



Australian Government

Department of Education, Employment and Workplace Relations

Department of Innovation, Industry, Science and Research

Mission-Based Compact

Between:

The Commonwealth of Australia

and

The University of Sydney

CONTENTS

Context

- Part One: Establishment of the Compact
 - The University's Mission
- Part Two: Teaching and Learning
 - Performance Funding
- Part Three: Research, Research Training and Innovation
- Part Four: Compact Review
- Part Five: General Provisions

Attachments

- A. Indicative list of Commonwealth Funding provided to the University which is administered by DEEWR and relevant to this Compact.
- B. List of Commonwealth Funding provided to the University which is administered by DIISR and relevant to this Compact.
- C. University Confidential Information¹.
- D. Terms and Conditions of Agreement between the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and the University about Performance Funding.
- E. Copy of Commonwealth Grant Scheme Funding agreement between the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and the University.

¹ There will be an Attachment C only where the University provides commercially sensitive material. The published version of a Compact will indicate the existence or otherwise of an Attachment C (University Confidential Information) but will not include the content.

Date

This Compact is made on _____

between

The Commonwealth of Australia (**Commonwealth**) represented by and acting through both:

The Minister for Tertiary Education, Skills, Jobs and Workplace Relations
Assisted by the Department of Education, Employment and Workplace
Relations (**DEEWR**)

ABN 63 578 775 294

Of

50 Marcus Clarke Street
Canberra ACT 2601

And

The Minister for Innovation, Industry, Science and Research
Assisted by the Department of Innovation, Industry, Science and Research
(**DIISR**)

ABN 74 599 608 295

Of

Industry House
10 Binara Street
Canberra ACT 2601

And

The University of Sydney

ABN 15 211 513 464

A body corporate under the *University of Sydney Act 1989 NSW (as amended)*

Of

The University of Sydney
NSW 2006

CONTEXT

A. The Purpose and Effect of this Compact

This Compact is an agreement between the Commonwealth and the University.

It demonstrates that the Commonwealth and the University have a shared and mutual commitment to provide students with high quality educational experiences and outcomes and to building research and innovation capabilities and international competitiveness.

The Compact recognises that the University is an autonomous institution with a distinctive mission, operating within a state or territory, national and international higher education environment.

The purpose of this Compact is to provide a strategic framework for the relationship between the Commonwealth and the University. It sets out how the University's Mission aligns with the Commonwealth's goals for higher education, research, research training and innovation, and includes information on funding provided by the Commonwealth to the University.

Section 4 and Attachment D of this Compact together constitute the funding agreement, for the purpose of section 30-25 of the *Higher Education Support Act 2003 (HESA)*, for the grant of teaching and learning Performance Funding to the University. Similarly, Attachment E of this Compact contains the funding agreement, for the purpose of section 30-25 of HESA, for the provision of other Commonwealth Grant Scheme funding to the University.

This Compact also refers to funding provided under DIISR's Collaborative Research Networks (CRN) funding program. Any funding provided under that program is not made under HESA and is separate to, but made within the framework of, this Compact.

In addition, this Compact refers to a range of other funding that is provided by DIISR and DEEWR to the University under various legislative and/or contractual funding arrangements. The details of relevant DEEWR funding arrangements are set out in Attachment A and the details of relevant DIISR funding arrangements are set out in Attachment B.

By detailing Commonwealth funding commitments and reciprocal University commitments, this Compact also contributes to creating a transparent and accountable system of administration of Commonwealth funding. To support this purpose, the Commonwealth and the University agree that this Compact will be published on Commonwealth websites and may be published on the University website.

B. The Principles of Commonwealth Funding Support

The principles under which Commonwealth funding for higher education is provided are:

- opportunity for all, especially for those students from groups under-represented in higher education;
- access to university based on merit;
- world-class teaching and learning that advances the international standing of Australian education;
- world class research and research training that advances knowledge, critical thinking and Australia's international standing;
- responsiveness to the economic and social needs of the community, region, state, nation and the international community;
- a sustainable higher-education sector; and
- academic freedom and institutional autonomy.

C. The Commonwealth's ambitions for Higher Education and Innovation

The Commonwealth's vision for the higher education sector is set out in *Transforming Australia's Higher Education System* available at <http://www.deewr.gov.au>

Higher education is central to achieving the key objectives for the nation's future, including:

- **A stronger Australia** – boosting Australia's share of high skilled jobs and productivity growth will require a highly skilled workforce that can rapidly adapt to meet future challenges; and
- **A fairer Australia** – all Australians will benefit from widespread equitable access to a diverse tertiary education sector that allows each individual to develop and reach their potential. Society as a whole will benefit from the widespread application of cutting-edge research.

In supporting these objectives, the Commonwealth's ambitions for higher education include:

- producing graduates with the knowledge, skills and understandings for full participation in society and the economy;
- providing opportunities for people from all backgrounds to participate to their full potential and be supported to do so;
- providing students with a stimulating and rewarding higher education experience;
- playing a pivotal role in the national research and innovation system through generation and dissemination of new knowledge and through the education,

training and development of world class researchers across a wide range of intellectual disciplines; and

- being amongst the leading Organisation for Economic Co-operation and Development (OECD) countries in terms of participation and performance.

The higher education system also plays a crucial role in supporting innovation. The Commonwealth's policy statement, *Powering Ideas - An Innovation Agenda for the 21st Century* <http://innovation.gov.au> is designed to build innovation skills, support research to create new knowledge, increase business innovation and boost collaboration.

For higher education research, research training and innovation, the Commonwealth's ambitions include:

- progressively increasing the number of research groups performing at world-class levels;
- boosting research collaboration by Australian universities;
- significantly increasing the number of students completing higher degrees by research over the next decade; and
- building an innovation system that promotes economic growth and well being by promoting linkages between Australian businesses, universities and publicly-funded research agencies.

D. Structure of this Compact

Part One provides for the establishment of the Compact, its Term and the purpose of the University's Mission. Part One also contains the University's Mission Statement. Part One also provides for the Commonwealth to inform the University of any actual or prospective changes to policy and for the University to inform the Commonwealth of any actual or prospective changes to its Mission and for each to consult the other about the possible effects of these changes.

Part Two provides for matters related to teaching and learning, which are matters administered by DEEWR.

Part Three provides for matters related to research, research training and innovation, which are matters administered by DIISR.

Part Four provides for review of the Compact.

Part Five provides for operational issues, including the general matters which the two Departments will administer jointly, liaison between the Departments and the University, privacy, confidentiality and information sharing, addresses for notices and how the Compact may be varied and how it may be terminated. This Part also includes the Dictionary.

The Attachments A to E form part of this Compact and are referenced and explained in the relevant Parts of this Compact.

PART ONE

1. ESTABLISHMENT OF THE COMPACT

The Commonwealth and the University agree:

- 1.1. This Compact consists of Parts One to Five and any Attachments.
- 1.2. The term of this Compact is from 1 January 2011 until 31 December 2013, unless terminated earlier in accordance with clause 10.7.
- 1.3. In agreeing to this Compact for and on behalf of the Commonwealth each of the Ministers is acting only to the extent of that Minister's powers and functions under any Commonwealth law, including under the terms of any relevant Appropriation.
- 1.4. The University acknowledges that a policy underlying some or all of this Compact may be subject to review by the Commonwealth from time to time. The Commonwealth and the University agree that if the Commonwealth considers that it may need to change the Compact because of such a review, the Commonwealth will notify the University of this in writing and will consult with the University accordingly.
- 1.5. Some or all of the funding arrangements set out in Attachments A and B may be updated by DEEWR and DIISR from time to time. The Commonwealth will notify the University of any such updates.
- 1.6. Either party may propose changes to this Compact at any time. Except for any changes pursuant to clause 1.5 above, clause 10.5 will apply to any variation proposed by either party to the Compact.

2. THE UNIVERSITY'S MISSION

2.1. The purpose of the University's Mission

- 2.1.1. The University's Mission sets out its values and aspirations, what it does and how it can best serve the interests of its students, staff and key stakeholders. The Commonwealth and the University recognise that the University's Mission may evolve.
- 2.1.2. The University and the Commonwealth recognise that the University is an autonomous institution which is responsible for the determination of its Mission and for its aspirations and strategies for their achievement.

2.2 The University's Mission statement

Current circumstances

The University of Sydney is a research-intensive university that offers high-quality programs and educational opportunities to over 45,000 students from 130 countries. Ranked in the top 100 universities in the world in the Shanghai Jiao Tong index and in the top 40 in the QS rankings, the University has a proud tradition of leadership in both research and teaching. Indeed the University can make a strong claim to being the first university in the world to admit students purely on the basis of academic merit. Its core strengths lie in the excellence of its research and

teaching across a wide range of fields, the quality of its students and staff, its global outlook, and its extensive domestic and international networks. These factors provide a stimulating environment for collaborative learning and research, and for pushing the boundaries of knowledge to achieve new breakthroughs that deliver widespread benefits.

We offer large numbers of equity-based scholarships and are implementing strategies to continue to remove barriers that prevent students from disadvantaged groups from gaining access to university. Our research shows that students from underrepresented groups contribute just as much to our comparatively high student success rates as students who are not from such backgrounds.

In research training we excel in terms of both the breadth and depth of our offerings. We offer doctoral programs in some 137 disciplines, compared to an average for all Australian universities of around 50. We make a major contribution to the intellectual and social fabric of the nation by maintaining knowledge and expertise in vulnerable fields such as the classical languages and some fundamental sciences, and by offering units of study not available elsewhere in Australia that are difficult to justify on economic terms alone.

We have international standing in fields including the arts and humanities, health and medicine, engineering, the natural sciences, law, mathematics and emerging strengths in many disciplinary and thematic areas. We consistently perform among the top Australian universities in peer-reviewed schemes administered by the Australian Research Council (ARC) and the National Health and Medical Research Council (NHMRC), and excel in the indicators of research performance currently used by the Australian Government to allocate block funding for research and research training. We host more than 70 research centres, including four ARC Key Research Centres. We are a core or supporting partner in a dozen Cooperative Research Centres, host many important national research infrastructure facilities and care for many collections of international cultural and scientific significance. Through our extensive links with more than 200 affiliated external research organisations, we leverage our research capacity and provide support that underpins research and research training throughout New South Wales and beyond.

Being the custodians of a proud tradition and a major international institution for research and teaching, however, does not guarantee continuing success. Like any university, we cannot afford to be complacent. The higher education sector in particular, and the broader social, political, institutional and economic climate more generally, is changing rapidly. We must adapt strategically in order to thrive in this volatile environment.

Aspirations

In 2010 the University adopted the following statement of strategic purpose:

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

In the University's White Paper supporting its Strategic Plan 2011–2015 we described the University we aspire to be:

"The real measure of whether the University is travelling well is the extent to which our staff, students, government, alumni and friends find in it the institution that is entailed in our statement of purpose, our values and strategies. This is the vision of an institution in which there is

freedom for individual researchers to pursue their own lines of enquiry, but also an evidence-based understanding of our research strengths and an institutional ability to invest strategically in research and education projects (particularly large-scale, cross-disciplinary projects) of national, regional and international importance. It is the vision of an institution in which students and researchers have a sense of belonging to a single community of scholars, of being engaged together in learning and enquiry, and in which excellence in research is prized.

In this vision the community of scholars is marked by its diversity, by its global orientation, and by its commitment to working in partnership with Indigenous Australia. Researchers and teachers are drawn from all over the world ... and both staff and students from overseas are impressed by the cosmopolitan nature of the academic community that they find. The University is well connected and regarded in local, rural and international communities and has grown its links with China. In fact, the University has already been ranked fifth in the world for the number of joint scientific publications with Chinese institutions. Our alumni are actively involved in the life of the institution and financially support it.

In this environment, students have a rich campus life and their experience of dealing with university administration is seamless from first enquiry to alumni engagement. They have opportunities for both formal and informal learning, in classroom and community-based contexts, both in Australia and overseas. Teaching is stimulating and constantly refreshed by new thinking about pedagogy and the use of technology to enrich the student experience and promote flexible learning. Curriculum delivers on our graduate attributes in ways that can be measured and the suite of the University's degree offerings are coherent and well coordinated, allowing students ease of movement between faculties, particularly in the generalist undergraduate degrees...

In short, the University delivers on its mission of being a place in which both academic quality and community engagement are valued, in which ideas are not only intrinsically important, but also important because of the difference that they can make in the world. It is a place of both engaged enquiry and mutual accountability in which the brightest researchers and most promising students can thrive and realise their full potential."

In this vision, planning and decisions are made on the basis of evidence, in fora in which the different academic communities of the University are equitably represented and decision-making is informed by appropriate expertise. Administrative services are effectively and efficiently delivered and the working conditions of staff, and our digital and physical infrastructure, are first rate.

The Strategic Plan 2011– 2015

Strategy 1: Refine our governance structures

Our vision is of an institution in which groups of academic communities hold one another both academically and financially accountable, and develop coordinated strategies to achieve our strategic purpose. This requires effective structures for University governance, transparent rules for the allocation of resources and costs, efficient administrative and professional support systems and robust mechanisms for monitoring progress.

Strategy 2: Manage more effectively the size and shape of the University

The question of the size and shape of the University requires consideration of two key dimensions: that of the fields of study in which the University wishes to engage, and that of its student mix. Our goal for effective management will see new divisional boards agree student

number targets annually to ensure a viable model that delivers a student load, which is both educationally and financially justifiable, and compatible with our statement of purpose.

Strategy 3: Initiate a University-wide program of curriculum renewal

Our aim is to produce flexible and creative thinkers, leaders who are not simply graduates ready for today's workplace. An education at the University of Sydney will equip students with essential skills in critical thinking and communication, and foster an enquiring mind. It will support students in their transition to university, offer a coherent program of courses, and distinguish pathways through degrees.

Strategy 4: Enrich the experience of University life for all our students

We aspire to be recognised for the high-quality student experience we provide at the University, where the quality of the student experience beyond the classroom distinguishes our institution. Our aim is to increase student participation in our community by enriching the services and support that we offer, enhancing the ways in which they integrate with one another and with our academic programs, to meet the needs of all the students that they serve.

Strategy 5: Expand and diversify opportunities for students to develop as global citizens

The University's position in the international community of scholars is fundamental to all that we do, from education and research, to alumni and community engagement. We aim to create more opportunities for our students to engage in research and education outside Australia, to develop our students as global citizens, and to ensure that staff and students who come to the University from overseas find an environment which values the contribution they can make.

Strategy 6: Develop our capacity to identify and support research excellence

A more strategic focus is needed for investment in disciplinary and cross-disciplinary work to attract, enable and empower researchers in well-resourced and well-maintained environments. Our aim is to develop and implement an integrated and coherent University-wide approach to planning, delivering, managing and funding our research in a way that demonstrably supports researchers engaged in internationally recognised, transformational research.

Strategy 7: Develop our capacity to identify and promulgate excellence in teaching

We aim to build the capacity of individual teachers and foster the development and capacity of teaching teams and communities in degree programs, schools and faculties. All of our staff will have access to opportunities for development and teaching and learning support. We will share the best of local practice and create mechanisms for developing, sustaining and enhancing teaching and learning support consistently across the University.

Strategy 8: Develop a small number of major cross-disciplinary initiatives in research and education

Our ability to have visible impact in thematic areas of importance for our nation, region and beyond, depends upon our ability to harness, from across the University, the intellectual resources relevant to a particular complex problem and to provide structures for cross-disciplinary research and education at the University level. Our aim is to create an environment which promotes and facilitates cross-disciplinary collaborations of high social impact, through targeted and transparent investment in visionary research and education initiatives.

Strategy 9: Agree coordinated strategies for identifying, developing and supporting research talent from undergraduates to research leaders

Core to our academic vision is the notion that there should be a seamlessness between our teaching and our research, in that each is driven by engaged enquiry. We must see all students

as researchers of one kind or another, as we engage in both curriculum renewal and the dissemination of good pedagogical practice. Our aim is to create and sustain an environment in which our research talent is supported through technical disciplinary training, but also in more general training in research leadership and management, in skills in commercialisation and communication, and in developing cross-disciplinary research capabilities.

Strategy 10: Promote Indigenous participation, engagement, education and research

The University has a strong commitment to enhancing its approach to Indigenous participation, education and research and to ensuring that these areas are well supported. Our aim is to ensure that Indigenous issues and knowledge are embedded as core elements of our decision-making, teaching, research and community engagement activities.

Strategy 11: Attract and support promising students from a diversity of social and cultural backgrounds

Attracting promising students, whatever their social or cultural background, is core to our sense of purpose and consistent with our history as an institution. Our aim is diversify our student population and increase the participation of students from low socio-economic backgrounds through a dedicated program focused on improving the preparation and aspiration of intellectually qualified students, including Indigenous students and students from rural and remote areas.

Strategy 12: Provide enhanced learning opportunities for all our staff

We aspire to be a community in which all staff enjoy a rich variety of opportunities for learning, opportunities intended both for professional development and for much broader purposes. We aim for all of our staff, whatever their role at the University, to be provided with appropriate support for professional and academic development.

Strategy 13: Prioritise international engagement on a regional basis to support the effective development of University-wide partnerships and networks

Our vision for increased engagement internationally is underpinned by a strong sense of institution-wide commitment to the international agenda. This vision will see the University recognised internationally in research and innovation, learning and teaching excellence and community engagement; and will be achieved through a program of targeted and prioritised activity with different regions of the world.

Strategy 14: Develop and implement a coordinated University-wide framework for local and rural community engagement

Our engagements with both local and rural communities are diverse and valuable; ranging from research and outreach to student placement and professional development. Our aim is to identify those communities with which we can most fruitfully partner across a range of initiatives. We will identify a number of rural communities with whom we have existing links, particularly those where we already have a physical presence, and build stronger University-wide cooperation with them across a range of activities.

Strategy 15: Deepen our engagement with a supportive network of alumni and friends

The University of Sydney recognises the critical role that alumni networks play, both as advocates and friends, in our ongoing development, and in achieving our broad aims as an institution. Like that of all of our community partners, we acknowledge that a coordinated and consistent approach to engagement with our alumni and friends network is fundamental to achieving our principal goals.

Strategy 16: Refine and apply the new University Economic Model to ensure greater transparency in resource and cost allocation and support strategic decision-making

Our aspiration is to ground strategic development in the actual financial circumstances of the University and its constituent academic units. We will work to achieve this through a new economic model, mutual accountability for faculties at the divisional level in the development of budget strategies, more transparent financial reporting, and more regular review of the budgets.

Strategy 17: Systematically review arrangements for the provision of administrative and professional services

Efficient, cost effective and coordinated administrative services are an essential foundation for the realisation of our aspirations in education and research. If we are to sustain a University that seeks to achieve our strategic purpose we must support our staff and students through an effective, coordinated and efficient system of administrative and professional services delivery.

2.2. Changes to the University's Mission

2.2.1. The Commonwealth acknowledges that the University may adjust its mission from time to time. The University agrees that it will give the Commonwealth notice in writing in advance of:

- a. any significant changes that it proposes to make to the Mission during the term of the Compact; or
- b. any significant changes that it intends to make to its activities that could affect either or both of the content and the practical application of its Mission.

2.2.2. If the Commonwealth receives notice from the University under clause 2.3.1 and considers that the proposed changes would require a change to this Compact, the Commonwealth will notify the University of this in writing and will consult with the University accordingly.

PART TWO

The Minister for Tertiary Education, Skills, Jobs and Workplace Relations, with assistance from DEEWR, has Commonwealth responsibility for the matters set out in this Part Two of the Compact.

3. TEACHING AND LEARNING

3.1. Quality

Quality: Commonwealth objectives

- 3.1.1. A focus on teaching and learning quality underpins the Commonwealth's vision for Australia to be one of the most highly educated and skilled nations in the world.
- 3.1.2. A focus on quality is an essential element of a system where funding is driven by student choice, and is essential for ensuring that the Commonwealth's participation and social inclusion ambitions are achieved without a risk to quality.
- 3.1.3. The Commonwealth has made a commitment to provide more autonomy to universities through the removal of funding caps on Commonwealth supported places. In turn, the Commonwealth expects the University to participate in new higher education quality arrangements which will be overseen by the Tertiary Education Quality and Standards Agency. The new arrangements are designed to support academic autonomy while ensuring that the achievement of minimum standards can be demonstrated and that there is a strong focus on enhancing the quality of teaching and learning while expansion of the higher education system meets national participation ambitions.
- 3.1.4. The University also has obligations under the quality and accountability requirements in Division 19 of HESA. This Compact does not change those obligations.

Teaching and Learning Quality: University strategies

Current circumstances

The University of Sydney is committed to achieving constant improvement in the quality and relevance of its educational offerings. This includes the quality of the overall university experience of its students, and the learning and other outcomes they achieve. One of our core strengths is the quality of the students we attract. In 2010, 37 percent of our commencing recent school leaver students had an Australian Tertiary Admission Rank (ATAR) of 95 or above and 62 percent had an ATAR of above 90. Through the formal pursuit of our University-wide graduate attributes, we seek to equip our students with core skills in critical thinking and communication, helping them to develop as global citizens. While the University has strong levels of student engagement, as reflected by its relatively high undergraduate student retention and success rates, we need to continue our recent focus on improving the extent to which our students are satisfied with their overall university experience.

Recent achievements

We have recently:

- improved our performance significantly across key elements of the undergraduate Course Experience Questionnaire (CEQ), namely the 'Good Teaching', 'Generic Skills' and 'Overall Satisfaction' scales
- introduced a new degree – the Bachelor of Liberal Arts and Science – to provide an intellectually challenging and flexible high quality generalist degree designed to prepare graduates for diverse and ever-changing careers
- implemented the first part of a new online student information management system 'Sydney Student'. This major project will define and manage the broader organisational changes required to harness the system's benefits and deliver an improved student experience. The system will offer students a simplified, seamless relationship with the University, from the first enquiry they make through to alumni engagement. It will provide staff with improved support to make sound decisions, freeing them from routine administrative tasks
- restructured our Institute for Teaching and Learning, positioning it to make a major contribution to the implementation of our strategies for enhancing the quality of our educational activities
- diverted \$58 million over the four years from 2007 to 2010 to sustain essential student services, sporting facilities and amenities, following the abolition of compulsory student service fees
- completed comprehensive reviews of the co-curricular student experience and support services for international students
- progressed the development of our Second Language Acquisition Project, which seeks to ensure that more of our students graduate with skills in a language other than English – better equipping them to become global citizens

Aspirations

Our aim is to achieve a learning environment that is characterised by a commitment to engaged enquiry. Under this vision we will provide a safe, supportive, responsive and engaging student experience. Our students will have opportunities for formal and informal learning, in classrooms, business and community contexts, both in Australia and overseas. Teaching will be stimulating and constantly refreshed by new thinking about pedagogy and the use of technology to enrich the student experience and promote flexible learning. Our curriculum will deliver on our graduate attributes in ways that can be measured more comprehensively than at present. The suite of the University's degree offerings will be coherent and well coordinated, allowing students ease of movement between faculties, particularly in the generalist undergraduate degrees. Our students will have access to a rich campus life and flexible learning options. Their administrative interactions with the University will be seamless.

Strategic Plan 2011–15

We will achieve our aspirations for teaching and learning quality, and the student experience, by pursuing the following key strategies:

Strategy 3: Initiate a University-wide program of curriculum renewal

Strategy 4: Enrich the experience of University life for all our students

Strategy 5: Expand and diversify opportunities for students to develop as global citizens

Strategy 7: Develop our capacity to identify and promulgate excellence in teaching

Strategy 8: Develop a small number of major cross-disciplinary initiatives in research and education

Strategy 9: Agree coordinated strategies for identifying, developing and supporting research talent, from undergraduate students to research leaders
Strategy 12: Provide enhanced learning opportunities for all our staff

Our commitment to achieve greater diversity in our student body, outlined in section 3.2, will be important to achieving our goals for teaching and learning quality. Our strategies to improve community, industry and international engagement will also be vital. Further details about these strategies are included in sections 3.5 and 7.3.

Planned implementation, measuring progress and outcomes

Each of our seven core teaching and learning strategies will be managed according to an implementation plan agreed by the Senior Executive Group. Progress towards the completion of individual initiatives under each strategy will be monitored and reported upon regularly to the Senate through the 'Vice-Chancellor's Work Slate' process.

The principal indicators that we use to measure our progress in the area of undergraduate teaching and learning quality include data on: applications; student participation, retention, success, attrition and completion; student and staff satisfaction; and graduate destinations.

3.2. Equity

Equity: Commonwealth objectives

- 3.2.1. The Commonwealth is committed to a fair and equitable higher education system that provides equal opportunity for people of all backgrounds to participate to their full potential and the support to do so.
- 3.2.2. In particular, the Commonwealth has an ambition that by 2020, 20 percent of higher education enrolments at the undergraduate level will be people from low socio-economic status (SES) backgrounds.
- 3.2.3. The Commonwealth is also committed to enhancing participation and outcomes for Aboriginal and Torres Strait Islander people in higher education.
- 3.2.4. The Commonwealth funds a range of programs to encourage and support access to and participation in higher education by people from low SES backgrounds, Aboriginal and Torres Strait Islander people and other under-represented groups, including the Higher Education Loan Program and Student Income Support.
- 3.2.5. The Commonwealth expects all universities to play a part in meeting the Commonwealth's higher education participation ambitions, consistent with the objectives and regulatory requirements of specific equity programs and income support measures.
- 3.2.6. The Commonwealth will monitor the University's equity performance through the existing reporting requirements attached to individual programs. The University's performance in meeting equity objectives will also be linked with teaching and learning Performance Funding targets, as specified in the table under paragraph 4.14 of this Compact.

- 3.2.7. Universities have obligations under the fairness requirements in Division 19 of HESA. This Compact does not change those obligations.

Equity: University strategies

Current circumstances

The University of Sydney has a strong commitment to diversity among its students and staff. Attracting promising students, whatever their social or cultural background, is core to our purpose and consistent with our history as an institution. Students from low socioeconomic status (SES) backgrounds currently make up only about 8.5 percent of our undergraduate student population and our enrolments of students from other designated equity groups are also relatively low. However, the University does have above average retention and success rates for students from these backgrounds, as well as a long history of support for disadvantaged students. We know that low SES students achieve academic and career outcomes similar to other students, provided they complete their studies. We are proud that our alumni include Australia's first Indigenous graduate, Charles Perkins, and the hundreds that have followed in his footsteps. We are committed to improving the opportunities available for students from diverse backgrounds to study at the University. The representation of women in senior positions needs to be improved and we are taking action to address this.

Recent achievements

We have recently:

- established a Social Inclusion Unit to lead partnership programs aimed at widening participation in tertiary education by students from low SES backgrounds
- convened a cross-disciplinary network of researchers into social inclusion and exclusion and related community issues
- expanded our five point ATAR bonus scheme to cover all disadvantaged schools in NSW for 2011 entry
- taken a lead role in building a coalition of six universities in the Sydney basin to develop projects and programs that work with younger school children to raise aspiration and attainment
- completed a comprehensive external review of our Indigenous strategies across all areas of activity, agreeing upon the broad framework for an integrated strategy to be finalised in 2011 under the leadership of an Indigenous Deputy Vice-Chancellor
- increased the number of Sydney Access Scholarships from 100 to 160 and increased the value of the scholarships from \$5,000 to \$6,000
- entered into an agreement with the University of New England to provide innovative pathways to study at the University of Sydney for students from regional NSW and disadvantaged schools in metropolitan Sydney
- implemented a Rural High Schools workshop program to encourage school students from rural areas to consider pursuing careers as health professionals
- progressed the development of a new Disability Action Plan to support universal access to our facilities and resources by students, staff and members of the community more broadly

Aspirations

Our aim is to diversify our student population by increasing the participation of students from underrepresented groups. Over the course of the planning period 2011–15 we seek to increase the participation of students from low SES backgrounds at the undergraduate level to at least 10.32 percent. We will also seek to increase the participation of Indigenous students to 0.96 percent by 2013. Longer term, we will seek to achieve parity in the participation of students from all

underrepresented groups, relative to their representation in the NSW population.

Strategic Plan 2011–15

We will achieve our aspirations for student diversity by pursuing the following key strategies:

Strategy 10: Promote Indigenous participation, engagement, education and research

Strategy 11: Attract and support promising students from a diversity of social and cultural backgrounds

Our commitment to curriculum renewal, an enhanced student experience and teaching quality outlined in section 3.1, will be particularly important for students from underrepresented groups, as will our strategies to improve our community and industry engagement, which are detailed in sections 3.5 and 7.3.

Planned implementation, measuring progress and outcomes

We will achieve our goals for student diversity by pursuing a dedicated program focused on improving the preparation, aspiration and identification of promising students, regardless of their social or cultural backgrounds. Our strategies will pay particular attention to the recruitment, selection and support of these students and to enhancing our engagement with their communities. We will, for example:

- expand our partnerships with specific schools and community organisations to raise awareness of the value of tertiary education, support educational attainment, and increase aspirations for further study
- implement a new admissions strategy – including pathways, special admissions programs and ATAR bonuses – to increase participation by underrepresented groups
- set University, faculty and school targets for recruitment and retention of low SES, Indigenous and rural and remote students
- complete ongoing negotiations with universities in rural NSW for greater cooperation in education and research, and the provision of flexible pathways for students
- ensure appropriate support for the retention and achievement of students from underrepresented groups
- provide staff development activities and resources to build the necessary skills to support the successful implementation of social inclusion and Indigenous education initiatives

The principal indicators that we use to measure our progress in the area of student equity include the access, participation, retention and success rates and ratios for low SES students, students from non-English speaking backgrounds, students from rural and remote areas, Indigenous and disabled students.

3.3. Infrastructure

Infrastructure: Commonwealth objectives

- 3.3.1. The Commonwealth is committed to the development of world class higher education infrastructure. A contemporary, technology rich, well designed and equipped campus environment has a positive influence on staff and student performance and satisfaction.

- 3.3.2. While the responsibility for capital infrastructure development and maintenance rests with the University, the Commonwealth's commitment is demonstrated through programs such as the Education Investment Fund. Universities also utilise Commonwealth Grant Scheme funding for capital works.
- 3.3.3. The Commonwealth anticipates that the University will focus not only on developing new University-owned and operated buildings but also on optimising the use of existing facilities, refurbishing and adequately maintaining existing infrastructure, investing in e-learning and other information and communications technologies (ICT), and utilising space owned by, or shared with, other education providers.
- 3.3.4. The Commonwealth will monitor the University's infrastructure programs, and their alignment with the Commonwealth's infrastructure objectives, through the Institutional Performance Portfolio Information Collection.

Infrastructure: University strategies

Current circumstances

The University of Sydney is committed to supporting excellence in teaching and research, and to providing an outstanding student experience. This requires constant attention to developing and maintaining physical and digital infrastructure of the highest possible quality. Modern approaches to enquiry-based education require learning spaces that link education and research seamlessly, and entwine the student experience across physical and virtual learning spaces.

After a period of significant expansion in both our activities and income, we are facing a period in which our resources are considerably more constrained. In particular, we face enormous continuing and new capital funding needs. While we have reduced our capital infrastructure backlog maintenance liability in recent years, it remains too high at \$385 million. Our need to borrow funds in order to complete major capital projects to support strategic priorities is placing pressure on many areas of activity, including our capacity to invest in the maintenance and renewal of existing physical and digital infrastructure.

Recent achievements

We have recently:

- completed our \$277 million Campus 2010 Capital Program, including a new building on campus for the Sydney Law School, its library, the Jane Foss Russell Building, Eastern Avenue Domain, Madsen Building refurbishment, and a new sciences and technology library
- secured funding of \$27 million and committed \$15 million under the Australian Government's Teaching and Learning Capital Fund to support four projects to build 'learning network' spaces – interlinked physical and virtual learning areas designed to encourage self-motivated enquiry and collaboration
- opened a \$16 million Youth Mental Health building at our Brain and Mind Research Institute, fully funded by the NSW Government
- approved business cases for the Centre for Obesity, Diabetes and Cardiovascular Disease (CODCD) and the Australian Institute for Nanoscience (AIN). These cutting-edge research and education buildings will support initiatives which will cost \$500 million

and be funded partly by the Australian Government

- agreed with the NSW Government to partner with the Royal Prince Alfred Hospital to develop a new \$40m Mental Health Unit that will include dedicated facilities for research and for the translation of research findings to improve patient care
- progressed infrastructure plans to support facilities in rural areas, including the Centre for Sustainable Land Futures at Camden and our School of Rural Health in Orange, Dubbo and Broken Hill
- completed the implementation of new core campus data and voice network infrastructure for the University, enabling us to support our research and teaching activities by continuing a multi-year upgrade of our building and communications systems
- developed and implemented shared decision-making processes to prioritise our expenditure on physical and digital infrastructure.

Aspirations

Our aim is to enable our vision for engaged enquiry, integrated education and research by providing physical and digital infrastructure of the highest possible quality. The expectations of our students, staff and collaborators will shape the provision of our learning and research spaces. We plan to develop our educational facilities as an integrated network of formal, informal, and virtual learning and teaching space, which will improve the experience of our students and staff. In addition, we aim to provide up to 3,500 more beds for students, with a particular focus on accommodation for students from underrepresented groups. Infrastructure planning and resource allocation will occur through transparent processes, ensuring that there is strong alignment between our academic, environmental and capital plans, and therefore a more efficient pattern of spending. Our backlog maintenance liability will not increase over the planning period.

Strategic Plan 2011–15

Our commitment to mutual accountability, to be achieved through refining our governance and decision-making structures, implementing our new economic model, and enhancing the coordination of University-wide professional services, will underpin the achievement of our infrastructure goals.

Planned implementation, measuring progress and outcomes

We will achieve our goals for the continual improvement of our physical and digital infrastructure through a structured and ongoing process of review at the University, division and faculty levels. We will, for example:

- assess our physical and digital infrastructure needs, drawing on staff and student input to determine priorities for investment across all areas of activity
- identify ways to improve the delivery of physical and digital infrastructure services
- ensure alignment between our Strategic Plan 2011–15, our 2020 Campus Masterplan and our environmental sustainability strategies
- apply University and divisional and teaching and research excellence strategies in the ongoing assessment of our infrastructure priorities
- implement strategies to increase student accommodation in and around our campuses to as many as 6,000 beds
- complete a number of large capital infrastructure projects to support major strategic initiatives, research and education including the CODCD, the AIN and other priority projects for which external funding support is forthcoming
- complete IT projects that will improve links between learning spaces, and improve

campus data and voice networks

The principal indicators that we use to measure our progress in the area of physical and digital infrastructure include: student and staff feedback; asset replacement value; capital expenditure; gross and usable floor area; condition and functionality ratings; backlog maintenance and project performance data.

3.4. Student enrolments

Commonwealth objectives

- 3.4.1. The Commonwealth is committed to the expansion of a high quality higher education sector, to provide opportunities for all capable people to participate to their full potential.
- 3.4.2. An expanded higher education sector will educate the graduates needed by an economy based on knowledge, skills and innovation.
- 3.4.3. The Commonwealth has announced its ambition for growth in higher education attainment, so that by 2025, 40 percent of all 25 to 34 year olds will hold a qualification at bachelor level or above.

University student enrolment planning

Current circumstances

The University of Sydney is a large, comprehensive university. Of our 45,000 students, more than 41,000 are enrolled in our undergraduate and postgraduate coursework programs. Most of our students are from Australia, but around one-fifth come from overseas. Our 16 faculties offer courses of study in a wide range of generalist discipline-based and cross-disciplinary programs, as well as qualifications that lead directly to professional practice in many fields. For example, the University currently contributes about 30 percent of health workforce graduates in NSW annually.

Due to infrastructure constraints, our land-locked main campus, base funding and workplace learning constraints in some fields, we see few opportunities for major overall growth in our domestic non-research student enrolments over the planning period. There will be little growth, except in select areas where we have demand and capacity. There will be gradual shifts in the overall mix of our student body between undergraduate and postgraduate, and between domestic and international students. This shift has already occurred incrementally in architecture, law and some health areas (including nutrition and dietetics, nursing, pharmacy, physiotherapy, occupational therapy, speech language pathology and nuclear and radiation therapies), where there has been an academic and professional advantage to do so.

Recent achievements

In 2009 the University's Senior Executive Group established the Course Profile Steering Committee (CPSC) to bring greater strategic planning and coordination in the area of load management, course planning and fee setting. The CPSC has developed policy and overseen coordination of faculty and University priorities in relation to course offerings, fee setting and student load profiles in the context of the University's Strategic Plan, student demand, the University's ability to support that demand and its obligations to the Australian government. The

committee has sought to ensure that there is closer integration of these strategies with academic planning, budgeting, financial forecasting, and our student marketing and admissions processes. From 2011 the work of the CPSC will be undertaken by the Curriculum and Course Planning Committee of the Senior Executive Group.

Aspirations

By 2015 we expect to grow by only around 1,000 equivalent full-time students over and above our 2010 enrolments, with much of this growth to occur at the postgraduate level. During the planning period to 2015, the University will work towards a projected mix of between 60 and 70 percent undergraduate student load (currently 74 percent), between 10 and 15 percent postgraduate research load (currently 9 percent) and between 20 and 30 percent postgraduate coursework student load (currently 17 percent). As for domestic and international mix, the University will work towards an international student cohort of between 20 and 30 percent (currently 22 percent). We will seek to diversify our international student population in terms of both discipline of study and country of origin. As discussed in section 3.2, we also aim to increase the proportions of our students drawn from low socioeconomic backgrounds and other currently underrepresented groups.

Strategic Plan 2011–15

In order to achieve our aspirations for our student enrolments we will pursue the following key strategies:

Strategy 2: Manage more effectively the size and shape of the University

Our strategies to undertake a University-wide program of curriculum renewal, outlined in section 3.1, will be important to the achievement of student enrolment targets. Our commitment to refine our governance structures, ensure greater transparency in resource and cost allocation, and enhance our capability for cross-disciplinary research and education, which we cover in section 3.5, will also be vital to achieving our student enrolments goals.

Planned implementation, measuring progress and outcomes

We will achieve our goals for our non-research student enrolments through a structured and ongoing process of review at the division and faculty levels. These reviews will be responsive to the needs of key Commonwealth and state agencies, the economy and employers. In fields such as the health workforce, where the University makes a particularly strong contribution, we will engage actively with the Department of Health and Ageing (DOHA), Health Workforce Australia and NSW Health as we transition through the health reform process.

Each of our divisions and faculties will conduct a 'portfolio review' in 2011, assessing their programs against the criteria of student quality and diversity, research quality, and financial sustainability. These reviews will seek to determine those programs from which we should withdraw, as well as potential new areas where courses should be developed.

Each divisional board will agree on student number targets with the Curriculum Committee of the Senior Executive Group on an annual basis. The Curriculum Committee will have responsibility for ensuring that agreed targets deliver a student load that is both educationally and financially justifiable. In reviewing the annual student load targets for each faculty and division, the Curriculum Committee will address not only the proposed mix of undergraduate and graduate, domestic and international student cohorts of each unit, but also the extent to which the area will contribute to the achievement of the University's targets for the admission of students from underrepresented groups. In this way we believe that we can best manage the

size and shape of the University in an academically and financially sustainable way. We will then revisit the question of the range of fields of study through regular faculty reviews.

The principal indicators that we use to measure our progress in the area of non-research student enrolments include data on: industry and student demand; competitor analysis; and domestic and international student applications, offers, admissions, profiles, enrolments and load.

3.5. Other key teaching and learning priorities: University strategies

Engaged enquiry and mutual accountability

In the White Paper that accompanied our Strategy Plan 2011–15 we set out our vision for a University where all that we do is tested constantly against our statement of purpose and underpinned by the values of ‘engaged enquiry’ and ‘mutual accountability’.

By engaged enquiry we mean that the University is foremost a place in which ideas, both new and old, are learned, tested, challenged and modified. There should be a seamlessness in the learning of our students and our researchers as they sharpen their skill for the purpose of advancing knowledge and understanding. Second, our notion of ‘engaged’ enquiry holds together the work of the various academic disciplines. While we are committed to honing the methodologies of the traditional disciplines, we are also committed to bringing disciplines together to solve complex problems through collaboration. Third, engaged enquiry holds together the work of the University and the life of the various communities – local, national and international – of which it is part. We believe that our teaching and research should address, and be informed by, the questions that our communities are facing.

By mutual accountability we mean that individual members of the University, and the academic communities of which they are a part, are accountable to one another for their contribution to the academic and financial health of the institution. This concept of mutual accountability shapes the University’s commitment to, and the responsibilities of, individual staff and students. It underpins our approach to planning, decision-making and the allocation of resources. It also has implications for relationships between the various academic communities that constitute the University.

These two key values run like a thread through all of the strategies contained in our strategic plan. As many of these strategies bridge multiple areas of activity, it is not possible to partition them as being relevant to just one. The successful implementation of numerous cross-cutting strategies will underpin the achievement of our aspirations and we welcome the opportunity to outline briefly some key initiatives under some of these strategies below.

Strategy 1: Refine our governance structures

We will create new divisional boards as committees of the Senior Executive Group to bring faculties together in a relationship of mutual accountability. The divisional boards will be charged with the task of overseeing the development of divisional and faculty strategic plans that align with the University’s Strategic Plan 2011–15.

Strategy 8: Develop a small number of major cross-disciplinary initiatives in research and education

Our vision will be exemplified through the CODCD, which will focus our unique mix of disciplinary depth and strengths to advance understanding of these diseases, their causes and social impacts. The establishment of a new China Studies Centre, following the success of the

United States Studies Centre, is the next step towards establishing the University as a world-leading centre for area studies. Building on the success of the Sydney Cancer Network model, a Sydney Research Networks (SyReNS) program will be developed to facilitate collaboration between staff in different faculties around themes of high national/global priority.

Strategy 10: Promote Indigenous participation, engagement, education and research

A Deputy Vice-Chancellor (Indigenous Strategy and Services) has been appointed to lead the detailed development and implementation of an integrated University-wide Indigenous Strategy. The strategy will cover all aspects of our work including: student recruitment, support and retention; curriculum and cultural competency; staff recruitment, support and retention; Indigenous research and knowledge; and our engagement with Indigenous communities.

Strategy 12: Provide enhanced learning opportunities for all our staff

We will, for example, complete the renewal of our performance management and development (PM&D) process to ensure it becomes a key element in career and succession planning. We will also implement an annual process for the Senior Executive Group to agree upon a coordinated program of training opportunities to ensure constant improvement and renewal.

Strategy 13: Prioritise international engagement by region for the effective development of University-wide partnerships and networks

We will, for example, focus our regional engagement efforts on China, South-East Asia, and India as top priorities; Korea Japan, North America and Europe as medium priorities; and Latin America and Africa as emerging priorities. Business plans and communications strategies will be developed to reflect these priorities.

Strategy 14: Develop and implement a coordinated University-wide framework for local and rural community engagement

Community engagement will be pursued in a coordinated way as a key element of our approach to engaged enquiry, social inclusion and Indigenous participation in particular. We will, for example:

- identify current Sydney scholars with expertise in engaged curriculum and empower them as leaders
- embed strategies for community-engaged learning within the curricula
- conduct an audit of current community engagement activities across the University, including rural and remote areas

Strategy 16: Refine and apply the new University Economic Model to ensure greater transparency in resource and cost allocation and support strategic decision-making

The UEM operates on the basis that academic units are the key revenue generators for the University and that both resources and costs should be transparently allocated to them. It therefore begins with a commitment to returning to an academic unit (a division, faculty or school), 100 percent of the income that it generates, less the direct costs that it incurs and a number of levies. Surplus income remains, in principle, available to the division, faculty or school. The levies address six areas and are calculated on the basis of varying related cost drivers. They include the following:

- charges for University-wide services (including finance, human resources and ICT)
- charges for the use of space based upon the costs of maintaining the relevant type of space
- a charge for University-wide academic programs where the funding is redistributed to faculties to support strategic activities, including scholarships

- a charge to provide capital funds to meet with the University's ever-increasing demands for digital and physical infrastructure renewal
- the redistribution of revenues to support the research-intensive parts of the University on the basis of research performance
- a five-year transitional phase levy to cross-subsidise those faculties where income is inadequate to meet their operations (there will be some areas where a sustained cross-subsidy will be merited and maintained on academic grounds).

In this way incentives are maximised to increase income and reduce costs. With the resulting greater transparency at the faculty, divisional and University-wide level, individual academic and service units will be able to understand more openly where the University's income is earned and where it is spent, and make decisions about our resources to maximise academic returns.

Strategy 17: Systematically review arrangements for the provision of administrative and professional services

Improving the delivery, cost effectiveness and efficiency of core administrative services is essential to achieving our aspirations in other areas of the strategic plan while ensuring the long-term financial sustainability of the University. We will establish an Administrative Services Committee to systematically review core administrative functions and advise on ways to deliver those services on a more efficient and financially sustainable basis.

Overall approach to implementation, measuring progress and outcomes

Each of the 17 core strategies contained in our strategic plan is managed according to an implementation plan agreed by the Senior Executive Group. Progress towards the completion of individual initiatives is monitored and reported upon regularly to the Senate through the Vice-Chancellor's Work Slate process. Each of the University's service units and its seven divisions will develop and implement its own strategic plan in consultation with the Senior Executive Group, ensuring alignment with the University's Strategic Plan 2011–15. A wide range of data is collected and analysed in order to measure and report upon performance at the University, division, faculty, school and department levels across all areas of activity.

4. PERFORMANCE FUNDING

Commonwealth objectives

- 4.1 Higher education Performance Funding will provide incentives for universities to improve outcomes for students.
- 4.2 To be eligible for Performance Funding, the University must:
- (i) be a Table A provider (see paragraph 30-1(1)(a)(i) of the Act); and
 - (ii) be a provider for which the Minister has allocated a number of Commonwealth supported places to the provider for that year under section 30-10 (see paragraph 30-1(1)(b) of the Act); and

- (iii) be a provider which has entered into a funding agreement with the Commonwealth under section 30-25 in respect of a period that includes that year (this being the 2011-2013 Compact).

4.3 Performance Funding has two components:

- (i) Facilitation Funding; and
- (ii) Reward Funding for achieving university performance targets

Facilitation Funding

4.4 Facilitation Funding acknowledges both the diverse missions of universities and the commitment to the Australian Government's learning and teaching goals.

4.5 The Australian Government will provide Facilitation Funding to universities commencing in 2011.

4.6 Facilitation Funding will be paid as a formula driven share of the available funding. Each university's Facilitation Funding payment will be calculated on their proportional share of Commonwealth Grant Scheme Basic Grant Amount (section 33-5 of the Act) and the Grants to Support National Institutes specified in the Other Grants Guidelines (item 4 of subsection 41-10 of the Act). Refer to the Performance Funding Technical Guidelines for further details.

4.7 As a condition of the Facilitation Funding component of Performance Funding, in accordance with this agreement, the University must:

- (i) inform the Australian Government of strategies and goals for achieving the University's teaching and learning mission described under clauses 3.1, 3.2 and 3.4; and
- (ii) agree to the performance targets relating to specific Australian Government goals contained in clause 4.14.

4.8 Once a 2011-2013 Compact has been agreed, the University will be paid the 2011 Facilitation Funding amount, plus any indexation, each year of the Compact period.

4.9 The Commonwealth and the University agree to annual review, under Section 9 of this Compact, of the effectiveness of implementation of the strategies and goals for achieving the University's teaching and learning mission described under clauses 3.1, 3.2 and 3.4.

Reward Funding

4.10 From 2012, the Australian Government will introduce Reward Funding for universities that achieve performance targets.

4.11 As a condition of the Reward Funding component of Performance Funding, in accordance with this agreement, the University must:

- (i) agree performance targets as outlined in clause 4.14;

(ii) supply performance data to the Commonwealth for relevant indicators as per the requirements set out in section 2 of the Performance Funding Technical Guidelines; and

(iii) achieve the relevant targets as outlined in clause 4.14.

4.12 Each university's maximum possible Reward Funding payment will be calculated on their proportional share of Commonwealth Grant Scheme Basic Grant Amount, consistent with the focus of Performance Funding being on improvement of teaching and learning.

HESA Funding Agreement

4.13 This section 4, together with the terms and conditions set out at Attachment D to this Compact, constitute the HESA Funding Agreement for the provision of Performance Funding to the University.

University performance targets

4.14 The University's performance targets are in the table below.

(i) Performance targets refer to the year of payment.

(ii) Progress targets represent progress towards achievement of aspirational goals. Reward Funding for achievement against the 2014 and 2015 progress targets and aspirational goals would be the subject of a future Compact.

University performance categories and targets

Performance Category 1: Participation and Social Inclusion

Performance indicator 1A: Proportion of domestic undergraduates who are from a low SES background.

Baseline for improvement target: 8.47% (2009 data)

	2012 Reward Payment (target for 2011 students)	2013 Reward Payment (target for 2012 students)	2014 Progress target (target for 2013 students)	2015 Progress target (target for 2014 students)
Excellence Target	N/A	N/A		
Improvement Target	8.72%	9.12%	9.72%	10.32%
Outcome				

Performance indicator 1B: Proportion of domestic undergraduate students who are Indigenous

Baseline for improvement target: 0.79% (2009 data)

	2012 Reward Payment (target for 2011 students)	2013 Reward Payment (target for 2012 students)
Improvement Target	0.85%	0.96%
Outcome		

University performance categories and targets

Performance Category 2: Student Experience

Performance indicator 2A: Domestic undergraduate satisfaction with teaching
(Measured using data from the Australian Graduate Survey – Course Experience Questionnaire (CEQ) [Good Teaching Scale and Overall Satisfaction Item])

	2012 Reward Payment	2013 Reward Payment
Participation	N/A	Participate in 2013 CEQ* (2012 final year students) to establish baseline performance
Outcome	N/A	Participation agreed

* the 2012 CEQ report refers to students whose final year of study was in 2011 and who participated in the CEQ survey in 2012 and where performance was reported in 2013.

Performance indicator 2B: Domestic undergraduate experience
(Measured using data from the University Experience Survey [UES])

	2012 Reward Payment	2013 Reward Payment
Participation	N/A	Participate in the development of the UES to establish baseline performance
Outcome	N/A	Participation agreed

University performance categories and targets

Performance Category 3: Quality of Learning Outcomes

Performance indicator 3A: Domestic undergraduate satisfaction with generic skills

(Measured using data from the Australian Graduate Survey – Course Experience Questionnaire (CEQ) [Generic Skills Scale])

	2012 Reward Payment	2013 Reward Payment
Participation	N/A	Participate in 2013 CEQ* (2012 final year students) to establish baseline performance
Outcome	N/A	Participation agreed

* the 2012 CEQ report refers to student whose final year of study was in 2011 and who participated in the CEQ survey in 2012 and where performance was reported in 2013.

Performance indicator 3B: Domestic undergraduate value added generic skills

(Measured using data from the Collegiate Learning Assessment (CLA))

	2012 Reward Payment	2013 Reward Payment
Participation	N/A	Participate in the development of the CLA to establish baseline performance
Outcome	N/A	Participation agreed

Performance indicator 3C: Composite Teaching Quality Indicator (TQI)

	2012 Reward Payment	2013 Reward Payment
Participation	N/A	Participate in development of composite indicator (including providing data) to establish baseline performance
Outcome	N/A	Participation agreed

4.15 Section 3 of the Performance Technical Funding Guidelines provides detailed information on the calculation and assessment of the above indicators. Section 4.2.2 of

the Performance Funding Administrative Guidelines also provides information on implementation of new performance indicators.

- 4.16 The Australian Government undertakes to consult the higher education sector on the development and enhancement of indicators for the purposes of Performance Funding.

5. COMMONWEALTH GRANT SCHEME

- 5.1 Attachment E contains the current HESA Funding Agreement for the provision of Commonwealth Grant Scheme funding to the University for the 2009 to 2011 calendar years.
- 5.2 Attachment E becomes part of this Compact on execution of the Compact.
- 5.3 The Commonwealth anticipates that any future HESA Funding Agreements for the provision of Commonwealth Grant Scheme funding to the University will also form part of this Compact.

6. OTHER FUNDING PROVIDED BY DEEWR

- 6.1 A list of key programs and funding allocations under which the Commonwealth, through DEEWR, provides support to the University is set out at Attachment A. This list may be updated from time to time, including if the University is successful in applying for any new and/or additional Commonwealth funding.

PART THREE

The Minister for Innovation, Industry, Science and Research, with assistance from DIISR, has Commonwealth responsibility for the matters set out in this Part Three of the Compact.

7. RESEARCH, RESEARCH TRAINING AND INNOVATION

A range of research, research training and innovation performance indicators and targets are proposed in this section. Principal Performance Indicators are compulsory and institutions may voluntarily nominate Additional Performance Indicators and targets considered reflective of individual institutional goals.

The Commonwealth recognises that universities have diverse missions and, consequently, targets and performance will vary between institutions. Universities should develop performance indicators and targets to reflect their individual performance and strategic direction.

7.1. Research performance and research capability

Research performance and research capability: Commonwealth objectives

- 7.1.1. The Commonwealth encourages excellence in research performance and the strengthening of research capability. Particular objectives are to:
 - a. progressively increase the number of research groups performing at world class levels, as measured by international performance benchmarks; and
 - b. promote collaboration, including collaboration between researchers within Australia and internationally.
- 7.1.2. The Commonwealth, through DIISR, may provide funding to the University to assist the University achieve these Commonwealth research performance and research capability objectives, including through the Sustainable Research Excellence in Universities (SRE) program, the Research Infrastructure Block Grants (RIBG) scheme and, where relevant, the Collaborative Research Networks (CRN) program.
- 7.1.3. If the University is provided with funding from DIISR under the Collaborative Research Networks (CRN) program, the University will be required to enter into a legally binding CRN funding agreement with DIISR. That legally binding agreement will not be made under HESA and will be separate from, but made within the framework of, this Compact from the date of its execution.
- 7.1.4. Other Commonwealth funding to assist the University achieve these Commonwealth objectives may also be provided outside of this Compact by the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC), the International Science Linkages program, the Australia-India Strategic Research Fund, and research infrastructure funds such as the Education Infrastructure Fund, Super Science Initiative and the Cooperative Research Centres (CRC) program.
- 7.1.5. The Commonwealth, through the ARC, will implement the Excellence in Research for Australia (ERA) initiative which will evaluate research undertaken at Australian

universities against international benchmarks. ERA will be used in the future to assist in determining funding in some research programs (for example, the Sustainable Research Excellence in Universities [SRE]) administered by the Commonwealth.

Research performance and research capability: University strategies

Current circumstances

The University of Sydney is a publicly funded teaching and research organisation, committed to the discovery and responsible communication of new knowledge and understanding through free enquiry. The University has a long history of excellence in research across a diverse range of fields. Our research tradition is built upon strong disciplines supported by faculties and schools, a commitment to both rigour and depth in research and research training, and appropriate peer review. Through the University's extensive collaborations with other universities, research organisations, governments, community groups and industry in Australia and internationally, we leverage our research capacity to underpin the national innovation system. We recognise, however, that fundamental changes are taking place in the research environment, both in Australia and overseas. New approaches are required if we are to achieve our vision for research excellence.

Recent achievements

We have recently:

- secured the support of the Australian Government for two prestigious Australian Research Council Centres for Excellence
- progressed the development of our \$385 million cross-disciplinary Centre for Obesity, Diabetes and Cardiovascular Disease
- secured funding support for our \$110 million Australian Institute of Nanoscience, including \$40 million from the Australian Government
- established a China Studies Centres as the first step towards the implementation of an area studies strategy as a University-wide priority
- pursued research capacity building partnerships with a number of universities under the Commonwealth's Collaborative Research Network (CRN) program
- enhanced our capacity to provide data and high quality analysis about our research performance that can inform our planning
- enhanced our capacity to ensure the highest standards in research integrity
- established fellowships to support staff returning to academic duties after having significant caring responsibilities to address the significant under-representation of women in senior academic ranks, and enable staff with disabilities to progress their research careers.

Aspirations

Building on the value of engaged enquiry, the University will be a place where education and research are held as closely together as possible. Long term, the University will have no ERA disciplines in which its performance is below world standard. It will be attractive to leading researchers from around the world, both as employees and collaborators. We will leverage our disciplinary research strengths to find solutions to society's challenges through cross-disciplinary approaches.

Strategic Plan 2011–15

We will achieve our aspirations for research by pursuing the following key strategies:

Strategy 6: Develop our capacity to identify and support research excellence

Strategy 8: Develop a small number of major cross-disciplinary initiatives in research and education

Strategy 9: Agree coordinated strategies for identifying, developing and supporting research talent from undergraduate students to research leaders

Our commitment to enhance learning opportunities for all of our staff, strengthen our local and international collaborations and promote Indigenous research, as outlined in section 3.5, will be critical to achieving our research goals. Our strategies to enhance knowledge transfer for public benefit, outlined in section 7.3, will also be vital.

Planned implementation, measuring progress and outcomes

We will achieve our goals for our research activities by embedding the principle of research excellence in all that we do, with an understanding that different disciplines must be evaluated by appropriate and distinct criteria. Our measures of excellence for all research will be evidence-based and benchmarked against international standards. We will collectively develop a coherent University-wide approach to planning, delivering, managing and funding our research in a way that demonstrably supports researchers doing internationally recognised cutting-edge research.

Analysis of the results of the ERA process will inform this work, as will data from various other sources. Commonwealth block funding to support research will be allocated to faculties based on their research performance, with a proportion directed to maintain support services, infrastructure and fund agreed strategic priorities. Our approach will be based on the principle that research expertise and leadership resides in our divisions and faculties, with the central Research Portfolio responsible for delivering a sustainable platform of support through the delivery of core services and programs.

Each of our three core research strategies will be managed according to an implementation plan agreed by the Senior Executive Group. Progress towards the completion of individual initiatives under each strategy will be monitored and reported upon regularly to the Senate through the Vice-Chancellor's Work Slate process. The Research Committee of the Senior Executive Group will oversee the development and implementation of the strategies.

The principal indicators that we use currently to measure our progress in the area of research performance and capability include data on: research income; grant applications and success rates; publications, including joint publications (internal and external) and bibliometrics; ERA rankings and underlying submissions content; international rankings; research higher degree students; staff and research awards.

For the purposes of this Compact, we will only report data and set targets against required Key Performance Indicators that are unambiguous (can be reliably reported), meaningful (of benefit/purpose to the Government and the University) and that are accepted and understood across the sector (to enable reliable benchmarking). Throughout Part 3 of this document we adhere to these principles and provide footnotes to explain our choice of data and the basis for our targets.

Research performance and research capability: Performance indicators and targets

7.1.6. The purpose of the research performance and research capability performance indicators and targets is to assist the University and Commonwealth monitor the University's progress against the Commonwealth's objectives and the University's strategies for research performance and research capability.

7.1.7. The University will aim to meet the research performance and research capability performance indicators and targets set out in the following table.

Principal Performance Indicators (Required)	Baseline ²	Target 2013 ³
Number of disciplines, as defined by two-digit Fields of Research (FoR), performing at world standard or above (3, 4 or 5)	24	24
Number of disciplines, as defined by four-digit FoR, performing at world standards or above (3, 4 or 5)	94	94
Disciplines the university commits to demonstrating substantial improvement in as defined by two-digit FoR and/or four-digit FoR	Not applicable	Goal is to maintain performance ⁴

Principal Performance Indicators (Required)	Baseline ⁵	Progressive Target 2011 ⁶	Progressive Target 2012	Target 2013 ⁷
Category 1 income	(2008 & 2009 from 2010 HERDC) 12.8% of total category 1 income ⁸	Propose to maintain share (at 12.8% of the total pool)	Propose to maintain share (at 12.8% of the total pool)	Propose to maintain share (at 12.8% of the total pool)

² Baseline data is collected in 2010 but will generally refer to an earlier period. For example, the baseline for Category 1 income is collected through the 2010 HERDC data collection but refers to income in 2009. Similarly, the targets relate to the year in which the data is collected.

³ Target refers to data collected in the previous year. For more information, see definition of baseline data.

⁴ Given the publication of ERA 2010 in January, 2011, and the fact that ERA 2012 will be based upon a census date for staff of 30 March, 2011, with the assessed research outputs significantly overlapping those in ERA 2010, there is little opportunity for institutions to substantially impact their performance in ERA 2012. Furthermore, with changes expected to be made to the methodology for ERA 2012, (e.g. in the journal rankings and researcher eligibility) it is impossible to provide meaningful performance targets at this point. The University of Sydney's long term goal is to have all of its research disciplines rated as world standard or above, from its current position of having achieved 92 percent of disciplines above that rating.

⁵ Baseline data is collected in 2010 but will generally refer to an earlier period. For example, the baseline for Category 1 income is collected through the 2010 HERDC data collection but refers to income in 2009. Similarly, the targets relate to the year in which the data is collected.

⁶ Progressive target refers to data collected in the previous year. For more information, see definition of baseline data.

⁷ Target refers to data collected in the previous year. For more information, see definition of baseline data.

Principal Performance Indicators (Required)	Baseline 9	Progressive Target 2011 ¹⁰	Progressive Target 2012	Target 2013 ¹¹
Number of joint research grants and jointly supervised PhD students with other universities and research organisations <ul style="list-style-type: none"> • in Australia • Overseas. 	<p>Grants Joint Research Grants (2009 data from the 2010 HERDC). Approximately 30% (20% Australia, 10% international) of Category 1 grants where one or more Chief Investigator is from outside the University.¹²</p> <p>Jointly supervised PhD students Joint supervision: 17 cotutelle students¹³</p>	Joint Research Grants - Maintain level (~30%) of Category 1 grants with external CIs, with the approximate split of 20:10 Australian versus overseas partners	Joint Research Grants - Maintain level (~30%) of Category 1 grants with external CIs, with the approximate split of 20:10 Australian versus overseas partners	Joint Research Grants - Maintain level (~30%) of Category 1 grants with external CIs, with the approximate split of 20:10 Australian versus overseas partners

⁸ Given the flat and potentially declining total available pool of Category 1 (Nationally Competitive Grant) research income, maintaining share will be challenging for any research organisation.

⁹ Baseline data is collected in 2010 but will generally refer to an earlier period. For example, the baseline for Category 1 income is collected through the 2010 HERDC data collection but refers to income for 2009. Similarly, the targets relate to the year in which the data is collected.

¹⁰ Progressive target refers to data collected in the previous year. For more information, see definition of baseline data.

¹¹ Target refers to data collected in the previous year. For more information, see definition of baseline data.

¹² For 2009, Category 1 research grants administered by the University, one or more Chief Investigator listed on the grant was from another University or research organisation (313 grants with other Australian institutions and 153 with overseas institutions) amounting to 30 percent of the University's Category 1 grants. However, by relying on Category 1 grants and the CI criterion, it is likely that true level of collaborative is not reflected fully. For example, HERDC only records grants/contracts with income through the University's accounts and does not capture collaboration on grants with Chief Investigators who are employed by the University, or affiliated with the University, but where the grants are administered by other institutions, and the University receives no share of the income. Nevertheless, we choose this data set as it is collected under agreed and broadly understood definitions in the HERDC process. The current mix of joint Category 1 grant activity is healthy and appropriate for a research intensive University. Further, joint research engagements can only produce excellent research if it is driven by the needs of the research rather than setting collaboration by itself as a goal.

¹³ Australia: Sydney does not currently offer jointly-badged PhDs with other Australian universities and the main source of funding for research training (the RTS) does not currently recognise or accommodate the collaborative provision of research training between institutions. We therefore have no basis for providing a baseline or targets for this component of the KPI. Overseas: Sydney does have PhD students in formal cotutelle agreements with overseas institutions. These numbers are small, however, and require complex negotiations to assure quality and research agreement over funding. They therefore are mostly initiated by individual researchers with international connections, rather than representing an overall strategy and at this stage are therefore not expected to grow significantly.

7.2. Research training

Research training: Commonwealth objectives

- 7.2.1. The Commonwealth encourages excellence in the provision of research training. Particular objectives are to:
- a. Support research excellence and develop an internationally competitive research workforce in Australia through high quality research training; and
 - b. Significantly increase the number of students completing higher degrees by research over the next decade.
- 7.2.2. The Commonwealth, through DIISR, may provide funding to the University to assist the University achieve these Commonwealth objectives, including through the Research Training Scheme (RTS), Australian Postgraduate Awards (APA), and International Postgraduate Research Scheme (IPRS).
- 7.2.3. Other Commonwealth funding to assist the University achieve these Commonwealth objectives may also be provided outside of this Compact by the ARC, NHMRC, DEEWR and DIISR, for example through the Cooperative Research Centres (CRCs) program.

Research training: University strategies

Current circumstances

The University of Sydney is committed to providing higher degree by research (HDR) training of the highest quality. The University currently offers doctoral programs in some 137 disciplines, while more than 60 percent of our academic staff hold PhDs. Around 4,000 students are currently enrolled in our PhD and master by research programs, demand for scholarships support remains strong, while the quality of applicants in most disciplines also remains extremely high. More than 20 percent of our HDR students come from overseas, diversifying and enriching the student body. We would like to see this figure increase over the planning period.

Successful completion of research degrees is closely related to the quality of candidate supervision. While many examples of outstanding student supervision exist within the University, and University-wide awards for excellence in supervision are in place, such practice is not universal. This sometimes leads to cases of less than optimal candidate satisfaction, poor progress, slow completions and separations. To this end, our Institute for Teaching and Learning provides training in research supervision. Academic staff are encouraged to complete this course and stay up to date with leading supervisory practice. As outlined below, following a detailed review of our PhD program, we have ambitious plans to ensure its continued international competitiveness in line with key directions indicated by the Australian Government's Research Workforce Strategy.

Recent achievements

We have recently:

- achieved solid growth in our HDR enrolments, increasing them by more than 3 percent annually since 2005

- contributed around 700 HDR graduates to the Australian economy annually. Our graduates make a major contribution to the economy and society more broadly by renewing the academic workforce, and, increasingly by pursuing careers in government, private and not-for-profit sectors in Australia or overseas
- achieved strong results against most HDR performance measures through our candidate and graduate satisfaction surveys
- been recognised as a 'cotutelle' provider of research programs by the prestigious European Molecular Biology Laboratory (EMBL)
- developed a proposal for renewal of our PhD program, including the inclusion of compulsory coursework in some disciplines, broader pathways for entry and exit and improving the student's experience of supervision
- implemented programs to extend the leadership and management skills of our researchers

Aspirations

Our aim is to create and sustain an internationally competitive research training environment in which our research talent is supported through excellence in technical disciplinary training, but also in more general training in research leadership and management, in skills in commercialisation and communication, and in developing cross-disciplinary research capabilities. We seek also to provide support and development that is tailored to each stage of the researcher career pathway, from the undergraduate student to the senior researcher.

Strategic Plan 2011–15

In order to achieve our aspirations for research training we will pursue the following key strategy:

Strategy 9: Agree coordinated strategies for identifying, developing and supporting research talent, from undergraduate students to research leaders.

We will achieve our goals for research training through our commitment to developing a small number of major cross-disciplinary initiatives in research and education; enhancing our capacity to identify and promulgate excellence in teaching; enriching the experience of University life for all our students; developing our capacity to identify and support research excellence; and expanding opportunities for students to develop as global citizens.

Planned implementation, measuring progress and outcomes

Our approach to implementation will pay particular attention to research pathways, training supervisors and research training mentors, analysing student timelines for completion of studies and ensuring high-level satisfaction appraisal. The Research Training Committee of the Senior Executive Group will facilitate and monitor the implementation of our White Paper strategies through the Work Slate. In order to achieve our goals for the renewal of our higher degree by research programs we will, for example:

- embed discovery-based learning in our curricula, with opportunities for research experience appropriate to discipline and level
- develop coordinated faculty, divisional and University-wide programs for researcher induction, and for research training and mentoring at all career stages
- seek to extend the standard full-time duration of the PhD program to four years to provide scope for broadening methodological and generic skills training, where appropriate
- develop clearer pathways to the PhD from Honours and alternate prior programs

- establish discipline-specific guidelines and training for supervisors, including provision for co-supervisors
- charge the Graduate Office with enhanced responsibility for candidate administration, monitoring of consistency of practice and policy, and procedural development across the University
- develop a more transparent model for the allocation of income from research students, consistent with the University Economic Model

The principal indicators that we use to measure our progress in the area of research training include: data on candidate applications, scholarships, enrolments and completions; candidate and graduate satisfaction levels; and graduate outcomes through the graduate destination surveys.

Research training: Performance indicators and targets

7.2.4. The purpose of the research training performance indicators and targets is to assist the University and Commonwealth monitor the University's progress against the Commonwealth's objectives and the University's strategies for research training.

7.2.5. The University will aim to meet the research training performance indicators and targets set out in the following table.

Principal Performance Indicators (Required)	Baseline ¹⁴	Progressive Target 2011 ¹⁵	Progressive Target 2012	Target 2013 ¹⁶
HDR Student load	(2009)			
Masters Research	597	612 2.5%	627 2.5%	643 2.5%
PhD	2670	2763 3.5%	2860 3.5%	2960 3.5%
Totals	3267	3375 3.3%	3487 3.3%	3603 3.3%
HDR Student completions by level of degree	(2009)			
• masters	165	169 2.5%	173 2.5%	178 2.5%
• doctorates	535	554 3.5%	573 3.5%	593 3.5%
• Totals	700	723 3.3%	746 3.3%	771 3.3%

¹⁴ Baseline data is collected in 2010 but will generally refer to an earlier period. For example, the baseline for Category 1 income is collected through the 2010 HERDC data collection but refers to income for 2009. Similarly, the targets relate to the year in which the data is collected.

¹⁵ Progressive target refers to data collected in the previous year. For more information, see definition of baseline data.

¹⁶ Target refers to data collected in the previous year. For more information, see definition of baseline data.

7.3. Innovation

Innovation: Commonwealth objectives

- 7.3.1. The Commonwealth encourages innovation and seeks to build an innovation system which contributes to economic growth and wellbeing by promoting links between Australian businesses, universities and publicly-funded research agencies.
- 7.3.2. The Commonwealth, through DIISR, may provide funding to the University to assist the University achieve this Commonwealth objective, including through the Joint Research Engagement (JRE) program. Details of any funding provided by DIISR to the University to encourage innovation are set out in Attachment B.
- 7.3.3. Other Commonwealth funding to assist the University to achieve this Commonwealth objective may also be provided outside of this Compact including through Commercialisation Australia, the CRC and Enterprise Connect programs, and by AusIndustry and the ARC.

Innovation: University strategies

Current circumstances

The University of Sydney is committed to supporting innovation, economic growth and social wellbeing through the creation, preservation, diffusion and application of knowledge and understanding. Beyond the standard linear conception of knowledge transfer – turning new ideas into dollars – the University contributes to the national innovation system and the economy in many diverse and interdependent ways.

We nurture and challenge talent in an environment that values free enquiry, curiosity and critical thinking. We are committed to ensuring that the results of any research our students or staff undertake are made available publicly within a reasonable timeframe. We provide access to international education and research networks – giving Australia the capacity to understand, adapt, and apply global advances in knowledge and technology to address domestic challenges. We attract outstanding international students and staff to Australia to study, work or attend conferences. Many of our students are engaged with communities and industry while they study. These experiences facilitate the development of relationships as well as professional skills. They also provide for the free flow of ideas between industry and the University, enabling our teaching and research to respond to the challenges faced by employers.

Our researchers contribute to knowledge transfer through diverse means beyond the patenting and licensing of ideas and inventions. They teach, publish, advise, consult, engage with communities, industry and other organisations, build instruments, collaborate with other researchers in Australia and overseas, and participate actively in public debate. We support both fundamental and applied research, recognising the vital importance of both approaches to the innovation process. We host and support important research infrastructure and facilities, and maintain collections of data and other material of enormous scientific and cultural value. We seek increasingly to mobilise our research capacity, in collaboration with external partners, to address thematic issues of priority to the nation through cross-disciplinary approaches.

Recent achievements

We have recently:

- contributed thousands of highly skilled, creative, knowledgeable and adaptable graduates to the economy each year
- achieved success in negotiating template research agreements with a number of important public research agencies that recognise the fundamental responsibility that publicly funded universities have to ensure the research outputs of their students and researchers can be published in a timely manner
- entered into important international research partnerships with the Square Kilometre Array (SKA) and the European Molecular Biology Laboratory (EMBL), and been a prominent participant in the Shanghai Expo 2010
- through Sydnovate, our commercial arm, facilitated the translation of our research into commercial outcomes, by building linkages with industry and government and managing intellectual property issues. As a result we have significantly increased the number of Record of Inventions (ROI) and associated agreements with third parties in recent years
- again, through Sydnovate, facilitated the provision of research services and advanced professional services such as consulting and testing.
- sponsored and been a core partner of the Sydney Festival
- attracted thousands of high quality international students, with important economic and social flow on benefits
- through programs like *Sydney Ideas* and the efforts of individual faculties and their staff, led public debate on many pressing issues of public policy, particularly in the areas of health, climate change, foreign policy and the environment
- employed more than 7,000 academic and general staff and contributed more than \$1.3 billion in salaries and other expenditure to the economy annually

Aspirations

Our aspiration for contributing to the national innovation system, the economy and society more broadly is embodied in our statement of purpose. Our teaching and research will address, and be informed by, the questions that communities, industry and governments face, and their insights in responding to them.

Strategic Plan 2011–15

Our approach to innovation and knowledge transfer will form a core part of our strategies to develop our capacity to identify and support research excellence, pursue cross-disciplinary approaches to research and education, provide high quality research training, identify and nurture research talent, and develop international partnerships.

Planned implementation, measuring progress and outcomes

In order to achieve our goals for innovation we will, for example:

- bring industry, University and faculty management together, on a regular basis, to discuss mutual needs and how to overcome potential cultural barriers
- increase the number of internal and external (including international) research collaborations in which our researchers are involved
- develop and adopt flexible approaches to maximise the translation of research results in different disciplines and contexts
- increase the number of students, researchers, and educators that are engaged in knowledge transfer activities in partnership with Sydnovate

The principal indicators that we use to measure our contribution to innovation include data on: students and staff; research; collaborative grants, publications and research agreements; consultancy and contract research activity; and research commercialisation.

Innovation: Performance indicators and targets

- 7.3.4. The purpose of the innovation performance indicators and targets is to assist the University and Commonwealth monitor the University's progress against the Commonwealth's objectives and the University's strategies for innovation.
- 7.3.5. The University will aim to meet the innovation performance indicators and targets set out in the following table.

Principal Performance Indicators (Required)	Baseline ¹⁷	Progressive Target 2011 ¹⁸	Progressive Target 2012	Target 2013 ¹⁹
Category 3 research income	2010 HERDC report on 2009 income: \$72,854,643 ²⁰	Not applicable	Not applicable	Not applicable

¹⁷ Baseline data is collected in 2010 but will generally refer to an earlier period. For example, the baseline for Category 1 income is collected through the 2010 HERDC data collection but refers to income for 2009. Similarly, the targets relate to the year in which the data is collected.

¹⁸ Progressive target refers to data collected in the previous year. For more information, see definition of baseline data.

¹⁹ Target refers to data collected in the previous year. For more information, see definition of baseline data.

²⁰ We cannot set meaningful targets for Category 3 income as this income is particularly volatile, and has ranged between \$60m and \$140m from 2004-2009 due to changes in the economic climate (impacting philanthropy and industry investment) as well as the HERDC definition of what income can be included.

Principal Performance Indicators (Required)	Baseline ²¹	Progressive Target 2011 ²²	Progressive Target 2012	Target 2013 ²³
Number of active collaborations ²⁴ and partnerships ²⁵ with industry and other partners: <ul style="list-style-type: none"> • in Australia • Overseas 	Collaborations measured by percentage of HERDC publications with external authors: 55% (with ~equal numbers of publications with overseas and Australian co-authors) ²⁶ Partnerships: 182 (Australian) 29 (overseas) ²⁷	Collaboration - Maintain level at 55% of HERDC publications with external authors Partnerships: Not applicable	Collaboration - Maintain level at 55% of HERDC publications with external authors Partnerships: Not applicable	Collaboration - Maintain level at 55% of HERDC publications with external authors Partnerships: Not applicable

²¹ Baseline data is collected in 2010 but will generally refer to an earlier period. For example, the baseline for Category 1 income is collected through the 2010 HERDC data collection but refers to income in 2009. Similarly, the targets relate to the year in which the data is collected.

²² Progressive target refers to data collected in the previous year. For more information, see definition of baseline data.

²³ Target refers to data collected in the previous year. For more information, see definition of baseline data.

²⁴ Collaboration involves activities where two or more parties work together and each contributes resources such as intellectual property, knowledge, money, personnel or equipment, to address a shared objective with a view of mutual benefit

²⁵ Research and development collaborations with industry or other partners with a commercial intent: include active ongoing research projects or partnerships activated through a written agreement (eg contract or signed letter of intent) between the university and either Australian or overseas industry partners. Activities could include, joint research/development projects with industry or arrangements with firms to commercialise research outcomes, other non-teaching activities, or other collaborations.

²⁶ Baseline is the average over the 2006-2010 HERD collections. Publications are a reasonable proxy for both 'collaboration' and 'dissemination' of knowledge resulting from cooperative activity and sharing of resources and knowledge to mutual benefit. There is agreement at DIISR and across the sector on the definition for the inclusion of publications in the HERDC. We have complete, reliable and replicable data sets spanning a number of years and the data are readily available without additional manual processing. As for joint research engagements, collaboration can only produce excellent research if it is driven by the needs of the research rather than setting collaboration by itself as a goal, and 55% of total publications involving external collaboration, with half and half Australian versus international, is regarded a healthy level for a comprehensive research intensive university.

²⁷ Data for partnerships are taken from HERDC Category 3 Grants; Contracts and International (A&B) excluding income from donations, foundations and bequests. Furthermore, to meet the definition of "partnerships" as with "industry" and "with a commercial intent", we have excluded agreements where partners or funders are not industry – e.g., Government, Health, Foundations, Not for Profits, etc. So, for example, we include ARC Linkage Grants with industry, but not with Government Departments and Not for Profits. As in footnote 20 above the volatility of this income category prohibits the setting of meaningful targets.

Principal Performance Information ²⁸²⁹ (Required)	Baseline		
Number of patent and plant breeder's rights families filed, issued and held	Filed 97	Issued 17	Held 205
Number of licences, options or assignments (LOAs) ³⁰ executed and income derived	No. 23		Value(\$) 634,956
Number and value of research contracts and consultancies executed	No. 316		Value(\$) 22,290,460
Investment in spin-out companies during the reporting year and nominal value of equity in spin-outs based on last external funding/liquidity event or entry cost	Investment (\$) nil		Value(\$) 491, 584

7.3.6. The set of performance information on patents and other research commercialisation activities does not require targets. Universities should advise their baseline performance here. Annual reporting on future performance against these indicators will be in the context of the Institutional Performance Portfolio Information Collection commencing in 2011.

8. FUNDING FOR RESEARCH AND RESEARCH TRAINING PROVIDED BY DIISR

8.1 Attachment B sets out the University's Commonwealth funding allocations for 2011 from Commonwealth research and research training programs administered by DIISR. This list may be amended from time to time, including if the University is successful in applying for any new and/or additional Commonwealth funding.

²⁸ This set of performance information does not require targets. Universities will be asked to advise their baseline performance and will report on their future performance in the context of the Institutional Performance Portfolio Information Collection commencing in 2011. Patent and plant breeder right family refers to a group of patent or plant breeder rights applications or grants emanating from a single filing. Note: this question only concerns patent and plant breeder rights families, and is not in reference to families of other forms of registered IP (ie trade marks).

²⁹ Please use the definition of contracts and consultancies utilised in the National Survey of Research Commercialisation (NSRC). A copy of the survey is available at this URL:
<http://www.innovation.gov.au/Section/Innovation/Pages/TheNationalSurveyofResearchCommercialisation.aspx>

³⁰ A LICENCE agreement formalises the transfer of technology between two parties, where the owner of the technology (licensor) grants rights to the other parties (licensee). An OPTION agreement grants the potential licensee a time period during which it may evaluate the technology and negotiate the terms of a licence agreement. An option agreement is not constituted by an Option clause in a research agreement that grants rights to future inventions, until an actual invention has occurred that is subject to that Option. An ASSIGNMENT agreement conveys all right, title and interest in and to the licensed subject matter to the named assignee.

PART FOUR

9. COMPACT REVIEW

- 9.1 This Compact will be reviewed annually by both the Commonwealth and the University. This review will be a mechanism for considering progress made towards agreed goals outlined in this Compact. It will aim to ensure that the Commonwealth and the University will continue to focus on key objectives and strategies.
- 9.2 The review will create an opportunity to consider any developments that may have occurred in the previous year, and whether these may impact on the Compact or trigger a need to amend the Compact.
- 9.3 To facilitate this review the Commonwealth will produce an annual Institutional Performance Portfolio and the University agrees to contribute to the annual Institutional Performance Portfolio Information Collection (IPPIC). The Commonwealth will consult with the higher education sector on the information collection requirements and any issues arising from the IPPIC process.

PART FIVE

10. GENERAL PROVISIONS

10.1 Administration of the Compact by the Departments

- 10.1.1 DEEWR will administer Part Two of this Compact and DIISR will administer Part Three of this Compact, in accordance with their respective Ministers' legislative responsibilities under the *Administrative Arrangements Orders* as in force from time to time. The other Parts of this Compact may be administered by one or both departments
- 10.1.2 In administering the Compact, employees of each Department will make decisions in accordance with any relevant instruments of delegation or authorisation in force from time to time.

10.2 Departmental Meetings and Liaison

- 10.2.1 Employees of the Departments will collaborate to streamline as far as practicable the Commonwealth's interactions with the University.

10.3 Part 2-2 HESA Funding Agreements

- 10.3.1 To the extent that this Compact contains Part 2-2 HESA Funding Agreements, the University acknowledges that each such Part 2-2 HESA Funding Agreement is subject to specific legislative and other requirements and that the University will need to meet all such requirements.

10.4 Privacy, confidentiality and information sharing

- 10.4.1 Subject to clause 10.4.2 below, the University acknowledges and agrees that any information it provides to either DEEWR or DIISR for the purposes of this Compact, or for any Part 2-2 HESA Funding Agreement contained in this Compact, may be accessible under the *Freedom of Information Act 1982* and may also be:
- a. published by the Commonwealth in any manner in accordance with any legislative requirement;
 - b. used by a Department for any purpose of the Commonwealth, including dealings with other Commonwealth agencies;
 - c. used in reporting to or answering questions from a Minister of State of the Commonwealth or a House or Committee of the Parliament of the Commonwealth; or
 - d. disclosed where the Commonwealth is required or permitted by law to do so.
- 10.4.2 The Commonwealth and the University agree to carry out their roles under this Compact in accordance with any obligations they have under the *Privacy Act 1988* or any state or territory law relating to the protection of personal information.
- 10.4.3 The Commonwealth recognises that the University's Confidential Information has commercial value to the University and may disadvantage the University if it is

disclosed. Accordingly, the Commonwealth will not publish or otherwise disclose the University's Confidential Information unless required by law to do so, or unless the University consents in writing prior to such disclosure.

10.5 Variation

10.5.1 Subject to clause 10.5.2 below, except for action that either the Commonwealth or the University is expressly authorised to take elsewhere in this Compact, any variation to this Compact is to be in writing and signed by the University's, and both of the Commonwealth's Representatives.

10.5.2 A variation to:

- a. any provision of Part Two only or to any Attachments to this Compact that arise solely under a provision of Part Two must be in writing but needs only to be signed by the Commonwealth's DEEWR Representative and the University.
- b. any part of this Compact that forms part of a Part 2-2 HESA Funding Agreement may only be made under this clause 10.5.2 if that funding agreement does not contain variation provisions specific to that funding agreement;
- c. any provision of Part Three only or to any Attachments to this Compact that arise solely under a provision of Part Three must be in writing but needs only to be signed by the Commonwealth's DIISR Representative and the University.

Either DEEWR or DIISR as the case requires will send the other Department notice of any variation made in accordance with paragraph (a) to (c) above.

10.6 Notices

10.6.1 A party wishing to give notice under a provision of this Compact:

- a. must do so by sending it to each of the other Representatives set out in clause 10.6.3; and
- b. must, if a response is required to the notice, set out the time in which the response is to be given;

10.6.2 Notices required to be sent by the University to the Commonwealth under this Compact are to be sent to both the DEEWR and DIISR Representatives set out in clause 10.6.3.

10.6.3 The Representatives are:

- a. University Representative

Director, Planning and Information
Room L6 -11, Level 6
Quadrangle, The University of Sydney NSW 2006
Currently, Ms Sandra Harrison
email: sandra.harrison@sydney.edu.au ph: 02 9036 6490

- b. DEEWR Representative
- Group Manager
Higher Education Group
Department of Education, Employment and Workplace Relations
GPO Box 9880
Canberra ACT 2601
- OR
- compacts@deewr.gov.au

- c. DIISR Representative
- Head of Division
Research Division
Department of Innovation, Industry, Science and Research
GPO Box 9839
Canberra ACT 2601
- OR
- compacts@innovation.gov.au

10.7 Termination/Transition Plan

- 10.7.1 If for any reason, either or both of the Commonwealth or the University reasonably believes that it is not possible to continue the operation of this Compact:
- a. The Commonwealth and/or the University, as the case requires, will give the other notice of that belief;
 - b. The Commonwealth and the University will negotiate in good faith to resolve any issues in bringing this Compact to an end; and
 - c. The Commonwealth and the University will implement an agreed transition out plan to bring the Compact to an end.
- 10.7.2 Notwithstanding clause 10.7.1, if:
- a. the University ceases to exist as a body corporate; or
 - b. the University ceases to be approved as a higher education provider under HESA,
- the Commonwealth shall have the right to terminate this Compact immediately by giving the University Representative written notice.
- 10.7.3 Except to the extent of any rights the University has under a Part 2-2 HESA Funding Agreement contained in this Compact, the University is not entitled to compensation for any loss, damage or claim arising from or in connection to the early termination of this Compact by the Commonwealth.

- 10.7.4 These termination and transition out provisions are without prejudice to and do not alter any other rights or obligations of the Commonwealth and the University pursuant to their funding arrangements.
- 10.7.5 Rights and obligations of the Commonwealth and the University under the Funding Agreement at Attachment E that exist as at the date of termination of the Compact survive the termination of the Compact

10.8 Order of precedence

- 10.8.1 In this Compact:
- a. each HESA Funding Agreement contained in this Compact operates as a separate agreement between the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and the University.
 - b. In the event of an inconsistency between the terms of a HESA Funding Agreement contained in this Compact and the Operational Provisions in this Part Five, the term of the HESA Funding Agreement will prevail for the purpose of that agreement.

10.9 Counterparts

- 10.9.1 This Compact may be signed in any number of counterparts and all counterparts together constitute one instrument.

10.10 Dictionary

- 10.10.1 In this Compact, unless the contrary intention appears:
- ‘Appropriation’ means a law, or provision in a law, that authorises the expenditure of money by the Commonwealth.
- ‘DEEWR’ means the Commonwealth Department of Education, Employment and Workplace Relations or any successor.
- ‘Department’ means either or both of DEEWR or DIISR as the case requires.
- ‘DIISR’ means the Commonwealth Department of Innovation, Industry, Science and Research or any successor.
- ‘Tertiary Education Minister’ means the Minister administering Part 2-2 of HESA.
- ‘HESA’ means the *Higher Education Support Act 2003* and includes any subordinate legislation or Ministerial determination made under that Act.
- ‘HESA Funding Agreement’ means a funding agreement:
- a. that is made under section 30-25 of HESA by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations and the University for the provision of a grant of funding to the University under Part 2-2 of HESA; and
 - b. with which the University is required to comply under section 36-65 of HESA.

'Institutional Performance Portfolio' (IPP) is a report which provides an historical record of a university's performance based on information provided by the university and an analysis of the Higher Education Data Collections. An IPP will be prepared by the Commonwealth for the University annually using the latest available data.

'Institutional Performance Portfolio Information Collection' (IPPIC) is a set of Commonwealth instructions requesting that universities provide a submission to the Commonwealth, endorsed by the university's chief executive, that includes student, staff, financial and research information needed for the preparation of an Institutional Performance Portfolio for that university.

'Minister' means either or both of the Tertiary Education Minister and the Research Minister.

'Mission' means the University's Mission set out at Part One of this Compact as amended in accordance with the variation provisions in this Compact from time to time.

'Research Minister' means the Minister administering the *Australian Research Council Act 2001*.

'TEQSA' means the Tertiary Education Quality and Standards Agency.

'University' means The University of Sydney ABN 15 211 513 464

'University's Confidential Information' means the information referred to at Attachment C to this Compact as 'University Confidential Information' or that the Commonwealth otherwise agrees in writing is 'University Confidential Information', but does not include information that is or becomes public knowledge, except due to non-compliance with this Compact.

SIGNED for and on behalf of THE UNIVERSITY OF SYDNEY
by

.....
Signature
Dr Michael Spence
the Vice-Chancellor and Principal
In the Presence of:

.....
WITNESS
.....
Full name and occupation or profession of witness (Please print)

SIGNED for and on behalf of
THE COMMONWEALTH OF AUSTRALIA
by

.....
Signature
.....
David de Carvalho
the Group Manager
of Higher Education Group
of the Department of Education, Employment and Workplace Relations
a Delegate of the Minister for Tertiary Education, Skills, Jobs and Workplace Relations

In the Presence of:
.....
WITNESS
.....
Full name and occupation or profession of witness (Please print)

SIGNED for and on behalf of
THE COMMONWEALTH OF AUSTRALIA
by

.....
Signature
Anne Baly
the Head
of Research Division
of the Department of Innovation, Industry, Science and Research
a Delegate of the Minister for Innovation, Industry, Science and Research

In the Presence of:
.....
WITNESS
.....
Full name and occupation or profession of witness (Please print)

ATTACHMENT A INDICATIVE LIST OF COMMONWEALTH FUNDING PROVIDED TO THE UNIVERSITY BY DEEWR AND RELEVANT TO THE COMPACT

DEEWR provides a range of funding to the University under various legislative and/or contractual funding arrangements. The following is an indicative list of that funding. The table will be updated from time to time.

Funding to be delivered during the Compact (\$m)	2011
Commonwealth Grant Scheme	
- Cluster funding	232.405
- Regional loading	0.009
- Enabling loading	0.011
- Medical student loading	1.067
- Transitional loading (Maths/Science)	12.952
- Advance payment for estimated over enrolment	24.644
- Facilitation Funding	4.992
Higher Education Partnerships and Participation Program	
- Participation component	2.349
- Partnership component	0.356
Disability Support Program	
- Additional support for students with disabilities	Not Yet Known
- Performance based funding	Not Yet Known
Indigenous Support Program	1.495
Diversity and Structural Adjustment Fund	2.140
Capital Development Pool	5.663
Commonwealth Scholarships Program	3.214
Education Investment Fund	31.000*

*This figure is an instalment for the project 'Centre for Obesity, Diabetes and Cardiovascular Disease' (EIF Round 1 – total grant \$95m)

ATTACHMENT B : LIST OF COMMONWEALTH FUNDING PROVIDED TO THE UNIVERSITY BY DIISR AND RELEVANT TO THE COMPACT

The University of Sydney – Research Block Grant Funding for 2011	
Research Training Scheme (RTS)	\$63,814,876
Australian Postgraduate Awards (APA)	\$20,664,788
International Postgraduate Research Scholarships (IPRS)	\$2,092,710
Research Infrastructure Block Grants Scheme (RIBG)	\$28,149,661
Joint Research Engagement (JRE)	\$35,522,427
Commercialisation Training Program (CTS)	\$709,891
Sustainable Research Excellence (SRE) Base	\$3,115,912
Sustainable Research Excellence (SRE) Threshold 1	\$472,100
Sustainable Research Excellence (SRE) Threshold 2	\$11,038,516
The University of Sydney – Collaborative Research Networks Funding for 2011	
Collaborative Research Networks (CRN)	\$0

Not applicable.

ATTACHMENT D TERMS AND CONDITIONS OF PART 2-2 HESA FUNDING AGREEMENT FOR THE PROVISION OF PERFORMANCE FUNDING

Terms and Conditions of Funding Agreement between the Commonwealth and the University for the purposes of grants in respect of Performance Funding under section 30-25 of HESA

1. *Agreement*

- 1.1 Pursuant to clause 4.13 of the Compact, section 4 of the Compact together with the terms and conditions in this Attachment D of the Compact constitute the *HESA Funding Agreement* entered into by the Minister or his or her delegate (on behalf of the Commonwealth) with the University under section 30-25 of HESA, for the provision by the Commonwealth of Performance Funding to the University.
- 1.2 These terms and conditions apply only to Performance Funding and do not apply to any other agreement between the Commonwealth and the University entered into for the purposes of section 30-25 of HESA or for the purposes of any other legislative provision.

2. *Eligibility*

- 2.1 The University meets the requirements of subparagraph 30-1(1) (a)(i) or subparagraph 30-1(1)(a)(ii) of HESA.
- 2.2 It is a precondition to funding being provided under this agreement that the University does and will continue to meet the requirement in paragraph 30-1(1)(b) of HESA in each of the Grant years during the term of this agreement.
- 2.3 Entering into this agreement is a requirement under paragraph 30-1(1)(c) of HESA for a grant to be payable to the University under Part 2-2 of HESA for Performance Funding.

3. *Term and Grant years*

- 3.1 The term of this agreement is the same as the term of the Compact.
- 3.2 This agreement is made in respect of the Grant years 2011, 2012 and 2013.

4. *Conditions additional to the HESA*

- 4.1 Subject to subsections 30-25 (2A) and 30-25 (2B) of HESA, this agreement specifies conditions to which the grant is subject that are additional to the conditions to which the grant is subject under Division 36 of HESA.

5. *Publication*

- 5.1 The Compact, of which this agreement forms part, will be tabled in Parliament in accordance with subsection 30-25(4) of HESA.

6. *Preconditions to receiving Performance Funding*

6.1 *Facilitation Funding*

As a condition of the *Facilitation Funding* component of Performance Funding, in accordance with this agreement, the University must:

- (a) inform the Commonwealth of strategies and goals for achieving the university's teaching and learning mission described under clause 4.7 of the university's 2011-13 Compact; and
- (b) agree to the performance targets relating to specific Commonwealth goals contained in clause 4.14 of the 2011-2013 Compact.

6.2 *Reward Funding*

As a condition of the *Reward Funding* component of Performance Funding, in accordance with this agreement, the University must:

- (a) agree performance targets as outlined in clause 4.14 of their 2011-2013 Compact agreement;
- (b) supply performance data to the Commonwealth for all indicators as per the requirements set out in section 2 of the Performance Funding Technical Guidelines; and
- (c) achieve the relevant excellence or improvement targets as outlined in clause 4.14 of their 2011-2013 Compact agreement.

7. *University's Grant Amount*

7.1 *Facilitation Funding*

The University's grant amount for the *Facilitation Funding* component of Performance Funding will be calculated in accordance with the Commonwealth Grants Scheme Guidelines Chapter 12 as in force from time to time during the term of this Agreement.

7.2 *Reward Funding*

The University's grant amount for the *Reward Funding* component of Performance Funding will be calculated in accordance with the Commonwealth Grant Scheme Guidelines as in force from time to time during the term of this Agreement.

7.3 Performance Funding Grant Amount

The University's total grant amount for Performance Funding in each Grant year (that is, the total of the amounts in that Grant year for *Facilitation Funding* and for *Reward Funding*) will be the University's 'Performance Funding Grant Amount' for the purposes of Subsection 33-1(1A) of HESA.

8. *Payment of Grant Amounts*

8.1 Facilitation Funding

Subject to the University's compliance with this agreement and with HESA, the Commonwealth will pay the Facilitation Funding Grant Amount to the University in accordance with the following timeframes and conditions:

- (a) Facilitation Funding will be paid to eligible universities fortnightly commencing in 2011 and ending in December 2013, with the amount to be paid as per the calculations outlined in the Technical Guidelines.
- (b) In accordance with section 164-5 of the Act, Facilitation Funding payments will be paid in such a way as the Minister determines, and at such times as the Secretary determines.

8.2 Reward Funding

Subject to the University's compliance with this agreement and with HESA, the Commonwealth will pay the Reward Funding Grant Amount to the University in accordance with the following timeframes and conditions:

- (a) Reward Funding will be paid to eligible universities in one instalment in the second half of each of 2012 and 2013, with the amount to be paid as per the calculations outlined in the Technical Guidelines.
- (b) In accordance with section 164-5 of the Act, Reward Funding payments will be paid in such a way as the Minister determines, and at such times as the Secretary determines.

The University is not entitled to be paid any instalment of its Reward Funding Grant unless and until the Commonwealth is satisfied that the requirements for paying that instalment have been met.

9. *Waiver*

9.1 If either party does not exercise (or delays in exercising) any rights under this agreement, that failure or delay does not operate as a waiver of those rights.

9.2 Any waiver by either the Commonwealth or the University of any provision or right under this Agreement:

- (a) must be in writing signed by that party's representative;
- (b) is effective only to the extent set out in the waiver; and

(c) does not prevent the further exercise of any right.

10. *Dispute resolution*

10.1 Subject to clause 10.3, the parties agree not to commence any legal proceedings in respect of any dispute arising under this agreement, which cannot be resolved by informal discussion, until the procedure provided by this clause 19 has been used.

10.2 The parties agree that any dispute arising during the course of this agreement is dealt with as follows:

- (a) the party claiming that there is a dispute will send the other party a written notice setting out the nature of the dispute;
- (b) the parties will try to resolve the dispute through direct negotiation by persons who they have given authority to resolve the dispute;
- (c) the parties have 10 business days from the receipt of the notice to reach a resolution or to agree that the dispute is to be submitted to mediation or some alternative dispute resolution procedure; and

if:

- (a) there is no resolution of the dispute;
- (b) there is no agreement on submission of the dispute to mediation or some alternative dispute resolution procedure; or
- (c) there is a submission to mediation or some other form of alternative dispute resolution procedure, but there is no resolution within 15 business days of the submission, or extended time as the parties may agree in writing before the expiration of the 15 business days,

then, either party may commence legal proceedings.

10.3 This clause 10 does not apply if:

- (a) either party commences legal proceedings for urgent interlocutory relief;
- (b) action is taken by Us under clause 20; or
- (c) an authority of the Commonwealth, a State or Territory is investigating a breach or suspected breach of the law by the University.

10.4 Despite the existence of a dispute, both parties must (unless requested in writing by the other party not to do so) continue to perform their obligations under this agreement.

11. *Termination for default*

11.1 The Commonwealth may immediately terminate this agreement by giving written notice to the University of the termination if:

- (a) the University fails to fulfil, or is in breach of any of its obligations under this agreement, and does not rectify the omission or breach within 10 business days of receiving a notice in writing from the Commonwealth to do so; or
- (b) the University is unable to pay all its debts when they become due;

12. *Notices*

12.1 Notices under this Agreement must be sent to the addresses and in accordance with the procedures set out at clause 10.6 of the Compact.

13. *Reports*

13.1 The University must, during the term of this agreement, provide the Commonwealth with the following reports by the due dates set out below:

- (a) a report on the provision of performance data by 31 December of each year.

13.2 The University owns the intellectual property rights in the reports and grants to the Commonwealth (or must arrange for the grant to the Commonwealth of) a permanent, irrevocable, free and non-exclusive license (including a right of sublicense) to use, publish or disclose the reports in any of the ways set out in subclause 10.4.1 of the Compact.

14. *Applicable law and jurisdiction*

14.1 The laws of the Australian Capital Territory apply to the interpretation of this agreement.

14.2 The parties agree to submit to the non-exclusive jurisdiction of the courts of the Australian Capital Territory and any courts which have jurisdiction to hear appeals from any of those courts in respect to any dispute under this agreement.

15. *Entire agreement, variation and severance*

15.1 This agreement records the entire agreement between the parties in relation to its subject matter.

15.2 Except for action the Commonwealth is expressly authorised or required to take elsewhere in this agreement or HESA, no variation of this agreement is binding unless it is agreed in writing and signed by the parties.

15.3 If a court or tribunal says any provision of this agreement has no effect or interprets a provision to reduce an obligation or right, this does not invalidate, or restrict the operation of, any other provision.

16. *Interpretation*

16.1 Words used in this Part D that are defined in HESA or in the Commonwealth Grants Scheme Guidelines have the same meaning in this Part D as they do in the document in which they are defined.

16.2 In this Part D:

'Compact' means the Mission Based Compact between the Commonwealth and the University of which this Attachment D forms part;

'Grant year' means a calendar year in respect of which the University has entered into this agreement;

**ATTACHMENT E PART 2-2 HESA FUNDING AGREEMENT BETWEEN THE COMMONWEALTH
AND THE UNIVERSITY FOR THE PROVISION OF THE COMMONWEALTH GRANTS
SCHEME FUNDING**



Australian Government

**Department of Education, Employment
and Workplace Relations**

Funding Agreement

between the

COMMONWEALTH OF AUSTRALIA

as represented by the

Minister for Tertiary Education

acting through his delegate in the

**Department of Education, Employment and Workplace
Relations**

and

The University of Sydney

regarding funding

**under the Commonwealth Grant Scheme in respect of the grant
years 2009, 2010 and 2011**

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Parties and Recitals

THIS AGREEMENT is made on the date on which it is executed by the Commonwealth of Australia

BETWEEN

THE COMMONWEALTH OF AUSTRALIA represented by the Minister for Tertiary Education acting through his delegate in the Department of Education, Employment and Workplace Relations ('the Commonwealth') [ABN 63 578 775 294]

AND

THE UNIVERSITY OF SYDNEY, Vice-Chancellor's Office, SYDNEY NSW 2006 ('Provider') [ABN 15 211 513 464]

WHEREAS:

- A. The Provider meets the requirement of either sub-paragraph 30-1(1)(a)(i) or sub-paragraph 30-1(1)(a)(ii) of HESA.
- B. This funding agreement is made under sub-section 30-25(1) of HESA in respect of the Grant Years 2009, 2010 and 2011.
- C. Entering this agreement is a requirement under paragraph 30-1(1)(c) of HESA for a Commonwealth Grant to be payable to the Provider under Part 2-2 of HESA.
- D. Subject to subsections 30-25(2A) and 30-25(2B) of HESA, this funding agreement specifies conditions to which the Commonwealth Grant is subject that are additional to the conditions that apply to the Commonwealth Grant under Division 36 of HESA.
- E. Under section 36-65 of HESA, the Provider must comply with this funding agreement.
- F. This funding agreement will be tabled in Parliament in accordance with subsection 30-25(4) of HESA.
- G. The parties acknowledge that:
 - (i) the Government has announced that Commonwealth Grant Scheme funding, and other funding under HESA, will be provided under new arrangements known as "compacts"; and
 - (ii) this funding agreement forms part of the compact between the parties from the inception of the compact.

NOW IT IS AGREED as follows:

Previous Agreement

1. The parties agree that the funding agreement made by them on 21 April 2011 for the Commonwealth to provide funding to the provider under the Commonwealth Grant Scheme in respect of the grant years 2009, 2010 and 2011 shall terminate on the date on which this Funding Agreement is made.

Allocation of places and basic grant amount

2. The total Number of Commonwealth Supported Places allocated to the Provider for each Funding Cluster for the Grant Years covered by this agreement is set out in Schedule 1 of this agreement.
3. The Provider's Basic Grant Amount for each Grant Year is calculated in accordance with subsection 33-5 of HESA. It is the sum of:
 - 3.1. for each Funding Cluster for which the Provider has an allocation of Commonwealth supported places – the amount worked out by multiplying:
 - 3.1.1. the Number of Commonwealth Supported Places allocated in relation to that funding cluster (as specified in Schedule 1 of this Agreement); by
 - 3.1.2. the Commonwealth Contribution Amount for a place in that Funding Cluster, specified in section 33-10 of HESA; and
 - 3.2. any regional loading to which the Provider is entitled, calculated in accordance with the Commonwealth Grant Scheme Guidelines; and
 - 3.3. any enabling loading to which the Provider is entitled, calculated in accordance with the Commonwealth Grant Scheme Guidelines; and
 - 3.4. any medical student loading to which the Provider is entitled, calculated in accordance with the Commonwealth Grant Scheme Guidelines; and
 - 3.5. any transitional loading to which the Provider is entitled, calculated in accordance with the Commonwealth Grant Scheme Guidelines.
4. The Department will notify the Provider before the start of each Grant Year as to what will be the Basic Grant Amount for that year.
5. The Basic Grant Amounts are subject to adjustments in accordance with subdivision 33-C of HESA.

Objective of grant and related conditions

6. The Provider acknowledges that the key objective of the Commonwealth in providing the Commonwealth Grant is to support the provision of a broad range of higher education opportunities for students, particularly at the undergraduate level, that is consistent with the Provider's mission and strategic direction and to ensure the provision of places in certain designated disciplines or courses and at particular campuses.

Course-specific and campus-specific allocations*Allocation of new places*

7. The Provider has been allocated New Places as shown below in Table 1. The Number of Commonwealth Supported Places in the designated course of study/discipline at the designated campus is to increase by the number allocated and the associated Pipeline over the actual number reported for the year prior to the allocation. Any changes require the prior written approval of the Commonwealth.

Table 1: Allocation of New Places to specific courses of study and campuses

Commencement year	Course of study	Campus	Commencing EFTSL	Total EFTSL in each year (including pipeline allocations)		
				2009	2010	2011
2005	Architecture	Camperdown	10	27.3438	27.3438	27.3438
2005	Arts	Camperdown	65	177.7344	177.7344	177.7344
2005	Commerce	Camperdown	30	82.0313	82.0313	82.0313
2005	Teacher Education (maths)	Camperdown	15	41.0156	41.0156	41.0156
2005	Teacher Education (science)	Camperdown	15	41.0156	41.0156	41.0156
2005	International Studies	Camperdown	30	82.0313	82.0313	82.0313
2005	Languages	Camperdown	15	41.0156	41.0156	41.0156
2005	Liberal Arts	Camperdown	100	273.4375	273.4375	273.4375
2005	Pharmacy	Camperdown	85	232.4219	232.4219	232.4219
2005	Natural & Physical Sciences	Camperdown	70	191.4063	191.4063	191.4063
2005	Applied Vision Sciences	Cumberland	5	13.6719	13.6719	13.6719
2005	Health Sciences	Cumberland	20	54.6875	54.6875	54.6875
2005	Speech Pathology	Cumberland	15	41.0156	41.0156	41.0156
2005	Health Information Management	Cumberland	10	27.3438	27.3438	27.3438
2005	Radiography	Cumberland	15	41.0156	41.0156	41.0156
2005	Oral Health	Westmead	20	54.6875	54.6875	54.6875
2007	Master of Nursing	Camperdown	60	138.75	164.0625	164.0625
2007	Bachelor of Engineering (combined programs with BSc, BA, BCom, BMedSc)	Camperdown	20	46.25	54.6875	54.6875
2007	Bachelor of Teaching/ Master of Teaching	Camperdown	20	46.25	54.6875	54.6875
2007	Master of Pharmacy	Camperdown	10	23.125	27.3438	27.3438
2007	Postgraduate Clinical Program in Psychology	Camperdown	10	20	20	20
2007	Master of Physiotherapy	Cumberland	20	46.25	54.6875	54.6875
2007	Master of Speech Language Pathology	Cumberland	10	23.125	27.3438	27.3438
2007	Bachelor of Dentistry and Bachelor of Oral Health	Surry Hills	40	92.5	109.375	109.375
2008	Bachelor of Information Technology/ Bachelor of Commerce	Camperdown	10	17.5	23.125	27.3438
2008	Bachelor of Pharmacy	Camperdown	10	17.5	23.125	27.3438

Commencement year	Course of study	Campus	Commencing EFTSL	Total EFTSL in each year (including pipeline allocations)		
				2009	2010	2011
2008	Bachelor of Science	Camperdown	50	87.5	115.625	136.7188
2008	Master of Indigenous Health (Substance Use)	Camperdown	5	8.75	11.5625	13.6719
2008	Master of Nursing	Mallett Street	60	105	138.75	164.0625

Allocation of medical places

8. The Provider must provide the allocated medical places shown below in Table 2. Any change requires the prior written approval of the Commonwealth.

Table 2: Allocation of medical places

	2009	2010	2011
Total medical places	832	857	882

- 8.1. The total medical places include a number of BMP Scheme places and MRBS places.
- 8.1.1. The Provider must allocate 25 per cent of all commencing Commonwealth Supported Places to BMP Scheme students for each calendar year. The number of BMP Scheme places may be averaged over a period of three consecutive calendar years to calculate the 25 per cent.
- 8.1.2. The Provider must allocate from its total allocation of medical places a specified number of MRBS places for each calendar year. The Department of Health and Ageing shall notify the Provider of the specified number of medical places to be allocated to MRBS places. These places are separate from the BMP Scheme places and do not count towards the BMP 25 per cent requirement.
- 8.2. The bonded places must be used for BMP and MRBS students only. Non-bonded and fee paying places must not be used for bonded students.

Sustaining specialised and nationally significant courses

9. Before Closing a Course to which this clause applies, the Provider must consult the Commonwealth and obtain the Commonwealth's approval for the closure.
- 9.1. In this clause, 'Course' means a Course of Study, or a major within a Course of Study, designed to prepare a student for entry to a specific occupation or to provide a specialised skill.
- 9.2. This clause applies only to Undergraduate Courses of Study, and Postgraduate Courses of Study in which at least 50 per cent of places are Commonwealth supported places.
- 9.3. This clause does not apply to a Course for which the Provider has had an intake for less than four consecutive academic years.
- 9.4. This clause applies to Courses in the following categories:
- 9.4.1. Courses that prepare students for entry to any occupation that is experiencing a National Skill Shortage;
- 9.4.2. Courses, the Closure of which would be likely to create a National Skill Shortage in an occupation because the Provider is a sole or dominant provider of the national skill base for that occupation;
- 9.4.3. specialised Courses directed at the regional economy, the closure of which would be likely to create serious detriment to the Skills Base of a Regional Economy; and

9.4.4. Courses for a Nationally Strategic Language.

9.5. In making a decision regarding a Course Closure, the Commonwealth will:

- 9.5.1. seek to reach a mutually agreeable arrangement with the Provider regarding the Course Closure;
- 9.5.2. have regard to student demand for the Course, the financial viability of the Course and the justification provided for a proposed Course Closure by the Provider;
- 9.5.3. assist the Provider to explore options to retain the Course, including through cooperation with another provider or the movement of Commonwealth supported places to another provider; and
- 9.5.4. not unreasonably withhold approval for a Course Closure so as to place an unreasonable financial burden on the Provider or place the Provider in a financially unviable position in regard to the Provider's overall financial status.

Movement of load between campuses

10. The Provider must seek the Commonwealth's prior written approval if the Provider proposes to move Commonwealth supported places to a new campus or another campus of the Provider that does not currently have an allocation of Commonwealth supported places.

Campus closures

11. The Provider must seek the Commonwealth's prior written approval before closing a campus of the Provider.

Postgraduate places are for non-research courses of study

12. Any places allocated for Postgraduate Courses of Study are for non-research Courses of Study in accordance with the Minister's determination under section 36-15(2)(b) of HESA, unless that determination is amended or revoked.

Additional conditions

Nursing clinical placement and teaching practicum

13. The Commonwealth Grant Scheme Funding Cluster rates for nursing and education units of study include amounts in recognition of the costs of nursing clinical placement and teaching practicum (\$1,087 and \$746 per EFTSL respectively in 2009). The Provider must use these amounts only for those purposes. The amounts for 2010 and 2011 will be the amounts in 2009 indexed in accordance with Part 5-6 of HESA. The Department will notify the Provider before the start of each Grant Year as to what will be the amounts for that year.

Applicable law and jurisdiction

14. The laws of the Australian Capital Territory apply to the interpretation of this agreement.
15. The parties agree to submit to the non-exclusive jurisdiction of the courts of the Australian Capital Territory and any courts which have jurisdiction to hear appeals from any of these courts in respect to any dispute under this agreement.

Entire agreement, variation and severance

16. This agreement records the entire agreement between the parties in relation to its subject matter.
17. Except for action the Commonwealth is expressly authorised or required to take elsewhere in this agreement or HESA, no variation of this agreement is binding unless it is agreed in writing and signed by the parties.
18. If a court or tribunal says any provision of this agreement has no effect or interprets a provision to reduce an obligation or right, this does not invalidate, or restrict the operation of, any other provision.

Notices

19. A party giving notice under this agreement must do so in writing or by Electronic Communication:
- 19.1. if given by the Provider, marked for the attention of the Group Manager of the Higher Education Group of the Department of Education, Employment and Workplace Relations or other person as notified in writing by the Commonwealth to the Provider; or
 - 19.2. if given by the Commonwealth, marked for the attention of the Vice-Chancellor and Principal of the Provider or other person as notified in writing by the Provider to the Commonwealth; and hand delivered or sent by pre-paid post or Electronic Communication to the address specified in subclause 19.3 of this agreement.
 - 19.3. Address for notices to the Commonwealth:
 - Group Manager
 - Higher Education Group
 - Department of Education, Employment and Workplace Relations
 - GPO Box 9880
 - Canberra ACT 2601
- Address for notices to the Provider:
- Vice-Chancellor and President
 - The University of Sydney
 - Vice-Chancellor's Office
 - SYDNEY NSW 2006
20. A notice given under clause 19 is taken to be received:
- 20.1. if hand delivered, on delivery;
 - 20.2. if sent by pre-paid post, 5 business days after the date of posting; or
 - 20.3. if sent by Electronic Communication, at the time that would be the time of receipt under the *Electronic Transactions Act 1999* if a notice was being given under a law of the Commonwealth.

Interpretation

21. In this agreement, unless the contrary intention appears:
- 'ABN' has the same meaning as it has in section 41 of the *A New Tax System (Australian Business Number) Act 1999*;
 - 'Basic Grant Amount' has the same meaning as set out in item 1 of Schedule 1 of HESA;
 - 'BMP Scheme' means the Bonded Medical Places Scheme administered by the Commonwealth Department of Health and Ageing;
 - 'Closing a Course' or 'Closure' means the cessation of intake of students to a course by the Provider without its immediate replacement by a Course that leads to the same occupation or provides a similar specialised skill and includes any suspension of intake of students for more than one consecutive academic year;
 - 'Commencing EFTSL' means the number of New Places allocated to the Provider in each year for commencing students;
 - 'Commonwealth Contribution Amount' has the same meaning as set out in item 1 of Schedule 1 of HESA;
 - 'Commonwealth Grant' is the grant payable to the Provider under Part 2-2 of HESA;

'Department' means the Department of Education, Employment and Workplace Relations;

'Domestic student' has the same meaning as set out in item 1 of Schedule 1 of HESA;

'EFTSL' has the same meaning as set out in item 1 of Schedule 1 of HESA;

'Funding Cluster' has the same meaning as set out in item 1 of Schedule 1 of HESA;

'Grant Year' refers to the calendar year for which the Provider has entered into this funding agreement;

'HESA' means the *Higher Education Support Act 2003*, as amended;

'MRBS' means the Medical Rural Bonded Scholarships programme administered by the Commonwealth Department of Health and Ageing;

'Nationally Strategic Language' means Arabic or Bahasa Indonesian and any other language notified in writing by the Commonwealth;

'National Skill Shortage' refers to the skill shortages listed on the Department of Immigration and Citizenship (Skilled) Migration Occupations in Demand List (MODL), available at www.immi.gov.au/skilled/general-skilled-migration/skilled-occupations/occupations-in-demand.htm. The Department of Education, Employment and Workplace Relations' State and Territory Skills Shortages Lists, available at <http://www.workplace.gov.au/workplace/Publications/LabourMarketAnalysis/SkillShortages/StateandTerritorySkillShortagelists/> should also be consulted;

'New Places' means a new allocation of Commonwealth supported places that increases the Provider's Number of Commonwealth Supported Places compared to the previous year. Most New Places are phased in over a four year period using Pipeline allocations;

'Number of Commonwealth Supported Places' has the same meaning as set out in item 1 of Schedule 1 of HESA;

'Pipeline' refers to the allocation of New Places for continuing students over a specified period of time. Most New Places use a standard Pipeline. Under the standard pipeline, if a Provider receives, for example, 60 new commencing places in 2005, the Provider will continue to receive 60 commencing places in each subsequent year. For the cohort of students who commence in 2005, the pipeline provides for an annual retention rate of 75 per cent for each of the subsequent three years. Therefore, funding for that cohort is 45 places in 2006, 34 places in 2007 and 25 places in 2008. In 2006, the Provider receives its allocation of 60 commencing places, plus the 75 per cent pipeline for the 2005 commencing places. In 2007, the Provider receives another 60 commencing places, 45 pipeline places for the 2006 cohort and 34 places for the 2005 cohort. This continues until the maximum is reached in the fourth year (2008 in this example). The Department will notify the Provider in writing if its New Places allocation does not use the standard Pipeline;

'Postgraduate Course of Study' has the same meaning as set out in item 1 of Schedule 1 of HESA;

'Skills Base of a Regional Economy' will differ on a case by case basis. To help establish if Closing a Course is likely to create serious detriment to the Skills Base of a Regional Economy, the Department of Education, Employment and Workplace Relations' State and Territory Skills Shortages Lists, available at <http://www.workplace.gov.au/workplace/Publications/LabourMarketAnalysis/SkillShortages/StateandTerritorySkillShortagelists/> should be consulted;

'Undergraduate Course of Study' has the same meaning as set out in item 1 of Schedule 1 of HESA.

21.1. In this agreement, unless the contrary intention appears:

21.1.1. words in the singular include the plural and vice versa;

21.1.2. clause headings or words in bold format are inserted for convenience only, and have no

effect in limiting or extending the language of provisions;

21.1.3. all references to dollars are to Australian dollars;

21.1.4. unless stated otherwise, a reference to legislation is to legislation of the Commonwealth, as amended from time to time;

21.1.5. an uncertainty or ambiguity in the meaning of a provision of this agreement will not be interpreted against a party just because that party prepared that provision; and

21.1.6. where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning.

21.2. The schedules (and documents incorporated by reference, if any) form part of this agreement.

21.3. In the event of any conflict or inconsistency between any part of:

21.3.1. the terms and conditions contained in the clauses of this agreement;

21.3.2. the schedules;

21.3.3. documents incorporated by reference, if any,

then the material mentioned in any one of paragraphs 21.3.1 to 21.3.3 above has precedence over material mentioned in a subsequent paragraph, to the extent of any conflict or inconsistency.

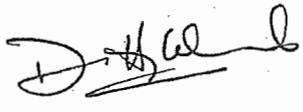
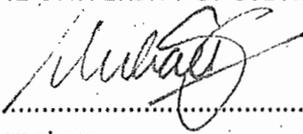
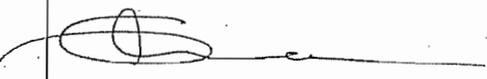
The University of Sydney

Schedule 1: Allocation of Commonwealth supported places and distribution by funding cluster for this agreement

Item	Funding cluster	2009			2010			2011		
		Number of undergraduate places (EFTSL)	Number of non-research postgraduate places (EFTSL)	Total number of places (EFTSL)	Number of undergraduate places (EFTSL)	Number of non-research postgraduate places (EFTSL)	Total number of places (EFTSL)	Number of undergraduate places (EFTSL)	Number of non-research postgraduate places (EFTSL)	Total number of places (EFTSL)
1	Law, Accounting, Administration, Economics, Commerce	3,162	10	3,172	3,084	10	3,094	2,934	200	3,134
2	Humanities	1,953	12	1,964	1,978	12	1,990	1,986	12	1,998
3	Mathematics, statistics, behavioural science, social studies, computing, built environment, other Health (excluding allied health)	6,334	312	6,646	5,235	365	5,600	5,339	287	5,626
4	Education	0	0	0	1,291	86	1,377	1,086	291	1,377
5	Clinical psychology, allied health, foreign languages, visual and performing arts	3,942	193	4,136	3,888	277	4,165	3,831	357	4,188
6	Nursing	58	267	326	58	240	298	58	265	323
7	Engineering, science, surveying	4,298	12	4,310	4,300	12	4,312	4,262	67	4,329
8	Dentistry, medicine, veterinary science, agriculture	1,901	14	1,915	1,926	14	1,940	1,969	14	1,983
Total		21,648	821	22,469	21,760	1,016	22,776	21,463	1,493	22,956

Notes:

- (i) Calculations have been made using unrounded figures. However, only the rounded figures are displayed in the table.
- (ii) 'EFTSL' in this table has the same meaning as it does in HESA.

<p>SIGNED for and on behalf of</p> <p>THE COMMONWEALTH OF AUSTRALIA</p> <p>by David Hazlehurst the Group Manager of the Higher Education Group of the Department of Education, Employment and Workplace Relations</p>  <p>.....</p> <p>Date 29/6/11</p>	<p>SIGNED for and on behalf of</p> <p>THE UNIVERSITY OF SYDNEY</p>  <p>.....</p> <p>Signature</p> <p>MICHAEL SPENCE</p> <p>Full name (please print)</p> <p>VICE-CHANCELLOR AND PRINCIPAL</p> <p>Position (Vice-Chancellor)</p>
<p>In the presence of:</p>  <p>.....</p> <p>WITNESS</p> <p>CHRISTINA TIEU (EA)</p> <p>Full name and occupation or profession of witness (please print)</p>	<p>In the presence of:</p>  <p>.....</p> <p>WITNESS</p> <p>KATHLEEN ANNE DODD, EXECUTIVE ASSISTANT</p> <p>Full name and occupation or profession of witness (please print)</p>