
<b>Total Higher Education Loan Programs</b>		<b>169,584</b>	<b>141,881</b>	<b>169,584</b>	<b>141,881</b>
<b>(c) Scholarships</b>	50.3				
Australian Postgraduate Awards		17,037	12,379	17,037	12,379
International Postgraduate Research Scholarships		2,105	2,036	2,105	2,036
Commonwealth Education Costs Scholarships		227	2,174	227	2,174
Commonwealth Accommodation Scholarships		5	2,358	5	2,358
Indigenous Access Scholarships		55	4	55	4
<b>Total scholarships</b>		<b>19,429</b>	<b>18,951</b>	<b>19,429</b>	<b>18,951</b>
<b>(d) DIISR – Research</b>	50.4				
Joint Research Engagement Program		36,803	36,276	36,803	36,276
Research Training Scheme		62,641	60,706	62,641	60,706
Research Infrastructure Block Grants		26,845	25,483	26,845	25,483
Implementation Assistance Program		184	348	184	348
Australian Scheme For Higher Education Repositories		0	428	0	428
Commercialisation Training Scheme		585	572	585	572
DEEWR SRE Threshold		7,966	0	7,966	0
DEEWR SRE Base & Threshold 1		1,861	0	1,861	0
<b>Total DIISR – Research</b>		<b>136,885</b>	<b>123,813</b>	<b>136,885</b>	<b>123,813</b>
<b>(e) Other capital funding</b>	50.5				
Education Investment Fund		17,500	41,040	17,500	41,040
<b>Total other capital funding</b>		<b>17,500</b>	<b>41,040</b>	<b>17,500</b>	<b>41,040</b>

**2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND FEE-HELP  
(continued)**

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>(f) Australian Research Council</b>	50.6				
<b>(i) Discovery</b>	50.6(a)				
Projects		39,353	40,099	39,353	40,099
Future fellowships		2,645	1,559	2,645	1,559
Federation fellowships		2,429	2,377	2,429	2,377
Indigenous researchers		130	102	130	102
DEEWR ARC Super Science Fellowship		186	0	186	0
<b>Total discovery</b>		<b>44,743</b>	<b>44,137</b>	<b>44,743</b>	<b>44,137</b>
<b>(ii) Linkages</b>	50.6(b)				
Linkage – infrastructure		5,460	2,350	5,460	2,350
International researcher exchange		13	22	13	22
Laureate fellowships		2,481	937	2,481	937
Projects		9,756	10,362	9,756	10,362
<b>Total linkages</b>		<b>17,710</b>	<b>13,671</b>	<b>17,710</b>	<b>13,671</b>
<b>(iii) Networks and centres</b>	50.6(c)				
Research networks		0	442	0	442
Centres		4,335	4,459	4,335	4,459
<b>Total networks and centres</b>		<b>4,335</b>	<b>4,901</b>	<b>4,335</b>	<b>4,901</b>
<b>(g) Other Australian government financial assistance</b>					
Education, science and training		15,505	18,703	15,505	18,703
Human services and health		97,140	92,357	97,140	92,357
Industry, technology and regional development		7,837	4,715	7,837	4,715
Primary industry and energy		8,216	7,248	8,216	7,248
Other		1,519	0	1,519	0
<b>Total other Australian government financial assistance</b>		<b>130,217</b>	<b>123,023</b>	<b>130,217</b>	<b>123,023</b>
<b>Total Australian government financial assistance</b>		<b>811,596</b>	<b>751,735</b>	<b>811,596</b>	<b>751,735</b>
<b>Reconciliation</b>					
Australian government grants [(a) + (c) + (d) + (e) + (f) + (g)]		642,012	609,854	642,012	609,854
HECS-HELP payments		126,746	106,605	126,746	106,605
FEE-HELP – other Australian government loan programs		42,838	35,276	42,838	35,276
<b>Total Australian government financial assistance</b>		<b>811,596</b>	<b>751,735</b>	<b>811,596</b>	<b>751,735</b>
<b>(h) Australian government grants received - cash basis</b>					
Commonwealth Grants Scheme and other grants		271,193	240,318	271,193	240,318
Higher Education Loan Programs		174,224	139,726	174,224	139,726
Scholarships		19,429	18,951	19,429	18,951
DIISR – Research		136,885	123,813	136,885	123,813
ARC – Discovery		44,743	44,137	44,743	44,137
ARC – Linkages		17,710	13,671	17,710	13,671
ARC – Networks and centres		4,335	4,901	4,335	4,901
Other Australian government financial assistance		130,217	123,023	130,217	123,023
Other capital funding		17,500	41,040	17,500	41,040
<b>Total Australian government grants received - cash basis</b>		<b>816,236</b>	<b>749,580</b>	<b>816,236</b>	<b>749,580</b>
<b>OS-HELP liability to Australian government (net)</b>		<b>31</b>	<b>515</b>	<b>31</b>	<b>515</b>
<b>Total Australian government funding received - cash basis</b>		<b>816,267</b>	<b>750,095</b>	<b>816,267</b>	<b>750,095</b>

### 3 NEW SOUTH WALES STATE GOVERNMENT FINANCIAL ASSISTANCE

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
State government research grants		14,062	11,491	14,062	11,491
Other		1,874	1,936	1,874	1,936
<b>Total state government financial assistance</b>		<b>15,936</b>	<b>13,427</b>	<b>15,936</b>	<b>13,427</b>

### 4 FEES AND CHARGES

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Course fees and charges</b>					
Fee-paying overseas students		261,472	241,846	261,472	241,846
Continuing education		9,259	7,076	9,075	7,079
Fee-paying domestic postgraduate students		21,283	20,327	21,283	20,327
Fee-paying domestic undergraduate students		9,398	10,787	9,398	10,787
Students undertaking non-award courses		4,791	1,577	4,791	1,577
Course fees		12,093	10,187	12,067	10,151
Law extension course fees		2,182	2,053	2,182	2,053
Summer school fees		12,098	11,774	12,098	11,774
<b>Total course fees and charges</b>		<b>332,576</b>	<b>305,627</b>	<b>332,366</b>	<b>305,594</b>
<b>Other fees and charges</b>					
Hire of equipment and venues		1,861	1,801	1,861	1,794
Fees late enrolment		122	123	122	123
Library fines		4	638	4	638
Parking fees		2,481	1,844	2,481	1,844
Rental – other		1,659	1,671	1,651	1,671
Student residences		6,146	5,434	6,146	5,434
Library service charges		263	937	263	937
Miscellaneous		1,778	3,826	1,786	3,826
<b>Total other fees and charges</b>		<b>14,314</b>	<b>16,274</b>	<b>14,314</b>	<b>16,267</b>
<b>Total fees and charges</b>		<b>346,890</b>	<b>321,901</b>	<b>346,680</b>	<b>321,861</b>

### 5 INVESTMENT REVENUE

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Distributions from managed funds		14,262	11,393	14,262	11,393
Dividends received		10,988	12,024	10,988	12,024
Rental income from investment properties		557	568	557	568
Other investment income		1,909	324	1,861	324
Interest and discount from investments		26,537	24,981	26,537	24,980
Realised gains		34,272	31,670	34,272	31,670
<b>Total investment revenue</b>		<b>88,525</b>	<b>80,960</b>	<b>88,477</b>	<b>80,959</b>

## 6 ROYALTIES, TRADEMARKS AND LICENCES

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Licence, trademarks and royalty income		2,619	2,527	2,619	2,527
<b>Total royalties, trademarks and licences</b>		<b>2,619</b>	<b>2,527</b>	<b>2,619</b>	<b>2,527</b>

## 7 CONSULTANCY AND CONTRACT RESEARCH

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Local collaborative and other research		22,372	20,569	22,372	20,569
Consultancy		10,342	11,900	10,342	11,900
Research grants industry		17,161	7,706	17,161	7,706
Research grants individuals and foundations		19,052	32,987	19,052	32,987
Research grants overseas organisations		19,537	20,223	19,537	20,223
<b>Total consultancy and contracts research</b>		<b>88,464</b>	<b>93,385</b>	<b>88,464</b>	<b>93,385</b>

## 8 OTHER REVENUE AND INCOME

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Donations and bequests		44,234	35,355	44,077	35,328
<b>Total other revenue</b>		<b>44,234</b>	<b>35,355</b>	<b>44,077</b>	<b>35,328</b>
<b>Other income</b>					
Veterinary/medical practice income		12,754	9,974	12,754	9,974
Recovery of expenses from external organisations		479	6,116	479	6,191
Commission received		738	790	738	762
Memberships and subscriptions		153	505	153	405
Contributions (external organisations)		28,370	22,561	27,819	22,553
Shop sales (incl. commercial services)		7,473	6,646	5,966	5,613
Other		20,524	11,375	20,319	9,923
Farms		2,715	3,358	2,715	3,358
<b>Total other income</b>		<b>73,206</b>	<b>61,325</b>	<b>70,943</b>	<b>58,779</b>
<b>Total other revenue and income</b>		<b>117,440</b>	<b>96,680</b>	<b>115,020</b>	<b>94,107</b>

## 9 GAINS/(LOSSES) ON DISPOSAL OF ASSETS

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Disposal of PPE and investment property</b>					
Proceeds from sale		1,634	1,489	1,619	1,489
Carrying amount of assets sold		(1,189)	(1,458)	(1,109)	(1,458)
<b>Total of net gain/(loss) on disposal of assets</b>		<b>445</b>	<b>31</b>	<b>510</b>	<b>31</b>

The consolidated net gain on disposal of property, plant and equipment in 2010 includes a gain of \$97K on the sale of motor vehicles and a \$348K gain on the remaining equipment sold in 2010.

## 10 EMPLOYEE-RELATED EXPENSES

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Academic</b>					
Salaries		355,502	329,396	355,497	329,394
Contributions to superannuation and pension schemes		52,043	48,918	52,043	48,918
Payroll tax		22,925	22,290	22,925	22,290
Workers compensation		2,191	1,869	2,191	1,869
Long service leave expense		9,877	8,670	9,877	8,670
Annual leave		1,981	2,730	1,981	2,730
<b>Total academic</b>		<b>444,519</b>	<b>413,873</b>	<b>444,514</b>	<b>413,871</b>
<b>Non-academic</b>					
Salaries		326,150	316,052	323,764	313,502
Contributions to superannuation and pension schemes		45,226	43,559	44,791	43,118
Payroll tax		20,516	20,707	20,203	20,384
Workers compensation		1,579	1,477	1,581	1,469
Long service leave expense		7,904	7,208	7,899	7,200
Annual leave		1,583	3,384	1,565	3,246
<b>Total non-academic</b>		<b>402,958</b>	<b>392,387</b>	<b>399,803</b>	<b>388,919</b>
Deferred employment benefits for superannuation*		722	372	722	372
<b>Total employee-related expenses</b>		<b>848,199</b>	<b>806,632</b>	<b>845,039</b>	<b>803,162</b>

\*Includes \$94K (2009 \$205K) of Professorial Superannuation Scheme and \$628K (2009 \$167K) of State Authorities Non-contributory Scheme.

As a result of the University's change in policy (refer Note 34) superannuation actuarial gains and losses are now recognised in other comprehensive income. As a result, comparative figures for 2009 have been restated to reflect the change in policy. For 2009, the economic entity's and the Parent's actuarial gains of \$9,254K are now recognised in other comprehensive income.

## 11 DEPRECIATION AND AMORTISATION

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
<b>Depreciation</b>					
Buildings		25,773	24,655	25,773	24,655
Plant and equipment		24,241	20,597	24,012	20,532
Leasehold improvements		2,307	1,789	2,307	1,789
Motor vehicles		1,124	1,260	1,124	1,260
Computer equipment		852	1,141	852	1,141
Infrastructure		3,342	3,308	3,342	3,308
Libraries		940	882	940	882
Commercial T & R buildings/infrastructure		1,000	1,674	1,000	1,674
<b>Total depreciation</b>		<b>59,579</b>	<b>55,306</b>	<b>59,350</b>	<b>55,241</b>
<b>Amortisation</b>					
Intangibles – computer software		10,887	7,325	10,753	7,227
<b>Total depreciation and amortisation</b>		<b>70,466</b>	<b>62,631</b>	<b>70,103</b>	<b>62,468</b>

## 12 REPAIRS AND MAINTENANCE

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Maintenance of buildings and grounds		26,652	29,654	26,621	29,654
Other buildings and grounds expenses		27,092	23,949	26,929	23,894
<b>Total repairs and maintenance</b>		<b>53,744</b>	<b>53,603</b>	<b>53,550</b>	<b>53,548</b>

## 13 IMPAIRMENT OF ASSETS

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Bad debts		202	51	422	1,886
Doubtful debts		(407)	1,849	5,325	1,797
Impairment of library assets		240	1	240	1
<b>Total impairment of debts and library assets</b>		<b>35</b>	<b>1,901</b>	<b>5,987</b>	<b>3,684</b>
Impairment of available-for-sale assets		3,939	8,448	3,939	8,448
<b>Total impairment of assets</b>		<b>3,974</b>	<b>10,349</b>	<b>9,926</b>	<b>12,132</b>

## 14 OTHER EXPENSES

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Non-capitalised equipment		21,678	26,163	21,660	26,055
Advertising, marketing and promotional expenses		3,504	3,434	3,478	3,312
Audit fees, bank charges, legal costs, insurance and taxes		9,554	10,852	9,482	10,752
Printing, postage and stationery		12,651	12,923	12,598	12,803
Operating lease expenses		14,810	13,648	14,794	13,636
Rent and room hire		4,261	3,701	4,109	3,580
Telecommunications		10,328	11,409	10,295	11,382
Travel and related staff development and training		37,004	35,680	36,992	35,437
Farm operations		5,735	5,750	5,676	5,722
Laboratory, medical supplies and materials		24,517	24,552	24,493	24,529
Library materials		4,811	6,342	4,811	6,337
Licences, patents, copyright and commissions		12,840	13,222	12,816	13,222
Miscellaneous expenses		16,058	17,020	15,920	16,885
Retired assets at net book value		7,236	4,327	7,172	3,724
Equipment repairs and maintenance		11,052	9,391	10,953	9,371
<b>Total other expenses</b>		<b>196,039</b>	<b>198,414</b>	<b>195,249</b>	<b>196,747</b>

## 15 BORROWING COSTS

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Borrowing costs		1,087	790	1,087	790
<b>Total borrowing costs</b>		<b>1,087</b>	<b>790</b>	<b>1,087</b>	<b>790</b>

## 16 INCOME TAX (BENEFIT)/EXPENSE

	Notes	Economic entity [Consolidated]	
		2010	2009
		\$'000	\$'000
<b>(a) Income tax expense (benefit)</b>			
Income tax expense (income) is attributable to:			
Deferred tax		1	(17)
Adjustment for current tax of the prior year		0	400
<b>Income tax (benefit)/expense</b>		<b>1</b>	<b>383</b>
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>			
Operating result from continuing operations before income tax expense		112,168	60,278
Tax at the Australian tax rate of 30% (2009 – 30%)		33,650	18,084
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income net income (loss) of the tax-exempt entities.		(34,016)	(18,700)
Differential on tax attributed to equity accounted entities		1,551	(47)
Less: tax effect of exempt income included in the taxable entities results		(1,788)	646
Reversal of prior period deferred tax assets		0	400
Current period tax losses not brought to account		604	0
<b>Total income tax expense</b>		<b>1</b>	<b>383</b>

## 17 CASH AND CASH EQUIVALENTS

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash at bank and on hand*		58,233	38,152	58,123	37,966
Cash equivalents**		105,117	91,954	105,117	91,954
<b>Total cash and cash equivalents</b>		<b>163,350</b>	<b>130,106</b>	<b>163,240</b>	<b>129,920</b>

\*These are interest bearing at a variable average rate of 3.67%.

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

## Reconciliation to cash at the end of the year

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

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Gross cash balance		163,350	130,106	163,240	129,920
<b>Balances per cash flow statement</b>		<b>163,350</b>	<b>130,106</b>	<b>163,240</b>	<b>129,920</b>

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 2010. The accounts and balances are:

Australian dollars	155,421	125,017	155,311	124,831
US dollars	1,977	629	1,977	629
UK pounds	685	354	685	354
Euros	5,267	4,106	5,267	4,106
	<b>163,350</b>	<b>130,106</b>	<b>163,240</b>	<b>129,920</b>

## 18 RECEIVABLES

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Current</b>					
<b>Receivables</b>					
Student fees		4,947	1,734	4,947	1,734
Provision for impaired receivables		(176)	(297)	(176)	(297)
<b>Total receivables</b>		<b>4,771</b>	<b>1,437</b>	<b>4,771</b>	<b>1,437</b>
<b>GST recoverable</b>					
GST recoverable		5,988	5,418	5,977	5,409
<b>Total GST recoverable</b>		<b>5,988</b>	<b>5,418</b>	<b>5,977</b>	<b>5,409</b>
<b>Debtors</b>					
Debtors		45,243	53,304	44,558	52,981
Provision for impaired receivables		(3,101)	(3,554)	(3,045)	(3,502)
<b>Total debtors</b>		<b>42,142</b>	<b>49,750</b>	<b>41,513</b>	<b>49,479</b>
<b>Other</b>					
Student loans		851	1,138	850	1,138
Amount due from associated company		9,028	6,090	9,028	6,090
Amount due from controlled entities		0	0	7,369	5,232
<b>Total other</b>		<b>9,879</b>	<b>7,228</b>	<b>17,247</b>	<b>12,460</b>
<b>Other current receivables</b>					
Accrued income		14,579	12,592	14,515	12,520
Total other receivables		14,579	12,592	14,515	12,520
<b>Total current receivables</b>		<b>77,359</b>	<b>76,425</b>	<b>84,023</b>	<b>81,305</b>
<b>Non-current</b>					
Deferred government contribution for superannuation (refer to Note 39)		722,061	635,766	722,061	635,766
Super Asset Plan (State Authorities Superannuation Trustee Corporation)		12,703	14,257	12,703	14,257
Student loans		191	(196)	191	(196)
<b>Total non-current receivables</b>		<b>734,955</b>	<b>649,827</b>	<b>734,955</b>	<b>649,827</b>
<b>Total receivables</b>		<b>812,314</b>	<b>726,252</b>	<b>818,978</b>	<b>731,132</b>

**(a) Impaired receivables**

As at 31 December 2010 current receivables with a nominal value of \$3,277K (2009 \$3,851K) were impaired.

The amount of the provision that relates to specific provisions was \$2,973K (2009 \$2,591K).

The individually impaired receivables mainly relate to private sector organisations, which are in unexpectedly difficult economic situations. The remaining provision of \$304K (2009 \$1,260K) is a general provision for receivables over 90 days. It was assessed that a portion of the receivable is expected to be recovered.

The ageing of these receivables is as follows:

	Economic entity [Consolidated]		Parent entity [University]	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
3 to 6 months	645	553	645	552
Over 6 months	2,632	3,298	2,576	3,247
	<b>3,277</b>	<b>3,851</b>	<b>3,221</b>	<b>3,799</b>

As at 31 December 2010, trade receivables of \$8,190K (2009: \$8,468K) 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:

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Under 3 months	5,537	3,509	5,451	3,491
3 to 6 months	2,308	3,981	2,235	3,852
Over 6 months	345	978	345	978
	<b>8,190</b>	<b>8,468</b>	<b>8,031</b>	<b>8,321</b>

Movements in the provision for impaired receivables are as follows:

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
At 1 January	3,851	2,808	3,799	2,808
Provision for impaired recognised during the year	(208)	1,879	(210)	1,827
Receivables written off during the year as uncollectible	(366)	(836)	(368)	(836)
<b>At 31 December 2010</b>	<b>3,277</b>	<b>3,851</b>	<b>3,221</b>	<b>3,799</b>

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 INVENTORIES

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Crops	454	11	441	0

## 20 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Summarised by maturity date</b>				
Within 3 months	0	0	0	0
Within 4 to 12 months	66,015	5,150	66,015	5,150
Within 1 to 5 years	90,632	169,817	90,632	169,817
More than 5 years	120,418	145,942	120,418	145,942
No maturing date (shares, convertible notes, property trusts, etc.)	516,914	510,283	516,914	510,283
<b>At end of year</b>	<b>793,979</b>	<b>831,192</b>	<b>793,979</b>	<b>831,192</b>
<b>Current</b>				
Fixed interest bonds	66,015	5,150	66,015	5,150
<b>Total current available-for-sale financial assets</b>	<b>66,015</b>	<b>5,150</b>	<b>66,015</b>	<b>5,150</b>
<b>Non-current</b>				
Investment securities at fair value:				
Listed securities	208,873	201,285	208,873	201,285
External fund managers*	315,280	319,046	315,280	319,046
Unlisted securities	2,940	0	2,940	0
Fixed interest bonds	138,591	263,667	138,591	263,667
Floating rate notes	50,939	30,573	50,939	30,573
Secured company loans	7,186	7,533	7,186	7,533
Convertible notes	4,155	3,915	4,155	3,915
Loans to affiliated organisations	0	23	0	23
<b>Total non-current available-for-sale financial assets</b>	<b>727,964</b>	<b>826,042</b>	<b>727,964</b>	<b>826,042</b>
<b>Total available-for-sale financial assets</b>	<b>793,979</b>	<b>831,192</b>	<b>793,979</b>	<b>831,192</b>

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

## 21 OTHER FINANCIAL ASSETS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Shares in associates and other companies	2,165	2,303	2,165	2,303
Unsecured company loan	2,000	2,000	2,000	2,000
<b>Total other financial assets</b>	<b>4,165</b>	<b>4,303</b>	<b>4,165</b>	<b>4,303</b>

## 22 INVESTMENT PROPERTIES

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>At fair value</b>				
Opening balance at 1 January	13,300	13,000	13,300	13,000
Net gain/(loss) from fair value adjustment	532	300	532	300
<b>Closing balance at 31 December</b>	<b>13,832</b>	<b>13,300</b>	<b>13,832</b>	<b>13,300</b>

## 23 PROPERTY, PLANT AND EQUIPMENT

Economic entity (Consolidated)	Investment											Leasehold improvements	Total	
	T & R land	Non-com T & R bldg	Com T & R bldg	CT & R properties	Embedded P & E in bldg	Non-com T & R infra	Com T & R infra	Commercial farms	Student housing	Plant and equipment	Motor vehicles			Computer equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>As at 1 January 2009</b>														
Cost	163,784	1,088,492	0	0	18,006	154,265	0	0	0	188,609	8,949	16,709	36,127	1,674,941
At valuation	24,462	5,431	69,575	84,534	0	0	228	17,541	53,635	0	0	0	0	255,406
Accumulated depreciation	0	(196,555)	(273)	(80)	(2,652)	(33,282)	(1)	(10)	(124)	(108,392)	(3,659)	(14,537)	(1,666)	(361,231)
<b>Net book amount</b>	<b>188,246</b>	<b>897,368</b>	<b>69,302</b>	<b>84,454</b>	<b>15,354</b>	<b>120,983</b>	<b>227</b>	<b>17,531</b>	<b>53,511</b>	<b>80,217</b>	<b>5,290</b>	<b>2,172</b>	<b>34,461</b>	<b>1,569,116</b>
<b>Year ended 31 December 2009</b>														
Opening net book amount	188,246	897,368	69,302	84,454	15,354	120,983	227	17,531	53,511	80,217	5,290	2,172	34,461	1,569,116
Revaluation increment/ (decrement)	(589)	(1,157)	0	(3,756)	0	0	(24)	859	7,716	0	0	0	0	3,049
Additions/ recategorisations	(21,573)	(53,825)	(69,941)	102,759	44,004	(3)	0	0	0	21,819	1,158	628	(408)	24,618
Add/less completed capital works	0	188,678	366	25,788	2,800	4,187	0	0	38	0	0	0	15,128	236,985
Disposals/ retirements	0	(74)	0	(595)	0	(11)	0	0	0	(9,612)	(1,632)	(2,919)	(73)	(14,916)
Depreciation charge	0	(24,023)	273	(3,413)	(4,190)	(3,307)	(6)	(64)	(664)	(6,401)	(466)	1,704	(1,773)	(42,330)
<b>Closing net book amount</b>	<b>166,084</b>	<b>1,006,967</b>	<b>0</b>	<b>205,237</b>	<b>57,968</b>	<b>121,849</b>	<b>197</b>	<b>18,326</b>	<b>60,601</b>	<b>86,023</b>	<b>4,350</b>	<b>1,585</b>	<b>47,335</b>	<b>1,776,522</b>
<b>At 31 December 2009</b>														
Cost	162,440	1,223,271	0	0	64,810	158,438	0	0	0	201,162	8,475	14,424	50,870	1,883,890
At valuation	3,644	4,153	0	205,714	0	0	198	18,338	60,735	0	0	0	0	292,782
Accumulated depreciation	0	(220,457)	0	(477)	(6,842)	(36,589)	(1)	(12)	(134)	(115,139)	(4,125)	(12,859)	(3,535)	(400,150)
<b>Net book amount</b>	<b>166,084</b>	<b>1,006,967</b>	<b>0</b>	<b>205,237</b>	<b>57,968</b>	<b>121,849</b>	<b>197</b>	<b>18,326</b>	<b>60,601</b>	<b>86,023</b>	<b>4,350</b>	<b>1,585</b>	<b>47,335</b>	<b>1,776,522</b>

## 23 PROPERTY, PLANT AND EQUIPMENT (continued)

Economic entity (Consolidated)	Investment										Leasehold improvements	Total		
	T & R land	Non-com T & R bldg	Com T & R bldg	CT & R properties	Embedded P & E in bldg	Non-com T & R infra	Com T & R infra	Commercial farms	Student housing	Plant and equipment			Motor vehicles	Computer equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Year ended 31 December 2010</b>														
Opening net book amount	166,084	1,006,967	0	205,237	57,968	121,849	197	18,326	60,601	86,023	4,350	1,585	47,355	1,776,522
Revaluation increment/ (decrement)	(765)	(323)	0	2,191	0	0	5	358	726	0	0	0	0	2,192
Additions/ recategorisations	3,434	(9,308)	0	(7,437)	9,631	(213)	0	0	7,453	18,760	547	223	1	23,091
Add/(less) completed capital works	0	21,543	0	2,896	306	1,187	0	0	475	0	0	0	3,069	29,476
Disposals/ retirements	0	(7,022)	0	(530)	0	0	0	(12)	0	(7,376)	(1,321)	(1,311)	0	(17,572)
Depreciation charge	0	(25,773)	0	(2,741)	(6,101)	(3,342)	(5)	(80)	(915)	(15,396)	(1,124)	(855)	(2,307)	(58,639)
Write back accumulated depreciation	0	1,794	0	0	0	0	0	0	0	6,150	868	1,427	0	10,239
<b>Closing net book amount</b>	<b>168,753</b>	<b>987,878</b>	<b>0</b>	<b>199,616</b>	<b>61,804</b>	<b>119,481</b>	<b>197</b>	<b>18,592</b>	<b>68,340</b>	<b>88,161</b>	<b>3,320</b>	<b>1,069</b>	<b>48,098</b>	<b>1,765,309</b>
<b>At 31 December 2010</b>														
Cost	165,874	1,228,586	0	0	74,747	159,412	0	0	0	212,377	7,701	13,335	53,843	1,915,875
Valuation	2,879	3,728	0	200,055	0	0	198	18,605	68,506	0	0	0	0	293,971
Accumulated depreciation	0	(244,436)	0	(439)	(12,943)	(39,931)	(1)	(13)	(166)	(124,216)	(4,381)	(12,266)	(5,745)	(444,537)
<b>Net book amount</b>	<b>168,753</b>	<b>987,878</b>	<b>0</b>	<b>199,616</b>	<b>61,804</b>	<b>119,481</b>	<b>197</b>	<b>18,592</b>	<b>68,340</b>	<b>88,161</b>	<b>3,320</b>	<b>1,069</b>	<b>48,098</b>	<b>1,765,309</b>

## 23 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent entity (University)	Investment											Leasehold improvements	Total	
	T & R land	Non-com T & R bldg	Com T & R bldg	CT & R properties	Embedded P & E in bldg	Non-com T & R infra	Com T & R infra	Commercial farms	Student housing	Plant and equipment	Motor vehicles			Computer equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2009</b>														
Cost	163,784	1,088,492	0	0	18,006	154,265	0	0	0	187,665	8,949	16,660	36,127	1,673,948
Valuation	24,462	5,431	69,575	84,534	0	0	228	17,541	53,635	0	0	0	0	255,406
Accumulated depreciation	0	(196,555)	(273)	(80)	(2,652)	(33,282)	(1)	(10)	(124)	(108,142)	(3,659)	(14,537)	(1,666)	(360,981)
<b>Net book amount</b>	<b>188,246</b>	<b>897,368</b>	<b>69,302</b>	<b>84,454</b>	<b>15,354</b>	<b>120,983</b>	<b>227</b>	<b>17,531</b>	<b>53,511</b>	<b>79,523</b>	<b>5,290</b>	<b>2,123</b>	<b>34,461</b>	<b>1,568,373</b>
<b>Year ended 31 December 2009</b>														
Opening net book amount	188,246	897,368	69,302	84,454	15,354	120,983	227	17,531	53,511	79,523	5,290	2,123	34,461	1,568,373
Revaluation increment/ (decrement)	(589)	(1,157)	0	(3,756)	0	0	(24)	859	7,716	0	0	0	0	3,049
Additions/ recategorisations	(21,573)	(53,825)	(69,941)	102,759	44,004	(3)	0	0	0	21,723	1,158	628	(408)	24,522
Add/(less) completed capital works	0	188,678	366	25,788	2,800	4,187	0	0	38	0	0	0	15,128	236,985
Disposals/ retirements	0	(74)	0	(595)	0	(11)	0	0	0	(9,612)	(1,632)	(2,873)	(73)	(14,870)
Depreciation charge	0	(24,023)	273	(3,413)	(4,190)	(3,307)	(6)	(64)	(664)	(6,401)	(466)	1,704	(1,773)	(42,330)
<b>Closing net book amount</b>	<b>166,084</b>	<b>1,006,967</b>	<b>0</b>	<b>205,237</b>	<b>57,968</b>	<b>121,849</b>	<b>197</b>	<b>18,326</b>	<b>60,601</b>	<b>85,233</b>	<b>4,350</b>	<b>1,582</b>	<b>47,335</b>	<b>1,775,729</b>
<b>As at 31 December 2009</b>														
Cost	162,440	1,223,271	0	0	64,810	158,438	0	0	0	199,776	8,475	14,415	50,774	1,882,399
Valuation	3,644	4,153	0	205,714	0	0	198	18,338	60,735	0	0	0	0	292,782
Accumulated depreciation	0	(220,457)	0	(477)	(6,842)	(36,589)	(1)	(12)	(134)	(114,545)	(4,125)	(12,833)	(3,439)	(399,452)
<b>Net book amount</b>	<b>166,084</b>	<b>1,006,967</b>	<b>0</b>	<b>205,237</b>	<b>57,968</b>	<b>121,849</b>	<b>197</b>	<b>18,326</b>	<b>60,601</b>	<b>85,233</b>	<b>4,350</b>	<b>1,582</b>	<b>47,335</b>	<b>1,775,729</b>

23 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent entity (University)	Investment											Leasehold improvements	Total	
	T & R land	Non-com T & R bldg	Com T & R bldg	Investment CT & R properties	Embedded P & E in bldg	Non-com T & R infra	Com T & R infra	Commercial farms	Student housing	Plant and equipment	Motor vehicles			Computer equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2010</b>														
Opening net book amount	166,084	1,006,967	0	205,257	57,968	121,849	197	18,326	60,601	85,233	4,350	1,582	47,335	1,775,729
Revaluation increment/ (decrement)	(765)	(323)	0	2,191	0	0	5	358	726	0	0	0	0	2,192
Additions/ re-categorisations	3,434	(9,215)	0	(7,437)	9,631	(213)	0	0	7,453	18,681	547	220	1	23,102
Add/(less) completed capital works	0	21,543	0	2,896	306	1,187	0	0	475	0	0	0	3,069	29,476
Disposals/ retirements	0	(7,022)	0	(530)	0	0	0	(12)	0	(7,296)	(1,321)	(1,311)	0	(17,492)
Depreciation charge	0	(25,773)	0	(2,741)	(6,101)	(3,342)	(5)	(80)	(915)	(15,170)	(1,124)	(852)	(2,307)	(58,410)
Write back accumulated depreciation	0	1,701	0	0	0	0	0	0	0	6,149	868	1,428	0	10,146
<b>Closing net book amount</b>	<b>168,753</b>	<b>987,878</b>	<b>0</b>	<b>199,616</b>	<b>61,804</b>	<b>119,481</b>	<b>197</b>	<b>18,592</b>	<b>68,340</b>	<b>87,597</b>	<b>3,320</b>	<b>1,067</b>	<b>48,098</b>	<b>1,764,743</b>
<b>At 31 December 2010</b>														
Cost	165,874	1,228,566	0	0	74,747	159,412	0	0	0	211,161	7,701	13,324	53,843	1,914,648
Valuation	2,879	3,728	0	200,055	0	0	198	18,605	68,506	0	0	0	0	293,971
Accumulated depreciation	0	(244,436)	0	(439)	(12,943)	(39,931)	(1)	(13)	(166)	(123,564)	(4,381)	(12,257)	(5,745)	(443,876)
<b>Net book amount</b>	<b>168,753</b>	<b>987,878</b>	<b>0</b>	<b>199,616</b>	<b>61,804</b>	<b>119,481</b>	<b>197</b>	<b>18,592</b>	<b>68,340</b>	<b>87,597</b>	<b>3,320</b>	<b>1,067</b>	<b>48,098</b>	<b>1,764,743</b>

## 24 HERITAGE ASSETS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Works of art – University collection*	49,765	49,197	49,765	49,197
Rare books	77,645	70,875	77,645	70,875
Museum collection	100,689	100,002	100,689	100,002
<b>Total heritage assets</b>	<b>228,099</b>	<b>220,074</b>	<b>228,099</b>	<b>220,074</b>

\*The collection does not include a significant unique donation that was received during 2010. The University is undertaking a comprehensive process of due diligence and this process is not yet complete. The University has also been unable to establish a reliable measurement of the value of this donation due to the variability of the limited market evidence available. For these reasons the donation has not been included in the financial statements. These issues are expected to be resolved during 2011.

	Works of art – University collection*	Rare books	Museum collection	Total
	\$'000	\$'000	\$'000	\$'000
<b>Economic entity (Consolidated) – 2009</b>				
Balance 1 January	48,017	69,474	96,213	213,704
Revaluations	958	782	3,757	5,497
Disposals	(10)	0	(1)	(11)
Recategorisations	232	619	33	884
<b>Balance 31 December</b>	<b>49,197</b>	<b>70,875</b>	<b>100,002</b>	<b>220,074</b>
<b>Economic entity (Consolidated) – 2010</b>				
Balance 1 January	49,197	70,875	100,002	220,074
Revaluations	219	6,503	1,025	7,747
Disposals	0	0	(27)	(27)
Additions/recategorisations	349	267	(311)	305
<b>Balance 31 December</b>	<b>49,765</b>	<b>77,645</b>	<b>100,689</b>	<b>228,099</b>
<b>Parent entity (University) – 2009</b>				
Balance 1 January	48,017	69,474	96,213	213,704
Revaluations	958	782	3,757	5,497
Disposals	(10)	0	(1)	(11)
Recategorisations	232	619	33	884
<b>Balance 31 December</b>	<b>49,197</b>	<b>70,875</b>	<b>100,002</b>	<b>220,074</b>
<b>Parent entity (University) – 2010</b>				
Balance 1 January	49,197	70,875	100,002	220,074
Revaluations	219	6,503	1,025	7,747
Disposals	0	0	(27)	(27)
Additions/recategorisations	349	267	(3,227)	(2,611)
<b>Balance 31 December</b>	<b>49,765</b>	<b>77,645</b>	<b>97,773</b>	<b>225,183</b>

## 25 LIBRARY COLLECTIONS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Undergraduate collection	45,398	44,607	45,398	44,607
Research collection	495,952	492,957	495,952	492,957
Accumulated depreciation	(43,342)	(42,451)	(43,342)	(42,451)
Accumulated impairment	(25,729)	(25,729)	(25,729)	(25,729)
<b>Total library collections</b>	<b>472,279</b>	<b>469,384</b>	<b>472,279</b>	<b>469,384</b>

	Undergraduate collection	Research collection	Accum depn – undergraduate collection	Accum impairment – research collection	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Economic entity (Consolidated) – 2009</b>					
Balance 1 January	43,737	490,122	(41,570)	(25,729)	466,560
Acquisitions	872	3,930	0	0	4,802
Retirements	0	(1,095)	0	0	(1,095)
Disposals	(2)	0	0	0	(2)
Depreciation	0	0	(881)	0	(881)
<b>Balance 31 December</b>	<b>44,607</b>	<b>492,957</b>	<b>(42,451)</b>	<b>(25,729)</b>	<b>469,384</b>
<b>Economic entity (Consolidated) – 2010</b>					
Balance 1 January	44,607	492,957	(42,451)	(25,729)	469,384
Acquisition	840	3,225	0	0	4,065
Disposals	(49)	(230)	49	0	(230)
Depreciation	0	0	(940)	0	(940)
<b>Balance 31 December</b>	<b>45,398</b>	<b>495,952</b>	<b>(43,342)</b>	<b>(25,729)</b>	<b>472,279</b>
<b>Parent entity (University) – 2009</b>					
Balance 1 January	43,737	490,122	(41,570)	(25,729)	466,560
Acquisitions	872	3,930	0	0	4,802
Retirements	0	(1,095)	0	0	(1,095)
Disposals	(2)	0	0	0	(2)
Depreciation	0	0	(881)	0	(881)
<b>Balance 31 December</b>	<b>44,607</b>	<b>492,957</b>	<b>(42,451)</b>	<b>(25,729)</b>	<b>469,384</b>
<b>Parent entity (University) – 2010</b>					
Balance 1 January	44,607	492,957	(42,451)	(25,729)	469,384
Acquisitions	840	3,225	0	0	4,065
Disposals	(49)	(230)	49	0	(230)
Depreciation	0	0	(940)	0	(940)
<b>Balance 31 December</b>	<b>45,398</b>	<b>495,952</b>	<b>(43,342)</b>	<b>(25,729)</b>	<b>472,279</b>

## 26 WORKS IN PROGRESS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Capital works in progress	25,264	13,119	25,264	13,119
Major IT works in progress	36,022	29,836	36,022	29,836
<b>Total works in progress</b>	<b>61,286</b>	<b>42,955</b>	<b>61,286</b>	<b>42,955</b>

	Capital works in progress	Major IT works in progress	Total
	\$'000	\$'000	\$'000
<b>Economic entity (Consolidated) – 2009</b>			
Balance 1 January	157,029	22,012	179,041
Add: capital works expenditure	93,075	20,578	113,653
Completed capital works – buildings and infrastructure	(236,985)	0	(236,985)
Major IT computer software capitalised	0	(12,754)	(12,754)
<b>Balance 31 December</b>	<b>13,119</b>	<b>29,836</b>	<b>42,955</b>
<b>Economic entity (Consolidated) – 2010</b>			
Balance 1 January	13,119	29,836	42,955
Add: capital works expenditure	42,095	20,067	62,162
Completed capital works – buildings and infrastructure	(29,476)	0	(29,476)
Projects abandoned	(474)	(47)	(521)
Major IT computer software capitalised	0	(13,834)	(13,834)
<b>Balance 31 December</b>	<b>25,264</b>	<b>36,022</b>	<b>61,286</b>
<b>Parent entity (University) – 2009</b>			
Balance 1 January	157,029	22,012	179,041
Add: capital works expenditure	93,075	20,578	113,653
Completed capital works – buildings and infrastructure	(236,985)	0	(236,985)
Major IT computer software capitalised	0	(12,754)	(12,754)
<b>Balance 31 December</b>	<b>13,119</b>	<b>29,836</b>	<b>42,955</b>
<b>Parent entity (University) – 2010</b>			
Balance 1 January	13,119	29,836	42,955
Add: capital works expenditure	42,095	20,067	62,162
Completed capital works – buildings and infrastructure	(29,476)	0	(29,476)
Projects abandoned	(474)	(47)	(521)
Major IT computer software capitalised	0	(13,834)	(13,834)
<b>Balance 31 December</b>	<b>25,264</b>	<b>36,022</b>	<b>61,286</b>

## 27 INTANGIBLE ASSETS

Economic entity (Consolidated)	Computer software	Other intangible assets	Digitalised library collection	Total
	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2009</b>				
At cost	35,974	0	29,800	65,774
Less: accumulated amortisation	(27,762)	0	0	(27,762)
<b>Net book amount</b>	<b>8,212</b>	<b>0</b>	<b>29,800</b>	<b>38,012</b>
<b>Year ended 31 December 2009</b>				
Opening net book amount	8,212	0	29,800	38,012
Add: completed capital works	12,754	0	5,605	18,359
Acquisitions	318	0	0	318
Disposal/retirements	(14,832)	0	0	(14,832)
Amortisation charge	6,279	0	0	6,279
<b>Closing net book amount</b>	<b>12,731</b>	<b>0</b>	<b>35,405</b>	<b>48,136</b>
<b>Accumulated impairment</b>				
Closing net book amount	34,315	0	35,405	69,720
Accumulated amortisation and impairment	(21,584)	0	0	(21,584)
<b>Net book amount</b>	<b>12,731</b>	<b>0</b>	<b>35,405</b>	<b>48,136</b>
<b>Year ended 31 December 2010</b>				
Opening net book amount	12,731	0	35,405	48,136
Add: completed capital works	13,823	0	0	13,823
Additions	225	2,100	5,496	7,821
Disposal/retirements	(5,170)	0	0	(5,170)
Less: amortisation charge	(10,826)	(61)	0	(10,887)
Writeback accumulated amortisation	4,390	0	0	4,390
<b>Closing net book amount</b>	<b>15,173</b>	<b>2,039</b>	<b>40,901</b>	<b>58,113</b>
<b>Accumulated impairment</b>				
Closing net book amount	42,979	2,100	40,901	85,980
Accumulated amortisation and impairment	(27,806)	(61)	0	(27,867)
<b>Net book amount</b>	<b>15,173</b>	<b>2,039</b>	<b>40,901</b>	<b>58,113</b>

## 27 INTANGIBLE ASSETS (continued)

Parent entity (University)	Computer software	Other intangible assets	Digitalised library collection	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 January 2009</b>				
Cost	35,974	0	29,800	65,774
Less: accumulated amortisation	(27,762)	0	0	(27,762)
<b>Net book amount</b>	<b>8,212</b>	<b>0</b>	<b>29,800</b>	<b>38,012</b>
<b>Year ended 31 December 2009</b>				
Opening net book amount	8,212	0	29,800	38,012
Add: completed capital works	12,754	0	0	12,754
Acquisitions	0	0	5,605	5,605
Disposal/retirements	(14,749)	0	0	(14,749)
Amortisation charge	6,279	0	0	6,279
<b>Closing net book amount</b>	<b>12,496</b>	<b>0</b>	<b>35,405</b>	<b>47,901</b>
<b>Accumulated impairment</b>				
Cost	33,980	0	35,405	69,385
Accumulated amortisation and impairment	(21,484)	0	0	(21,484)
<b>Net book amount</b>	<b>12,496</b>	<b>0</b>	<b>35,405</b>	<b>47,901</b>
<b>Year ended 31 December 2010</b>				
Opening net book amount	12,496	0	35,405	47,901
Acquisitions	225	2,100	5,496	7,821
Completed capital works	13,823	0	0	13,823
Disposal/retirements	(5,170)	0	0	(5,170)
Less: amortisation charge	(10,692)	(61)	0	(10,753)
Writeback accumulated amortisation	4,454	0	0	4,454
<b>Closing net book amount</b>	<b>15,136</b>	<b>2,039</b>	<b>40,901</b>	<b>58,076</b>
<b>Accumulated impairment</b>				
Closing net book amount	42,858	2,100	40,901	85,859
<b>Accumulated amortisation and impairment</b>	<b>(27,722)</b>	<b>(61)</b>	<b>0</b>	<b>(27,783)</b>
<b>Net book amount</b>	<b>15,136</b>	<b>2,039</b>	<b>40,901</b>	<b>58,076</b>

## 28 DEFERRED TAX ASSETS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Deferred tax asset	16	17	0	0
<b>Total deferred tax assets</b>	<b>16</b>	<b>17</b>	<b>0</b>	<b>0</b>
<b>The balance comprises temporary differences attributable to:</b>				
<b>Amounts recognised in operating result</b>				
Tax losses	15	16	0	0
Deferred tax asset relating to the origination and reversal of temporary differences	1	1	0	0
	<b>16</b>	<b>17</b>	<b>0</b>	<b>0</b>
<b>Movements – [Consolidated]</b>				
			<b>Tax losses</b>	
			\$'000	
At 1 January 2009			470	
Tax losses			17	
Reversal of tax losses			(470)	
<b>At 31 December 2009</b>			<b>17</b>	
<b>Movements – [Consolidated]</b>				
			<b>Total losses</b>	
			\$'000	
At 1 January 2010			17	
Tax losses			(1)	
<b>At 31 December 2010</b>			<b>16</b>	

Deferred tax assets not taken into account equates to \$137K as at 31 December 2010.

This benefit will only be obtained if the company derives the necessary future assessable income and capital gains and there are no adverse changes in relevant income tax legislation.

## 29 OTHER NON-FINANCIAL ASSETS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Livestock</b>				
Balance 1 January	2,393	2,322	2,393	2,322
Purchases	12	44	12	44
Natural increase/revaluation	1,446	658	1,446	658
Sales	(523)	(613)	(523)	(613)
Natural decrease	(22)	(18)	(22)	(18)
<b>Balance 31 December</b>	<b>3,306</b>	<b>2,393</b>	<b>3,306</b>	<b>2,393</b>

## 30 TRADE AND OTHER PAYABLES

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Creditors	46,500	53,369	46,401	53,478
Joint venture liability	0	6,462	0	6,462
Prepaid Income	47,518	44,162	46,576	43,777
Accrued expenses	37,289	31,132	37,047	30,856
OS-HELP liability to Australian government	429	398	429	398
Amounts due to associates	14,289	9,375	14,289	9,375
Amounts owed to controlled entities	0	0	7,140	623
Repurchase agreement	0	71,175	0	71,175
<b>Total trade and other payables current</b>	<b>146,025</b>	<b>216,073</b>	<b>151,882</b>	<b>216,144</b>

## Foreign currency risk

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

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Australian dollars	141,954	213,906	147,811	213,977
US dollars	3,504	1,541	3,504	1,541
Canadian dollars	1	4	1	4
Swiss francs	9	3	9	3
Euros	98	135	98	135
UK pounds	457	463	457	463
New Zealand dollars	1	8	1	8
Japanese yen	1	0	1	0
Singapore dollars	0	13	0	13
	<b>146,025</b>	<b>216,073</b>	<b>151,882</b>	<b>216,144</b>

## 31 PROVISIONS

	Economic entity [Consolidated]		Parent entity [University]	
	\$'000	\$'000	\$'000	\$'000
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits</b>				
Annual leave	42,901	44,024	42,808	43,837
Long service leave	16,235	14,410	16,235	14,410
Professorial Widow Superannuation Scheme	3,276	4,245	3,276	4,245
<b>Subtotal</b>	<b>62,412</b>	<b>62,679</b>	<b>62,319</b>	<b>62,492</b>
<b>Current provisions expected to be settled after more than 12 months</b>				
<b>Employee benefits</b>				
Annual leave	10,726	10,959	10,726	10,959
Long service leave	59,639	58,082	59,639	58,082
<b>Subtotal</b>	<b>70,365</b>	<b>69,041</b>	<b>70,365</b>	<b>69,041</b>
<b>Total current provisions</b>	<b>132,777</b>	<b>131,720</b>	<b>132,684</b>	<b>131,533</b>
<b>Non-current provisions</b>				
<b>Employee benefits</b>				
Long service leave	22,675	19,957	22,643	19,921
Deferred contribution to superannuation schemes	766,839	680,031	766,839	680,031
<b>Total non-current provisions</b>	<b>789,514</b>	<b>699,988</b>	<b>789,482</b>	<b>699,952</b>
<b>Total provisions</b>	<b>922,291</b>	<b>831,708</b>	<b>922,166</b>	<b>831,485</b>

**(a) Movements in provisions**

Movements in each class of provision during the financial year are set out below:

	Annual leave <12 months	Professorial Widow Superannuation Scheme <12 months	Annual leave >12 months	Long service leave <12 months (current)	Long service leave >12 months (current)	Deferred contributes to super schemes (non-current)	Long service leave >12 months (non-current)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Economic entity (Consolidated) – 2009</b>								
Carrying amount at start last year	39,090	4,161	9,759	13,257	57,919	796,613	18,136	938,935
Additional provisions recognised	4,934	0	1,200	1,153	163	0	1,821	9,271
Increase/(decrease) in unfunded liability (SANCS, SSS)	0	0	0	0	0	(104,478)	0	(104,478)
Increase/(decrease) in unfunded liability (professorial/ widow)	0	84	0	0	0	(12,104)	0	(12,020)
<b>Carrying amount at end of year</b>	<b>44,024</b>	<b>4,245</b>	<b>10,959</b>	<b>14,410</b>	<b>58,082</b>	<b>680,031</b>	<b>19,957</b>	<b>831,708</b>
<b>Economic entity (Consolidated) – 2010</b>								
Carrying amount at start of year	44,024	4,245	10,959	14,410	58,082	680,031	19,957	831,708
Additional provisions recognised	(1,123)	0	(233)	1,825	1,557	0	2,718	4,744
Increase/(decrease) in unfunded liability (SANCS, SSS)	0	0	0	0	0	86,708	0	86,708
Increase/(decrease) in unfunded liability (professorial/widow)	0	0	0	0	0	100	0	100
Increase in discounted amount	0	(969)	0	0	0	0	0	(969)
<b>Carrying amount at end of year</b>	<b>42,901</b>	<b>3,276</b>	<b>10,726</b>	<b>16,235</b>	<b>59,639</b>	<b>766,839</b>	<b>22,675</b>	<b>922,291</b>

	Annual leave <12 months	Professorial Widow Superannuation Scheme <12 months	Annual leave >12 months	Long service leave <12 months (current)	Long service leave >12 months (current)	Deferred contribs to super schemes (non-current)	Long service leave >12 months (non-current)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Parent entity (University) – 2009</b>								
Carrying amount at start of year	39,036	4,161	9,759	13,257	57,919	796,609	18,136	938,877
Additional provisions recognised	4,801	0	1,200	1,153	163	0	1,785	9,102
Increase/(decrease) in unfunded liability (SANCS, SSS)	0	0	0	0	0	(104,474)	0	(104,474)
Increase/(decrease) in unfunded liability (professorial/widow)	0	84	0	0	0	(12,104)	0	(12,020)
<b>Balance 31 December</b>	<b>43,837</b>	<b>4,245</b>	<b>10,959</b>	<b>14,410</b>	<b>58,082</b>	<b>680,031</b>	<b>19,921</b>	<b>831,485</b>
<b>Parent entity (University) – 2010</b>								
Carrying amount at start of year	43,837	4,245	10,959	14,410	58,082	680,031	19,921	831,485
Additional provisions recognised	(1,029)	0	(233)	1,825	1,557	0	2,722	4,842
Increase/(decrease) in unfunded liability (SANCS, SSS)	0	0	0	0	0	86,708	0	86,708
Increase/(decrease) in unfunded liability (professorial/widow)	0	(969)	0	0	0	100	0	(869)
<b>Balance 31 December</b>	<b>42,808</b>	<b>3,276</b>	<b>10,726</b>	<b>16,235</b>	<b>59,639</b>	<b>766,839</b>	<b>22,643</b>	<b>922,166</b>

## 32 RESTRICTED FUNDS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Capital preserved trusts</b>				
Accumulated funds at the beginning of the reporting period	281,742	264,680	281,742	264,680
Total income	12,234	23,234	12,234	23,234
Total expenses	(6,705)	(6,172)	(6,705)	(6,172)
<b>Accumulated funds at 31 December</b>	<b>287,271</b>	<b>281,742</b>	<b>287,271</b>	<b>281,742</b>
<b>Bequests</b>				
Accumulated funds at the beginning of the reporting period	367,494	369,358	367,494	369,358
Total income	28,043	7,240	28,043	7,240
Total expenses	(11,746)	(9,104)	(11,746)	(9,104)
<b>Accumulated funds at 31 December</b>	<b>383,791</b>	<b>367,494</b>	<b>383,791</b>	<b>367,494</b>
<b>Australian government financial assistance</b>				
Accumulated funds at the beginning of the reporting period	83,092	10,619	83,092	10,619
Adjustment for 2008 capital grants*	0	35,159	0	35,159
Total income	614,383	565,998	614,383	565,998
Total expenses	(619,399)	(528,684)	(619,399)	(528,684)
<b>Accumulated funds at 31 December</b>	<b>78,076</b>	<b>83,092</b>	<b>78,076</b>	<b>83,092</b>
<b>Scholarships</b>				
Accumulated funds at the beginning of the reporting period	15,923	13,008	15,923	13,008
Total income	8,392	10,177	8,392	10,177
Total expenses	(7,575)	(7,262)	(7,575)	(7,262)
<b>Accumulated funds at 31 December</b>	<b>16,740</b>	<b>15,923</b>	<b>16,740</b>	<b>15,923</b>
<b>Prizes</b>				
Accumulated funds at the beginning of the reporting period	1,286	1,301	1,286	1,301
Total income	560	237	560	237
Total expenses	(185)	(252)	(185)	(252)
<b>Accumulated funds at 31 December</b>	<b>1,661</b>	<b>1,286</b>	<b>1,661</b>	<b>1,286</b>
<b>ARC grants</b>				
Accumulated funds at the beginning of the reporting period	7,811	17,577	7,811	17,577
Total income	68,559	62,709	68,559	62,709
Total expenses	(67,304)	(72,475)	(67,304)	(72,475)
<b>Accumulated funds at 31 December</b>	<b>9,066</b>	<b>7,811</b>	<b>9,066</b>	<b>7,811</b>
<b>NHMRC grants</b>				
Accumulated funds at the beginning of the reporting period	(231)	7,822	(231)	7,822
Total income	97,492	77,208	97,492	77,208
Total expenses	(92,726)	(85,261)	(92,726)	(85,261)
<b>Accumulated funds at 31 December</b>	<b>4,535</b>	<b>(231)</b>	<b>4,535</b>	<b>(231)</b>
Total accumulated funds at 1 January	757,117	719,524	757,117	719,524
Total income	829,663	746,803	829,663	746,803
Total expenses	(805,640)	(709,210)	(805,640)	(709,210)
<b>Net operating result</b>	<b>24,023</b>	<b>37,593</b>	<b>24,023</b>	<b>37,593</b>
<b>Total accumulated funds at 31 December</b>	<b>781,140</b>	<b>757,117</b>	<b>781,140</b>	<b>757,117</b>

\*Australian government financial assistance includes capital funding. In 2008 the accumulated capital funding carried forward was \$35,159K. It was previously included in 'Other Commonwealth grants'.

## 33 RESERVES AND RETAINED EARNINGS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>(a) Reserves</b>				
Property, plant and equipment revaluation reserve	267,067	258,187	267,067	258,187
Available-for-sale investments revaluation reserve	10,141	42,522	10,141	42,522
Associates' reserves	609	4,099	0	0
<b>Balance 31 December</b>	<b>277,817</b>	<b>304,808</b>	<b>277,208</b>	<b>300,709</b>
<b>Movements:</b>				
<b>Property, plant and equipment revaluation reserve</b>				
Balance 1 January	258,187	250,130	258,187	250,130
Less: reserves transferred to retained earnings	(1,059)	(561)	(1,059)	(561)
Revaluation increments/(decrements)	9,939	8,618	9,939	8,618
<b>Balance 31 December</b>	<b>267,067</b>	<b>258,187</b>	<b>267,067</b>	<b>258,187</b>
<b>Available-for-sale investments revaluation reserve</b>				
Balance 1 January	42,522	(11,181)	42,522	(11,181)
Realised (gains)/losses transferred from reserves	(37,627)	(6,775)	(37,627)	(6,775)
Revaluation increments/(decrements) and adjustments	1,307	52,030	1,307	52,030
Impairment available-for-sale assets	3,939	8,448	3,939	8,448
<b>Balance 31 December</b>	<b>10,141</b>	<b>42,522</b>	<b>10,141</b>	<b>42,522</b>
<b>Associates' reserves</b>				
Balance 1 January	4,099	4,095	0	0
Less: transfers from reserves	(3,490)	4	0	0
<b>Balance 31 December</b>	<b>609</b>	<b>4,099</b>	<b>0</b>	<b>0</b>

	Economic entity [Consolidated]			Parent entity [University]		
	2010	2009	2008	2010	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(b) Retained earnings</b>						
Retained earnings at 1 January	2,167,904	2,170,946	2,385,928	2,162,828	2,164,137	2,377,179
Plus: net operating result for the year	112,167	59,895	(145,396)	113,736	61,628	(143,456)
Less: adjustment for 2008 restricted funds	0	(35,159)	0	0	(35,159)	0
Less: amount set aside for restricted funds	(24,023)	(37,593)	(51,866)	(24,023)	(37,593)	(51,866)
Actuarial (gains)/losses Defined Benefit plan	(3,572)	9,254	(21,997)	(3,572)	9,254	(21,997)
Transfer (to)/from reserves	4,549	561	4,276	1,059	561	4,276
<b>Total retained earnings</b>	<b>2,257,025</b>	<b>2,167,904</b>	<b>2,170,945</b>	<b>2,250,028</b>	<b>2,162,828</b>	<b>2,164,136</b>

## 34 CHANGE IN ACCOUNTING POLICY

During the year, the University changed its accounting policy with respect to the recognition of Defined Benefit superannuation actuarial gains and losses. Superannuation actuarial gains and losses are now recognised, outside of the income statement, in other comprehensive income as permitted by AASB 119 employee benefits. Previously these gains and losses were recognised in the income statement. The comparative figures for 2009 have been restated to reflect the change in policy.

This change in accounting policy is consistent with the preference expressed by DEWR in the Financial Statement Guidelines for Australian Higher Education Providers.

This change in policy has been adopted on the basis that the recognition outside the income statement provides reliable and more relevant information as it better reflects the nature of superannuation actuarial gains and losses. This is because actuarial gains and losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

On a consolidation basis, the change in accounting policy increased the 2010 operating profit from \$108,595K to \$112,167K (2009: reduced operating profit from \$69,149K to \$59,895K) by excluding from profit superannuation actuarial gains/losses (2010: losses of \$3,572K, 2009: gain of \$9,254K).

On a parent basis, the change in accounting policy increased the 2010 operating profit from \$110,164K to \$113,736K (2009: reduced operating profit from \$70,882K to \$61,628K) by

excluding from profit superannuation actuarial gains/losses (2010: losses of \$3,572K, 2009: gain of \$9,254K).

The notes in the financial statements affected by the change are employee-related expenses (Note 10), reserve and retained earnings (Note 33) and Defined Benefit plans (Note 40). As the overall changes to retained earnings position has a nil effect for 1 January 2009 accounts, the University did not provide the relevant comparative columns except for the retained earnings note (Note 33).

### 35 KEY MANAGEMENT PERSONNEL DISCLOSURES

#### (a) Responsible persons, executive officers and other key management personnel

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

staff serving on Senate receiving remuneration as per their employment conditions, the fellows of Senate received no remuneration in their capacity as fellows of Senate.

A list of the fellows of Senate and principal officers are included in the University's Annual Report.

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	Number	Number	Number	Number
<b>Remuneration of principal officers*</b>				
\$360,000 to \$369,999	0	1	0	1
\$420,000 to \$429,999	0	1	0	1
\$430,000 to \$439,999	0	1	0	1
\$440,000 to \$449,999	2	0	2	0
\$460,000 to \$469,999	1	1	1	1
\$510,000 to \$519,999	0	1	0	1
\$520,000 to \$529,999	1	0	1	0
\$530,000 to \$539,999	1	0	1	0
\$560,000 to \$569,999	0	1	0	1
\$580,000 to \$589,999	0	1	0	1
\$740,000 to \$749,999	0	1	0	1
\$840,000 to \$849,999	1	0	1	0
\$990,000 to \$999,999	0	1	0	1
\$1,440,000 to \$1,449,999	0	1	0	1

\* 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. In addition to the amounts provided above, the deemed value of this benefit (including FBT) amounts to \$60,696 (2009: \$78,570).

In some cases payments include accrued entitlements on departure.

#### (b) Key management personnel disclosures

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Aggregate remuneration of executives	3,260	6,546	3,260	6,546

## 36 REMUNERATION OF AUDITORS

Assurance services	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>(a) Audit services</b>				
Fees paid to the Audit Office of NSW				
Audit and review of financial statements and other audit work under the Corporations Act 2001	438	470	419	454
Audit fees for subsidiaries paid by parent entity	13	10	13	10
Audit services by private sector contractors	100	83	83	83
<b>Total remuneration for audit services</b>	<b>551</b>	<b>563</b>	<b>515</b>	<b>547</b>
<b>(b) Non-audit services</b>				
<b>Audit-related services</b>				
Fees paid to the Audit Office of NSW				
Audit of regulatory returns	17	17	17	17
Controls assurance services	3	3	3	3
<b>Total remuneration for audit-related services</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Total remuneration for audit and audit-related services</b>	<b>571</b>	<b>583</b>	<b>535</b>	<b>567</b>

## 37 COMMITMENTS

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>(a) Capital expenditure commitments</b>				
<b>Property, plant and equipment</b>				
Within one year	53,845	18,168	53,845	18,168
Later than one year but not later than five years	4,400	138	4,400	138
	<b>58,245</b>	<b>18,306</b>	<b>58,245</b>	<b>18,306</b>
<b>Intangible assets</b>				
Within one year	8,160	597	8,160	597
Later than one year but not later than five years	4,271	105	4,271	105
	<b>12,431</b>	<b>702</b>	<b>12,431</b>	<b>702</b>
<b>(b) Operating lease commitments</b>				
Within one year	18,482	12,967	18,471	12,953
Later than one year but not later than five years	36,534	20,272	36,530	20,259
Later than five years*	12,872	1,477	12,872	1,477
	<b>67,888</b>	<b>34,716</b>	<b>67,873</b>	<b>34,689</b>
<b>(c) Other non-payroll expenditure commitments</b>				
Within one year	36,491	35,814	36,491	35,814
Later than one year and not later than five years	10,731	16,814	10,731	16,814
Later than five years	2,575	3,789	2,575	3,789
	<b>49,797</b>	<b>56,417</b>	<b>49,797</b>	<b>56,417</b>

\*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).

Note: Commitments are GST inclusive.

## 37 COMMITMENTS (continued)

	Parent entity [University]		Parent entity [University]	
	2010	2010	2009	2009
	Cash \$'000	In-kind \$'000	Cash \$'000	In-kind \$'000
<b>(d) CRC commitments</b>				
The University of Sydney is either a core or supporting participant of the following cooperative 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.				
<b>Australasian Invasive Animals CRC</b>				
The principal activity is to develop new biological control agents for Australia's most damaging pest animals.				
Current year involvement	100	100	308	308
Future years involvement	150	250	445	753
<b>Australian Biosecurity CRC for Emerging Infectious Disease</b>				
The principal activity is to enhance the national capacity to respond to emerging infectious diseases by developing new capabilities to detect, monitor, assess, predict and respond to emerging infectious disease threats.				
Current year involvement	0	0	137	274
Future years involvement	0	0	0	137
<b>Cotton Catchment Communities CRC</b>				
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	100	100	673	673
Future years involvement	151	251	1,010	1,683
<b>CRC for Advanced Composite structures</b>				
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	50	100	230	460
Future years involvement	0	50	0	230
<b>CRC for Asthma and Airways</b>				
The principal activity is to reduce the burden of asthma on the Australian community.				
Current year involvement	200	200	278	282
Future years involvement	300	500	417	695
<b>CRC for Internationally Competitive Pork Industry</b>				
The principal activity is to enhance international competitiveness of the Australian pork industry by providing and adopting new and novel technologies that reduce feed costs, improve herd feed conversion efficiency and increases the functionality of pork products.				
Current year involvement	20	20	332	332
Future years involvement	30	50	498	830
<b>CRC for Mining</b>				
The principal activity is the development of a range of new technologies and processes to generate major improvements in the way mining operations are conducted.				
Current year involvement	50	100	444	888
Future years involvement	0	50	0	444

## 37 COMMITMENTS (continued)

	Parent entity [University]		Parent entity [University]	
	2010	2010	2009	2009
	Cash \$'000	In-kind \$'000	Cash \$'000	In-kind \$'000
<b>CRC for Polymers</b>				
The principal activity of which is to undertake research into polymer synthesis.				
Current year involvement	120	120	0	0
Future years involvement	60	180	0	0
<b>Smart Services CRC (previously CRC for Internet Technology)</b>				
The principal activity is to capitalise the outcomes of world class Internet research and development for Australia.				
Current year involvement	150	150	659	659
Future years involvement	525	675	2,303	2,961
<b>Capital Markets CRC (previously CRC for Technology Enabled Capital Markets)</b>				
The principal activity is to develop new technologies that drive the future of capital markets.				
Current year involvement	200	200	400	400
Future years involvement	700	900	1,400	1,800
<b>Australian Poultry CRC</b>				
The principal activity is to deliver the following key outcomes: Sustainable production of chicken meat without reliance on antibiotics, development and commercialisation of new poultry health products and improved diagnostic tools, a poultry industry with enhanced bird health and welfare standards and improved education and skills of industry personnel.				
Current year involvement	0	0	137	269
Future years involvement	0	0	0	137
<b>Sustainable Resource Processing CRC</b>				
The principal activity is the sustainable processing of minerals and metals and to progressively eliminate waste and emissions in the minerals cycle, while enhancing business performance and meeting community expectations.				
Current year involvement	0	0	291	582
Future years involvement	0	0	0	291
<b>Total CRC commitments</b>				
<b>Current year involvement</b>	<b>990</b>	<b>1,090</b>	<b>3,889</b>	<b>5,127</b>
<b>Future years involvement</b>	<b>1,916</b>	<b>2,906</b>	<b>6,073</b>	<b>9,961</b>

### 38 CONTINGENCIES

An estimate of the maximum exposure on proceedings against the University amounts to \$440,000 for 2010 (2009 \$450,000) However, there are no significant legal claims outstanding that are not covered by appropriate insurance.

#### Occupancy Support Deed – Carillon Avenue Pty Ltd

The University has given certain financial undertakings in support of bed vacancies that may occur at the Sydney University Village (SUV), which is owned by Carillon Avenue Pty Ltd. This financial support gradually reduces to nil over the first 20 years and can only be called upon when overall occupancy falls below 98 percent. Any payments made under this deed are considered not to be material as they can firstly be offset by “claw back” payment arrangements that can be served on the operator and summer income net operating profits.

The University currently has a bank guarantee facility up to a limit of \$3,500,000 of which \$2,616,451 was unused during 2010. The bank guarantees given primarily relate to construction and maintenance projects.

The University has provided its controlled entities with Letters of Comfort guaranteeing the liabilities of the controlled entities. At the date of this report the net liabilities of the controlled entities total \$348K (2009: \$4,071K).

### 39 AMOUNTS OWING BY COMMONWEALTH/STATE GOVERNMENTS

Since 1987, the University has recognised amounts owing from the Commonwealth and state governments for unfunded deferred liability for superannuation schemes on the basis of a number of past events. These events include correspondence that provides for the Commonwealth Government, together with the state government, to meet the unfunded liability for the University's State Superannuation Schemes on an emerging cost basis. Recent correspondence from the Commonwealth Government indicates the reimbursement right in respect of the State Authorities Non-contributory Scheme has become questionable and the relevant receivable has been reduced to nil. The events also include the *State Grants (General Reserve) Amendment Act 1987*, the *Higher Education Funding Act 1988* and subsequent amending legislation which authorises annual expenditure, and estimates for the expenditure in the Commonwealth's three-year forward program. While there is no formal agreement and therefore no guarantee regarding these specific amounts between the state government, the Commonwealth Government and the University, and the three-year life of the forward budget estimates is less than the time period which the Commonwealth Government would require to meet its obligations, the University is of the view that the Commonwealth and state governments will continue to progressively meet this amount in accordance with current practice. The amount owing in respect of the remaining two schemes as at 31 December 2010 was \$722,060,694 (2009: \$635,765,675) and this is reflected in Note 18 as non-current trade and other receivables.

### 40 DEFINED BENEFIT PLANS

#### (a) Fund-specific disclosure

##### State Authorities Trustee Corporation

The University maintains a reserve account within the State Authorities Superannuation Trustee Corporation to assist in financing the employer contributions to the State Authorities Superannuation Scheme (SASS), the State Authorities Non-contributory Scheme (SANCS) and the State Superannuation Scheme (SSS).

These schemes are all defined benefits schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All three schemes are closed to new members (SASS, SANCS and SSS). The actuarially assessed income in the net unfunded liability of these schemes excluding SANCS (expense) of \$86,295,018 (2009: \$113,484,778) has been netted against the reimbursement (Deferred Commonwealth Government Contribution for Superannuation) in the income statement of the same amount.

##### 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 2010.

##### Liability

A net unfunded liability for retirement benefits of \$757,411,697 (2009:\$670,019,641) is included in the statement of financial position as \$754,135,697 within non-current liability and \$3,276,000 current liability. \$722,060,694 of this is payable by the Commonwealth and state governments (refer Note 39).

The valuation methodology and principal actuarial assumptions as at 31 December 2010 are as follows:

#### (i) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs.

This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

**(ii) Economic assumptions**

The principal assumptions used for the purposes of the actuarial valuations were as follows (expressed as weighted averages):

	2010 (%)	2009 (%)
Discount rate(s)*	5.59	5.81
Expected return on plan assets**	8.60	8.30
Expected rate(s) of salary increase***	3.50	3.50

\*The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2010 used 5.7% (2009 6%) discount rate assumption.

\*\*The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2010 used 7.4% (2009: 7.5%) expected return on assets assumption.

\*\*\*The actuarial calculation for the Professorial Super Fund specifically for the University of Sydney in 2010 used 4.0% (2009 4.0%) salary increase assumption. In respect of the SASS, SANCS and SSS Funds, the salary increase assumption for 2010 3.50% (2009 and 3.5%).

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

	2010 (%)	2009 (%)
Australian equities	33.70	33.80
Overseas equities	29.30	26.30
Australian fixed interest securities	5.70	6.80
Overseas fixed interest securities	2.90	4.40
Property	9.50	8.60
Cash	6.10	7.30
Other	12.80	12.80

All fund assets are invested by the Superannuation Trustee Corporation (STC) for SASS, SANCS and SSS and by the Professorial Superannuation scheme at arm's length through independent fund managers.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The University's assessment of the expected returns is based on historical return trends and actuarial predictions of the market for the asset in the next 12 months.

The history of experience adjustments is as follows:

	2010	2009	2008	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2010</b>					
Fair value of plan assets	493,964	533,868	534,740	717,613	684,269
Present value of defined benefit obligation	(1,251,376)	(1,203,888)	(1,331,288)	(1,047,489)	(1,088,853)
Surplus/(deficit)	(757,412)	(670,020)	(796,548)	(329,876)	(404,584)
Experience adjustments on plan liabilities	47,064	(110,764)	296,696	(63,257)	(86,567)
Experience adjustments on plan assets	17,769	(8,498)	(162,143)	17,372	49,280

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

	SASS	SANCS	SSS	PSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Present value obligations – 2010</b>					
Opening Defined Benefit obligation	113,406	26,373	1,024,884	39,225	1,203,888
Current service cost	4,311	1,189	2,235	513	8,248
Interest cost	6,261	1,405	57,687	2,054	67,407
Contributions from plan participants	1,951	0	3,865	0	5,816
Actuarial losses/(gains)	1,151	913	43,952	2,014	48,030
Benefits paid	(10,909)	(4,794)	(61,754)	(4,057)	(81,514)
Expenses paid	0	0	0	(498)	(498)
<b>Closing Defined Benefit obligation</b>	<b>116,171</b>	<b>25,086</b>	<b>1,070,869</b>	<b>39,251</b>	<b>1,251,377</b>
<b>Present value of plan assets – 2010</b>					
Opening fair value of plan assets	127,663	3,348	369,197	33,661	533,869
Expected return on plan assets	10,489	473	28,972	2,474	42,408
Actuarial gains/(losses)	(4,503)	(425)	(12,621)	(220)	(17,769)
Contributions from the employer	4,183	1,492	2,781	3,196	11,652
Contributions from plan participants	1,951	0	3,865	0	5,816
Benefits paid	(10,909)	(4,794)	(61,754)	(4,057)	(81,514)
Expenses paid	0	0	0	(498)	(498)
<b>Closing fair value of plan assets</b>	<b>128,874</b>	<b>94</b>	<b>330,440</b>	<b>34,556</b>	<b>493,964</b>
<b>Reimbursement rights – 2010</b>					
Opening value of reimbursement right	(14,257)	0	650,023	0	635,766
Actuarial losses/(gains)	5,654	0	56,573	0	62,227
Employer contributions	(4,183)	0	(2,781)	0	(6,964)
Expected return on reimbursement right	83	0	30,949	0	31,032
<b>Closing value of reimbursement right</b>	<b>(12,703)</b>	<b>0</b>	<b>734,764</b>	<b>0</b>	<b>722,061</b>
<b>Net liability – 2010</b>					
Defined benefit obligation	116,171	25,086	1,070,869	39,251	1,251,377
Fair value of plan assets	(128,874)	(94)	(330,440)	(34,556)	(493,964)
Net liability	(12,703)	24,992	740,428	4,695	757,412
Reimbursement right	(12,703)	0	734,764	0	722,061
<b>Total liability/(asset)</b>	<b>0</b>	<b>24,992</b>	<b>5,664</b>	<b>4,695</b>	<b>35,351</b>
<b>Expense recognised 2010</b>					
Current service cost	4,311	1,189	2,235	513	8,248
Interest on obligation	6,261	1,405	57,687	2,054	67,407
Expected return on plan assets	(10,489)	(473)	(28,973)	(2,474)	(42,409)
Expected return on reimbursement rights	(83)	0	(30,949)	0	(31,032)
<b>Expense/(income)</b>	<b>0</b>	<b>2,121</b>	<b>0</b>	<b>93</b>	<b>2,214</b>
<b>Actual returns – 2010</b>					
Actual return on plan assets	5,636	49	15,576	2,254	23,515
Actual return on reimbursement right	83	0	30,949	0	31,032
	<b>5,719</b>	<b>49</b>	<b>46,525</b>	<b>2,254</b>	<b>54,547</b>
<b>Other comprehensive income – 2010</b>					
Actuarial (losses)/gains on Defined Benefit obligations	(1,151)	(913)	(43,952)	(2,014)	(48,030)
Actuarial (losses)/gains on reimbursement rights	(4,503)	(425)	(12,621)	(220)	(17,769)
Actuarial gains on plan assets	5,654	0	56,573	0	62,227
<b>Net actuarial gain/(loss) recognised in other comprehensive income</b>	<b>0</b>	<b>(1,338)</b>	<b>0</b>	<b>(2,234)</b>	<b>(3,572)</b>
<b>Cumulative total net actuarial (losses)/gains</b>	<b>0</b>	<b>(7,511)</b>	<b>0</b>	<b>(8,804)</b>	<b>(16,315)</b>

	SASS	SANCS	SSS	PSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Present value obligations – 2009</b>					
Opening Defined Benefit obligation	116,975	29,424	1,141,528	43,361	1,331,288
Current service cost	4,845	1,394	3,438	292	9,969
Interest cost	4,578	1,120	45,385	1,466	52,549
Contributions from plan participants	2,007	0	4,153	0	6,160
Actuarial losses/(gains)	(3,209)	(1,256)	(107,346)	(1,982)	(113,793)
Benefits paid	(11,790)	(4,309)	(62,274)	(3,641)	(82,014)
Past service costs	0	0	0	(271)	(271)
<b>Closing Defined Benefit obligation</b>	<b>113,406</b>	<b>26,373</b>	<b>1,024,884</b>	<b>39,225</b>	<b>1,203,888</b>
<b>Present value of plan assets – 2009</b>					
Opening fair value of plan assets	121,197	5,375	382,391	25,777	534,740
Expected return on plan assets	9,636	670	29,068	1,554	40,928
Actuarial gains/(losses)	2,371	(65)	12,274	6,081	20,661
Exchange differences on foreign plans	0	0	0	0	0
Contributions from the employer	4,242	1,677	3,585	4,161	13,665
Contributions from plan participants	2,007	0	4,153	0	6,160
Benefits paid	(11,790)	(4,309)	(62,274)	(3,641)	(82,014)
Expenses paid	0	0	0	(271)	(271)
<b>Closing fair value of plan assets</b>	<b>127,663</b>	<b>3,348</b>	<b>369,197</b>	<b>33,661</b>	<b>533,869</b>
<b>Reimbursement rights – 2009</b>					
Opening value of reimbursement right	(4,222)	0	753,474	0	749,252
Actuarial losses	(5,580)	0	(119,620)	0	(125,200)
Employer contributions	(4,242)	0	(3,585)	0	(7,827)
Expected return on reimbursement assets	(213)	0	19,754	0	19,541
<b>Closing value of reimbursement right</b>	<b>(14,257)</b>	<b>0</b>	<b>650,023</b>	<b>0</b>	<b>635,766</b>
<b>Net liability – 2009</b>					
Defined Benefit obligation	113,406	26,374	1,024,883	39,225	1,203,888
Fair value of plan assets	(127,663)	(3,348)	(369,197)	(33,661)	(533,869)
Net liability	(14,257)	23,026	655,686	5,564	670,019
Reimbursement right	(14,257)	0	650,023	0	635,766
<b>Total liability/(asset)</b>	<b>0</b>	<b>23,026</b>	<b>5,663</b>	<b>5,564</b>	<b>34,253</b>
<b>Expense recognised 2009</b>					
Current service cost	4,846	1,394	3,438	292	9,970
Interest on obligation	4,578	1,120	45,385	1,466	52,549
Expected return on plan assets	(9,637)	(670)	(29,068)	(1,554)	(40,929)
Expected return on reimbursement rights	213	0	(19,754)	0	(19,541)
<b>Expense/(income)</b>	<b>0</b>	<b>1,844</b>	<b>1</b>	<b>204</b>	<b>2,049</b>
<b>Actual returns – 2009</b>					
Actual return on plan assets	13,000	605	37,459	7,635	58,699
Actual return on reimbursement right	(213)	0	19,754	0	19,541
	<b>12,787</b>	<b>605</b>	<b>57,213</b>	<b>7,635</b>	<b>78,240</b>
<b>Other comprehensive income – 2009</b>					
Actuarial (losses)/gains on Defined Benefit obligations	3,209	1,256	107,346	1,982	113,793
Actuarial (losses)/gains on plan assets	2,371	(65)	12,274	6,081	20,661
Actual (loss) on reimbursement rights	(5,580)	0	(119,620)	0	(125,200)
<b>Recognised in other comprehensive income</b>	<b>0</b>	<b>1,191</b>	<b>0</b>	<b>8,063</b>	<b>9,254</b>
<b>Cumulative total net actuarial (losses)/gains</b>	<b>0</b>	<b>(6,173)</b>	<b>0</b>	<b>(6,570)</b>	<b>(12,743)</b>

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

### **Superannuation Scheme for Australian Universities**

The parent entity also contributes to UniSuper Defined Benefit Division (UniSuper), formerly known as the Superannuation Scheme for Australian Universities (SSAU) for academic staff appointed since 1 March 1988 and all other staff from 1 July 1991.

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. At least four years notice that such a request may be made is required. If such a request was agreed to by all employers then members would also have to also contribute additional contributions. If all employers did not agree to increase contributions the trustee would have to reduce benefits on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future but considered that this was unlikely at the time.

Should the balance of UniSuper Fund become a deficit, the universities are not liable to make any payments to UniSuper unless all the universities (including the University of Sydney) who are members of the UniSuper Fund unanimously agree to make additional contributions to the Fund. It is only on this basis that the universities would be liable for the agreed additional contribution. Management of the parent entity believe 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 2010, the total assets of UniSuper were estimated to be \$1,217M in deficiency of vested benefits.

As at 30 June 2009 the total assets of UniSuper were estimated to be \$1,396M 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 2010, the total assets of UniSuper were estimated to be \$312M in excess of accrued benefits. As at 30 June 2009 the assets of the fund were estimated to be \$39M in deficiency of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefits payments to members and CPI indexed pensioners that arise from membership of UniSuper up to the reporting date.

## 41 SUBSIDIARIES

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

Name of entity	Country of incorporation	Equity holding	
		2010 %	2009 %
Wentworth Annexe Limited was incorporated in 1987 as a company limited by guarantee. The objects include the administration of the planning and construction of the Wentworth Annexe and other building works the University of Sydney Union may wish to undertake. A summary of the company's result is shown below.	Australia	The University approves the appointment of directors	The University approves the appointment of directors
Sport Knowledge Australia Pty Limited (SKAPL) was established as an International Centre of Excellence in Sport, Science and Technology by way of a grant from the Department of Education, Employment and Workplace Relations (DEEWR). A summary of the company's result is shown below.	Australia	100	100
The Bosch Institute was incorporated in 2006 as an Australian public company, limited by guarantee. The object is the advancement of public health and medical research activities to improve the health of individuals and the community. Its members are the University of Sydney and the Sydney South West Area Health Service. The company was deregistered on 4 July 2010.	Australia	0	50
SydneyLearning Pty Limited was established to enhance the capability of working adults, professionals and corporate enterprises by designing and delivering award and non-award continuing professional development and leadership programs. A summary of the company's result is shown below.	Australia	100	100
Sydney Talent Pty Limited was incorporated in January 2008, to promote the advancement of the education of the students of the University of Sydney through provision of employment opportunities that will assist the students to pursue their studies while enhancing their experience as students of the University. A summary of the company's results is shown below.	Australia	100	100
The Warren Centre for Advanced Engineering Limited was established in April 2008 to engage and work with industry, government and the Faculty of Engineering and Information Technologies at the University of Sydney to foster excellence and innovation in advanced engineering throughout Australia. A summary of the company's results is shown below.	Australia	100	100
WayAhead Pty Limited was incorporated in April 2008 to prepare students for university entry by designing and delivering pre-tertiary and tertiary level programs, and encourages extra-curricular educational, cultural, recreational and employment opportunities, including study abroad for students who are not studying at the University of Sydney. The company has not traded since incorporation.	Australia	100	100
Bandwidth Foundry International Pty Limited became a subsidiary in October 2009 and their mission is to enable photonics innovation and commercialisation by providing prototyping facilities and services to developers of photonic integrated circuits. A summary of the company's results is shown below.	Australia	100	100

## 41 SUBSIDIARIES (continued)

	2010	2009
	\$'000	\$'000
<b>Wentworth Annexe Limited</b>		
Gross income	0	3
Surplus/(deficit)	0	0
Net assets	0	0
<b>Sport Knowledge Australia Pty Limited</b>		
Gross income	173	2,099
Surplus/(deficit)	(69)	490
Net assets	(30)	41
<b>SydneyLearning Pty Limited</b>		
Gross income	277	0
Surplus/(deficit)	3	(40)
Net assets	(37)	(40)
<b>Sydney Talent Pty Limited</b>		
Gross income	9,453	3,556
Surplus/(deficit)	4,190	(2,954)
Net assets	299	(3,891)
<b>The Warren Centre for Advanced Engineering Limited</b>		
Gross income	516	258
Surplus/(deficit)	(305)	(676)
Net assets	(872)	(567)
<b>Bandwidth Foundry International Pty Ltd</b>		
Gross income	836	187
Surplus/(deficit)	(181)	(88)
Net assets	291	472
<b>Summary of results for consolidation of subsidiaries in 2010*</b>		
Gross income	2,722	1,991
Surplus/(deficit)	(4,731)	(1,890)
Net assets	(120)	415

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

The 2010 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.

**42 INVESTMENTS IN ASSOCIATES**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights.

Investments in associates are accounted for in the financial statements using the equity method of accounting. Information relating to the associates is set out below.

Name of entity	Principal activity	Ownership interest		Carrying amount	
		2010	2009	2010	2009
		%	%	\$'000	\$'000
Acumine Pty Limited	Commercialisation of research	25	25	68	56
Australian Technology Park Innovations Pty Limited (ATPI)	Business incubation	25	25	4,510	4,514
Nuflora International Pty Limited	Commercialisation of research	38	38	62	118
Sydney Institutes of Health and Medical Research	Public health and medical research	0	20	0	0
Ucom Two Pty Limited	Commercialisation of research	50	50	1	1
University of Sydney Foundation Program Pty Limited	Education programs	50	50	216	784
Universal Solar and Surface Science Pty Limited (previously University of Solar Science Pty Limited)*	Commercialisation of research	0	50	0	922
United States Studies Centre Limited	Collaborative research on US and Australia relationship	50	50	2,362	1,756
ZingoTx Pty Limited	Commercialisation of research	21	21	48	56
Glycemic Index Limited	GI Symbol program	50	50	273	249
University of Sydney Hong Kong Foundation	Higher education in Hong Kong	50	0	0	0
Westmead Millennium Institute	Health research	33	0	256	0
				<b>7,796</b>	<b>8,456</b>

\*Universal Solar and Surface Science Pty Limited was sold in March 2010

For the purposes of the University's final accounts and due to the lack of audited or published accounts at 31 December 2010.

1. The University's equity interest at 31 December 2010 is based on audited accounts:
  - (a) as at 30 June 2010:
    - Glycemic Index Limited
2. The University's equity interest at 31 December 2010 is based on management/unaudited accounts:
  - (a) as at 30 June 2010:
    - Acumine Pty Limited
    - Australian Technology Park Innovations Pty Limited
    - Nuflora International Pty Limited
  - (b) as at 31 December 2010:
    - University of Sydney Foundation Program Pty Limited
    - United States Studies Centre Limited
    - ZingoTx Pty Limited
    - University of Sydney Hong Kong Foundation
    - Westmead Millennium Institute
  - (c) as at 30 June 2009
    - Ucom Two Pty Limited

## 42 INVESTMENTS IN ASSOCIATES (continued)

	Economic entity [Consolidated]	
	2010	2009
	\$'000	\$'000
<b>(a) Movements in carrying amounts</b>		
Carrying amount of investments at the beginning of the year	8,456	8,430
Share of net operating results	262	(21)
Other movements	(922)	47
<b>Carrying amount at the end of the financial year</b>	<b>7,796</b>	<b>8,456</b>
<b>(b) Share of associates' operating result</b>		
Operating profits/(losses) before income tax	262	(21)
Income tax benefits (expense)	0	0
Net operating result after income tax	<b>262</b>	<b>(21)</b>
Add/(less): adjustment for change in equity interest	2,568	43
Retained profits/(losses) attributable to associates at the beginning of the financial year	4,357	4,335
<b>Retained profits/(losses) attributable to associates at the end of the financial year</b>	<b>7,187</b>	<b>4,357</b>
<b>(c) Reserves attributable to associates</b>		
Associates' capital reserve		
Balance at the beginning of the financial year	4,099	4,095
Add/(less) adjustment for change in equity interest	(3,490)	4
<b>Balance at the end of the financial year</b>	<b>609</b>	<b>4,099</b>

The associates' share of contingent liabilities is 2010 \$Nil (2009: \$Nil)

**43 INTERESTS IN JOINT VENTURE PARTNERSHIPS**

Management have reviewed the University's interest in Australian Microscopy Microanalysis Research Facility and the Synchrotron Consortium and have come to

the conclusion that these operations form part of the University's operations.

Accordingly, the equity accounted interest in joint venture partnerships has been transferred to the University.

Name of joint venture partnerships	Principal activity	% Ownership interest	
		2010	2009
Australian Key Centre for Microscopy and Microanalysis Electron Microscope Unit	Australia's peak research facility for characterisation of materials by microscopy and microanalysis.	0	27.4
Consortium Synchrotron	NSW Consortium of the Australian Synchrotron project	0	25.0

	Economic entity [Consolidated]	
	2010	2009
	\$'000	\$'000
<b>Equity accounted investment</b>		
<b>Carrying amount of investment in partnerships</b>		
Carrying amount at the beginning of the financial year	4,509	4,374
Share of profits from ordinary activities before income tax	0	135
Transfer to the parent operations	(4,509)	0
	<b>0</b>	<b>4,509</b>
<b>Share of partnerships assets and liabilities</b>		
Current assets		
Cash		6,462
Non-current assets		
Plant and equipment		1,728
<b>Total assets</b>		<b>8,190</b>
Liabilities		
Payables		3,681
<b>Total liabilities</b>		<b>3,681</b>
<b>Net assets</b>		<b>4,509</b>
<b>Share of partnerships revenue, expenses and results</b>		
Operating revenue		5,087
Operating expenses		(4,952)
Net operating result before income tax		<b>135</b>
<b>Retained earnings:</b>		
at the beginning of the financial year		4,374
at the end of the financial year		<b>4,509</b>

## 44 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Summary of results of associates and joint venture partnerships before income tax:</b>				
Associated entities	(660)	22	0	0
Joint venture partnerships*	(4,509)	135	0	0
	<b>(5,169)</b>	<b>157</b>	<b>0</b>	<b>0</b>
<b>Summary of net assets of associates and joint venture partnerships:</b>				
Associated entities	7,796	8,456	0	0
Interest in joint venture partnerships*	0	4,509	0	0
<b>Total investments accounted for using the equity method</b>	<b>7,796</b>	<b>12,965</b>	<b>0</b>	<b>0</b>

\*Interest transferred to the University.

## 45 RECONCILIATION OF NET OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Net operating result		112,167	59,895	113,736	61,628
Depreciation/amortisation expense		70,466	62,631	70,103	62,468
Retired assets written off		7,236	4,325	7,173	3,724
(Gain)/loss on disposal of assets		(34,874)	(33,526)	(34,939)	(31,701)
Non-cash investment income		(1,372)	(1)	(1,372)	0
Non-cash investment impairment	13	3,939	8,448	3,939	8,448
Non-cash other (income)/expenses		3,198	11,439	2,421	11,439
(Increase)/decrease in inventories		(443)	314	(441)	318
(Increase)/decrease in receivables		(85,427)	101,403	(87,211)	101,776
(Increase)/decrease increase in joint venture partnership and associates		5,307	1,292	138	1,449
(Increase)/decrease in other assets		(913)	312	(913)	(71)
Increase/(decrease) in payables		127	(1,413)	6,913	(1,420)
Increase/(decrease) in provisions		90,588	(104,345)	90,682	(107,392)
<b>Net cash provided by/(used in) operating activities</b>		<b>169,999</b>	<b>110,774</b>	<b>170,229</b>	<b>110,666</b>

**46 FINANCIAL RISK MANAGEMENT**

The University's overall risk management program focuses on the risk versus return feature of financial markets and seeks to minimise adverse effects on the University's investment returns. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the University's financial performance.

The University did not materially enter into derivative contracts such as forward foreign exchange contracts and interest rate swaps to hedge its risk exposure at 31 December 2010. The University uses a variety of risk mitigation measures to manage the types of risk to which it is exposed. These include maintaining foreign currency balances as a natural hedge against foreign exchange risk or occasionally entering into short dated forward contracts ahead of the underlying payment schedule. The University also maintains a short-term debt investment portfolio as a liquidity buffer, as well as engaging in the active management of timing mismatches of revenue inflows and expense outflows, supported by weekly cash flow forecasting to manage its liquidity risk. Other price risks may be managed by externally appointed fund managers in accordance with approved investment mandates.

The University maintains a number of investment portfolios, to address a variety of objectives.

- A short-term debt portfolio performs the role of working capital fund, and is used as a liquidity buffer to manage the timing differences of revenue and expenditure flows. This comprises a short-duration low-risk portfolio of fixed rate and discount securities.
- A longer term debt portfolio is used to generate a fixed income stream. This portfolio invests in short-to-medium-term fixed and floating rate securities.
- A long-term growth portfolio representing the University's asset reserves endowments and which has a long-term investment horizon. This portfolio has an investment profile oriented towards growth assets and is managed by external fund managers.
- Risk management of the University's investment portfolio is carried out by the Investments and Capital Management department under policies approved by the Investment and Commercialisation Committee (ICC), a committee of the Senate. The ICC resolves policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments, appointment of external fund managers and investment of excess liquidity. The ICC meets on a quarterly basis to review the performance of the University's investment portfolio, set new policies/investment strategies and review compliance with existing policies/investment strategies.
- The following risk management disclosures are materially the same for both parent and economic entity. The numbers below relate to the consolidated figures. The parent entity includes receivables from subsidiaries that are closely monitored.

	Notes	Economic entity [Consolidated]		Parent entity [University]	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Financial assets</b>					
Cash and cash equivalents		163,350	130,106	163,240	129,920
Trade and other receivables		77,550	76,229	84,214	81,109
Available-for-sale financial assets		793,979	831,192	793,979	831,192
Other financial assets		4,165	4,303	4,165	4,303
		<b>1,039,044</b>	<b>1,041,830</b>	<b>1,045,598</b>	<b>1,046,524</b>
<b>Financial liabilities</b>					
Trade and other payable		146,025	216,073	151,882	216,144
Other financial liabilities		0	0	0	0
		<b>146,025</b>	<b>216,073</b>	<b>151,882</b>	<b>216,144</b>

**(a) Market risk****(i) Foreign exchange risk**

The University has exposure to foreign exchange risk. This arises from holding investments denominated in foreign currencies and balances in bank accounts used to pay overseas suppliers. The University has no material foreign exchange hedging arrangements.

If the Australian dollar had weakened/strengthened by 10 percent with all other variables held constant, profit for the year would have been \$880,947 higher/\$720,775 lower (2009: \$580,000/\$475,000), as a result of foreign gains/losses on translation of the foreign currency bank accounts balances. Equity would have been \$11,118,771 higher/\$9,097,176 lower (2009: \$7,130,000/\$5,834,000) had the Australian dollar weakened/strengthened by 10 percent against the US dollar, arising from the available-for-sale investments denominated in US dollars.

**(ii) Price risk**

The University has exposure to equity securities price risk. This arises from investments held by the University and classified on the statement of financial position as available-for-sale. For example, the impact of a change in value of the securities would be reflected as either an increase or decrease in the fair value of the security through equity, unless it is otherwise impaired. The University is not exposed to commodity price risk.

To manage its price risk from investments in equity securities, the University has contracted out the management of the portfolio to external fund managers. These fund managers are mandated to diversify the investments of the portfolio under their management. The quantum of funds under management per external fund manager and the investment objectives of each external fund manager are in accordance with limits and policies set by the ICC.

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

The impact of increases/decreases of the ASX 300 Index on the University's equity would be increase/decrease of \$52,333,074/\$52,333,074 (2009: \$52,110,000/\$52,110,000). The analysis is based on the assumption that the ASX 300 index changes by 10 percent, with all other variables held constant, and the University's equity portfolio moves according to the historical correlation with the index.

**(iii) Cash flow and fair value interest rate risk**

The University's interest rate risk arises from the investment in debt securities (fixed and floating interest and short-term money market securities). The debt portfolio consists of debt which is a combination of fixed coupon interest payments with repayment of principal on maturity, discounted securities with principal repaid upon maturity and floating rate notes. The debt portfolio is fully invested in Australian dollar denominated securities. All counterparties are rated as investment grade. The debt portfolio is classified as available for sale. As such, the impact of an interest rate change would be reflected as either an increase or decrease in the fair value of the security through equity.

At 31 December 2010 if interest rates decreased/increased by 25 basis points with all other variables held constant, equity would have been \$1,491,576 higher/\$1,490,938 lower (2009: \$1,972,000/\$1,972,000) as a result of an increase/decrease in the fair value of the debt security.

**(iv) Summarised sensitivity analysis**

The following tables summarise the sensitivity of the University's financial assets to interest rate risk, foreign exchange risk and other price risk. The disclosures are materially the same for both the parent and economic entity.

[Consolidated]	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	163,350	4	0	(4)	0	881	0	(721)	0	2	0	(2)	0
AFS investments	793,979	0	1,492	0	(1,491)	0	11,119	0	(9,097)	0	(52,333)	0	52,333
Other financial assets	4,165	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total increase/(decrease)</b>		<b>4</b>	<b>1,492</b>	<b>(4)</b>	<b>(1,491)</b>	<b>881</b>	<b>11,119</b>	<b>(721)</b>	<b>(9,097)</b>	<b>2</b>	<b>(52,333)</b>	<b>(2)</b>	<b>52,333</b>

[Consolidated]	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2009	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>													
Cash and cash equivalents	130,106	20	0	(20)	0	580	0	(475)	0	(3)	0	3	0
AFS investments	831,192	0	1,953	0	(1,953)	0	7,130	0	(5,834)	0	(52,107)	0	52,107
Other financial assets	4,303	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total increase/(decrease)</b>		<b>20</b>	<b>1,953</b>	<b>(20)</b>	<b>(1,953)</b>	<b>580</b>	<b>7,130</b>	<b>(475)</b>	<b>(5,834)</b>	<b>(3)</b>	<b>(52,107)</b>	<b>3</b>	<b>52,107</b>

**(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the University. The University has a policy of only dealing with creditworthy counterparties as a means of mitigating the financial loss from defaults. The University's aggregate exposure to and the credit ratings of counterparties are continuously monitored. Credit exposure of the debt portfolio is controlled by counterparty limits that are reviewed and approved by ICC.

The University does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

Impairment and provision against debtors have been duly considered in determining the carrying amounts of financial assets. Therefore the carrying amount of financial assets recorded in the 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 manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risks that may damage the University's reputation.

The University receives from the Australian government regular payments, which constitute a significant proportion of the University's income, which are known as to the date and amount in advance of their receipt. Similarly the majority of expenses of the University 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:

- \$25M overdraft facility which is unsecured. Interest would be payable at the National Australia Bank's Base Lending Indicator Rate.
- There is also a \$400K letter of credit facility and credit card facility of up to \$12.5M. These facilities were fully available as at 31 December 2010.

The University has no other drawn or undrawn borrowing facilities.

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

## Financial Instruments

The following tables detail the economic entity's maturity profile as at 31 December 2010 and as at 31 December 2009:

Consolidated entity – at 31 December 2010	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non Interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash	3.67	58,233	0	0	0	0	58,233
Cash equivalents	5.02	0	105,117	0	0	0	105,117
Receivables	0	0	77,359	191	0	0	77,550
Fixed interest bonds	6.16	0	66,015	80,453	58,138	0	204,606
Floating rate notes	4.45	0	0	0	50,939	0	50,939
Convertible notes	6.30	0	0	0	4,155	0	4,155
Secured company loans	8.03	0	0	0	7,186	0	7,186
Listed securities	0	0	0	10,179	0	198,694	208,873
Shares – unquoted	0	0	0	0	0	5,105	5,105
External fund managers	0	0	0	0	0	315,280	315,280
Loans to affiliated organisations	0	0	0	0	0	2,000	2,000
<b>Total financial assets</b>		<b>58,233</b>	<b>248,491</b>	<b>90,823</b>	<b>120,418</b>	<b>521,079</b>	<b>1,039,044</b>
<b>Financial liabilities</b>							
Other current liabilities	0	0	100,295	0	0	0	100,295
Creditors	0	0	45,730	0	0	0	45,730
<b>Total financial liabilities</b>		<b>0</b>	<b>146,025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>146,025</b>

Consolidated entity – at 31 December 2009	Average interest rate	Variable interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non Interest	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash	3.44	38,233	0	0	0	0	38,233
Cash equivalents	4.13	0	91,873	0	0	0	91,873
Receivables	0	0	76,425	(196)	0	0	76,229
Fixed interest bonds	6.66	0	5,150	154,855	108,812	0	268,817
Floating rate notes	5.12	0	0	4,891	25,682	0	30,573
Convertible notes	5.26	0	0	0	3,915	0	3,915
Secured company loans	8.03	0	0	0	7,533	0	7,533
Listed securities	0	0	0	10,071	191,214	0	201,285
Share futures	0	0	0	0	0	0	0
Shares – unquoted	0	0	0	0	0	2,303	2,303
External fund managers	0	0	0	0	0	319,046	319,046
Loans to affiliated organisations	0	0	0	0	0	2,023	2,023
<b>Total financial assets</b>		<b>38,233</b>	<b>173,448</b>	<b>169,621</b>	<b>337,156</b>	<b>323,372</b>	<b>1,041,830</b>
<b>Financial liabilities</b>							
Other current liabilities	0	0	0	0	0	162,704	162,704
Creditors	0	0	0	0	0	53,369	53,369
<b>Total financial liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>216,073</b>	<b>216,073</b>

**(d) Fair value estimation**

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

- The fair value of financial assets with standard terms and conditions and traded on active liquid markets are 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 unlisted investments are based on unit values provided by external fund managers.
- The fair value of unlisted equity investments are based on independent valuation reports.

The investment in unlisted equities has been valued as a multiple of future maintainable earnings (EBITDA) with the discount applied to those earnings.

The carrying amounts of financial assets and liabilities are a reasonable approximation of fair values, except for other financial assets at cost or amortised cost and investments in associates that are accounted for using the equity method of accounting.

	Carrying amount		Fair value	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	163,350	130,106	163,350	130,106
Receivables	77,550	76,229	77,550	76,229
Other financial assets	4,165	4,303	N/A	N/A
Available-for-sale assets	793,979	831,192	793,979	831,192
<b>Total financial assets</b>	<b>1,039,044</b>	<b>1,041,830</b>	<b>1,034,879</b>	<b>1,037,527</b>
<b>Financial liabilities</b>				
Payables	(146,025)	(216,073)	(146,025)	(216,073)
<b>Total financial liabilities</b>	<b>(146,025)</b>	<b>(216,073)</b>	<b>(146,025)</b>	<b>(216,073)</b>
<b>Total</b>	<b>893,019</b>	<b>825,757</b>	<b>888,854</b>	<b>821,454</b>

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

2010	31 December	Level 1	Level 2	Level 3
	2010			
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Listed securities	208,873	192,028	16,845	0
Secured company loans*	7,186	0	7,186	0
Fixed interest securities	204,606	0	204,606	0
Convertible notes	4,155	4,155	0	0
Floating rate notes	50,939	0	50,939	0
Managed funds	315,280	0	315,280	0
Loans to affiliated organisations	0	0	0	0
Shares – unquoted	2,940	0	0	2,940
<b>Total</b>	<b>793,979</b>	<b>196,183</b>	<b>594,856</b>	<b>2,940</b>

\*This comprises the Carillon Avenue Pty Limited loan whereby the carrying amount measured at amortised cost is a reasonable approximation of fair value. Hence the transfer from Level 1 to Level 2 of the fair value hierarchy. For further details refer to Note 38 Contingencies and 1(t) Private sector participation in the provision of student accommodation.

2009	31 December 2009	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Listed securities	201,285	198,201	3,084	0
Secured company loans	7,533	0	7,533	0
Fixed interest securities	268,817	0	268,817	0
Convertible notes	3,915	3,915	0	0
Floating rate notes	30,573	0	30,573	0
Managed funds	319,046	0	319,046	0
Loans to affiliated organisations	23	0	23	0
<b>Total</b>	<b>831,192</b>	<b>202,116</b>	<b>629,076</b>	<b>0</b>

Level 3 Financial assets 2010	Investments using the equity method	Total
	\$'000	\$'000
Opening balance	0	0
Total gains or losses (recognised in other comprehensive income)	2,940	2,940
<b>Level 3 Financial assets 2009</b>		
Opening balance	0	0
Total gains or losses	0	0
Sales	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>

#### 47 NON-CASH FINANCING AND INVESTING ACTIVITIES

	Economic entity [Consolidated]		Parent entity [University]	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Non-cash investing and financing activities	710	1,476	710	1,476

The University had no non-cash financing or investing activities, with the exception of the following non-cash items received in 2010; books of \$304K (2009: \$683K) and works of art gifted to the University of \$334K (2009: \$212K), museum collectibles of \$8K (2009: \$28K) and plant and equipment of \$32K (2009: \$352K) and rare books of \$32K (2009: \$201K).

#### 48 EVENTS AFTER REPORTING 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.

#### 49 FINANCING FACILITIES AND BALANCES

The University has access to an unsecured overdraft facility of \$25 million of which nil has been used as at 31 December 2010 and has no other borrowings.

There is also a \$12.5 million credit card facility of which \$2.9 million has been used as at 31 December 2010, a letter of credit facility of up to \$400K of which nil has been used during 2010 and a bank guarantee facility of up to \$3.5 million of which \$884K has been used.

## 50 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

## 50.1 DEEWR-CGS AND OTHER DEEWR GRANTS

Parent entity [University] ONLY	Commonwealth Grants Scheme <sup>1</sup>		Indigenous Support Fund		Partnership and Participation Program		Disability Support Program		Workplace Reform Program		Workplace Productivity Program		Learning & Teaching Performance Fund	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'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)	258,108	225,638	1,495	1,722	1,535	219	233	159	0	2,544	1,216	1,161	0	5,488
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	258,108	225,638	1,495	1,722	1,535	219	233	159	0	2,544	1,216	1,161	0	5,488
Surplus/(deficit) from the previous year	0	0	0	0	140	200	(598)	(351)	0	0	1,477	1,131	0	0
<b>Total revenue including accrued revenue</b>	<b>258,108</b>	<b>225,638</b>	<b>1,495</b>	<b>1,722</b>	<b>1,675</b>	<b>419</b>	<b>(365)</b>	<b>(192)</b>	<b>0</b>	<b>2,544</b>	<b>2,693</b>	<b>2,292</b>	<b>0</b>	<b>5,488</b>
Less expenses including accrued expenses	(258,108)	(225,638)	(1,495)	(1,722)	(272)	(279)	(406)	(406)	0	(2,544)	(1,088)	(815)	0	(5,488)
<b>Surplus/(deficit) for reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,403</b>	<b>140</b>	<b>(771)</b>	<b>(598)</b>	<b>0</b>	<b>0</b>	<b>1,605</b>	<b>1,477</b>	<b>0</b>	<b>0</b>
Parent entity [University] ONLY	Capital Development Pool		Diversity & Structural Reform Program		Practical Component of Teacher Education		Transition Cost Program		Total					
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009				
	\$'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)	6,283	0	1,783	1,526	0	579	540	1,282	271,193	240,318				
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0				
Revenue for the period	6,283	0	1,783	1,526	0	579	540	1,282	271,193	240,318				
Surplus/(deficit) from the previous year	0	0	1,226	1,200	0	0	0	0	2,245	2,180				
<b>Total revenue including accrued revenue</b>	<b>6,283</b>	<b>0</b>	<b>3,009</b>	<b>2,726</b>	<b>0</b>	<b>579</b>	<b>540</b>	<b>1,282</b>	<b>273,438</b>	<b>242,498</b>				
Less expenses including accrued expenses	(1,042)	0	(2,073)	(1,500)	0	(579)	(540)	(1,282)	(265,024)	(240,253)				
<b>Surplus/(deficit) for reporting period</b>	<b>5,241</b>	<b>0</b>	<b>936</b>	<b>1,226</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,414</b>	<b>2,245</b>				

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

## 50.2 HIGHER EDUCATION LOAN PROGRAMS (EXCLUDING OS-HELP)

Parent entity [University] ONLY	HECS-HELP – Australian government payment						FEE-HELP			Total		
	2010		2009		2010		2009		2010		2009	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assistance received in cash during the reporting period	126,746	106,605	47,478	33,121	174,224	139,726						
Net accrual adjustments	0	0	(4,640)	2,155	(4,640)	2,155						
Revenue for the period	126,746	106,605	42,838	35,276	169,584	141,881						
Surplus/(deficit) from the previous year	0	0	0	0	0	0						
<b>Total revenue including accrued revenue</b>	<b>126,746</b>	<b>106,605</b>	<b>42,838</b>	<b>35,276</b>	<b>169,584</b>	<b>141,881</b>						
Less expenses including accrued expenses	(126,746)	(106,605)	(42,838)	(35,276)	(169,584)	(141,881)						
<b>Surplus/(deficit) for reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>						

## 50.3 SCHOLARSHIPS

Parent entity [University] ONLY	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarship		Total	
	2010		2009		2010		2009		2010		2009	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	17,037	12,379	2,105	2,036	1,226	2,174	5	2,358	55	4	20,428	18,951
Net accrual adjustments	0	0	0	0	(999)	0	0	0	0	0	(999)	0
Revenue for the period	17,037	12,379	2,105	2,036	227	2,174	5	2,358	55	4	19,429	18,951
Surplus/(deficit) from the previous year	2,835	1,703	56	53	967	886	1,926	1,679	56	98	5,840	4,419
<b>Total revenue including accrued revenue</b>	<b>19,872</b>	<b>14,082</b>	<b>2,161</b>	<b>2,089</b>	<b>1,194</b>	<b>3,060</b>	<b>1,931</b>	<b>4,037</b>	<b>111</b>	<b>102</b>	<b>25,269</b>	<b>23,370</b>
Less expenses including accrued expenses	(15,964)	(11,247)	(2,166)	(2,033)	(3,303)	(2,093)	(1,931)	(2,111)	(111)	(46)	(23,475)	(17,530)
<b>Surplus/(deficit) for reporting period</b>	<b>3,908</b>	<b>2,835</b>	<b>(5)</b>	<b>56</b>	<b>(2,109)</b>	<b>967</b>	<b>0</b>	<b>1,926</b>	<b>0</b>	<b>56</b>	<b>1,794</b>	<b>5,840</b>

## 50.4 DIISR – RESEARCH

Parent entity [University] ONLY	Joint Research Engagement Program		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Program		Australian Scheme for Higher Education Repositories		Commercialisation Training		DEEWR SRE Base & Threshold 1	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Financial assistance received in cash during the reporting period	36,803	36,276	62,641	60,706	26,845	25,483	184	348	0	428	585	572	1,861	0
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	36,803	36,276	62,641	60,706	26,845	25,483	184	348	0	428	585	572	1,861	0
Surplus/(deficit) from the previous year	0	0	0	0	6,007	3,506	(556)	(4)	(639)	(166)	1,072	680	0	0
<b>Total revenue including accrued revenue</b>	<b>36,803</b>	<b>36,276</b>	<b>62,641</b>	<b>60,706</b>	<b>32,852</b>	<b>28,989</b>	<b>(372)</b>	<b>344</b>	<b>(639)</b>	<b>262</b>	<b>1,657</b>	<b>1,252</b>	<b>1,861</b>	<b>0</b>
Less expenses including accrued expenses	(36,803)	(36,276)	(62,641)	(60,706)	(33,539)	(22,982)	(81)	(900)	639	(901)	(410)	(180)	(1,861)	0
<b>Surplus/(deficit) for reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(687)</b>	<b>6007</b>	<b>(1,183)</b>	<b>(556)</b>	<b>0</b>	<b>(639)</b>	<b>1,247</b>	<b>1,072</b>	<b>0</b>	<b>0</b>

Parent entity [University] ONLY	DEEWR SRE Threshold		Total	
	2010	2009	2010	2009
Financial assistance received in cash during the reporting period	7,966	0	136,885	123,813
Net accrual adjustments	0	0	0	0
Revenue for the period	7,966	0	136,885	123,813
Surplus/(deficit) from the previous year	0	0	5,884	4,016
<b>Total revenue including accrued revenue</b>	<b>7,966</b>	<b>0</b>	<b>142,769</b>	<b>127,829</b>
Less expenses including accrued expenses	(5,058)	0	(140,484)	(121,945)
<b>Surplus/(deficit) for reporting period</b>	<b>2,908</b>	<b>0</b>	<b>2,285</b>	<b>5,884</b>

## 50.5 OTHER CAPITAL FUNDING

[University] entity ONLY	Better Universities Renewal Funding				Education Investment Fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'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	0	17,500	41,040	17,500	41,040	41,040	41,040
Net accrual adjustments	0	0	0	0	0	0	0	0
Revenue for the period	0	0	17,500	41,040	17,500	41,040	41,040	41,040
Surplus/(deficit) from the previous year	30,720	35,159	38,195	0	68,915	0	35,159	35,159
<b>Total revenue including accrued revenue</b>	<b>30,720</b>	<b>35,159</b>	<b>55,695</b>	<b>41,040</b>	<b>86,415</b>	<b>41,040</b>	<b>76,199</b>	<b>76,199</b>
Less expenses including accrued expenses	(9,363)	(4,439)	(11,469)	(2,845)	(20,832)	(2,845)	(7,284)	(7,284)
<b>Surplus/(deficit) for reporting period</b>	<b>21,357</b>	<b>30,720</b>	<b>44,226</b>	<b>38,195</b>	<b>65,583</b>	<b>38,195</b>	<b>68,915</b>	<b>68,915</b>

## 50.6 AUSTRALIAN RESEARCH COUNCIL GRANTS

## (a) Discovery

Parent entity [University] ONLY	Projects		Future fellowships		Federation fellowships		Indigenous researchers development		DEEWR ARC Super Science Fellowship		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Financial assistance received in cash during the reporting period	39,353	40,099	2,645	1,559	2,429	2,377	130	102	186	0	44,743	44,137
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	39,353	40,099	2,645	1,559	2,429	2,377	130	102	186	0	44,743	44,137
Surplus/(deficit) from the previous year	12,045	8,740	1,501	0	(3,465)	(1,680)	19	31	0	0	10,100	7,091
<b>Total revenue including accrued revenue</b>	<b>51,398</b>	<b>48,839</b>	<b>4,146</b>	<b>1,559</b>	<b>(1,036)</b>	<b>697</b>	<b>149</b>	<b>133</b>	<b>186</b>	<b>0</b>	<b>54,843</b>	<b>51,228</b>
Less expenses including accrued expenses	(40,507)	(36,794)	(2,355)	(58)	(1,020)	(4,162)	(133)	(114)	(186)	0	(44,201)	(41,128)
<b>Surplus/(deficit) for reporting period</b>	<b>10,891</b>	<b>12,045</b>	<b>1,791</b>	<b>1,501</b>	<b>(2,056)</b>	<b>(3,465)</b>	<b>16</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>10,642</b>	<b>10,100</b>

## (b) Linkages

Parent entity [University] ONLY	Linkage – infrastructure		International researcher exchange		Laureate Fellowships		Projects		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Financial assistance received in cash during the reporting period	5,460	2,350	13	22	2,481	937	9,756	10,362	17,710	13,671
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0
Revenue for the period	5,460	2,350	13	22	2,481	937	9,756	10,362	17,710	13,671
Surplus/(deficit) from the previous year	6,296	6,485	208	270	679	0	8,958	6,890	16,141	13,645
<b>Total revenue including accrued revenue</b>	<b>11,756</b>	<b>8,835</b>	<b>221</b>	<b>292</b>	<b>3,160</b>	<b>937</b>	<b>18,714</b>	<b>17,252</b>	<b>33,851</b>	<b>27,316</b>
Less expenses including accrued expenses	(3,288)	(2,539)	(9)	(84)	(2,147)	(258)	(8,439)	(8,294)	(13,883)	(11,175)
<b>Surplus/(deficit) for reporting period</b>	<b>8,468</b>	<b>6,296</b>	<b>212</b>	<b>208</b>	<b>1,013</b>	<b>679</b>	<b>10,275</b>	<b>8,958</b>	<b>19,968</b>	<b>16,141</b>

**(c) Networks and centres**

Parent entity [University] ONLY	Research networks		Centres		Total	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	0	442	4,335	4,459	4,335	4,901
Net accrual adjustments	0	0	0	0	0	0
Revenue for the period	0	442	4,335	4,459	4,335	4,901
Surplus/(deficit) from the previous year	72	425	(1,567)	(1,406)	(1,495)	(981)
<b>Total revenue including accrued revenue</b>	<b>72</b>	<b>867</b>	<b>2,768</b>	<b>3,053</b>	<b>2,840</b>	<b>3,920</b>
Less expenses including accrued expenses	(155)	(795)	(4,436)	(4,620)	(4,591)	(5,415)
<b>Surplus/(deficit) for reporting period</b>	<b>(83)</b>	<b>72</b>	<b>(1,668)</b>	<b>(1,567)</b>	<b>(1,751)</b>	<b>(1,495)</b>

**50.7 OS-HELP**

	Parent entity The University of Sydney ONLY	
	2010	2009
Cash received during the reporting period	580	648
Cash spent during the reporting period	(549)	(133)
Net cash received	31	515
Cash surplus/(deficit) from the previous period	398	(117)
<b>Cash surplus/(deficit) for reporting period</b>	<b>429</b>	<b>398</b>

**51 DISAGGREGATED INFORMATION****(a) Industry**

Economic entity (Consolidated)	Revenue		Results <sup>1</sup>		Assets	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Higher education	1,414,933	1,317,281	101,982	52,075	4,376,502	4,264,645
TAFE	0	0	0	0	0	0
Other	88,149	77,773	10,185	7,820	7,796	12,965
<b>Total</b>	<b>1,503,082</b>	<b>1,395,054</b>	<b>112,167</b>	<b>59,895</b>	<b>4,384,298</b>	<b>4,277,610</b>

**(b) Geographical**

Economic entity (Consolidated)	Revenue		Results <sup>1</sup>		Assets	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	1,497,885	1,393,135	110,833	59,068	4,384,298	4,277,610
Asia	3,722	1,717	1,341	727	0	0
Other	1,475	202	(7)	100	0	0
<b>Total</b>	<b>1,503,082</b>	<b>1,395,054</b>	<b>112,167</b>	<b>59,895</b>	<b>4,384,298</b>	<b>4,277,610</b>

<sup>1</sup>The University reports revenue, results and assets by segments in accordance with the *Financial Statement Guidelines for Australian Higher Education Providers* for the 2010 Reporting Period issued by the Department of Education, Employment and Workplace Relations.

**Mark Easson**  
Chief Financial Officer

**END OF AUDITED FINANCIAL STATEMENTS**  
**AUDITED BY THE AUDITOR-GENERAL**