



THE UNIVERSITY OF
SYDNEY

Annual Report 2020

The University of Sydney
NSW 2006

April 2021

The Honourable Sarah Mitchell, MLC,
Minister for Education and Early Childhood Learning
52 Martin Place
SYDNEY NSW 2000

Dear Minister,

The Senate of the University of Sydney has the honour of presenting to you, in accordance with the *Annual Reports (Statutory Bodies) Act 1984 No 87* and the *Annual Reports (Statutory Bodies) Regulation 2015*, the report of the proceedings and financial statements of the University of Sydney for the year ended 31 December 2020.



Belinda Hutchinson AC
Chancellor



Professor Stephen Garton AM
Vice-Chancellor and Principal



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Year in review

In 2020 the University of Sydney's overarching priority was to respond to the COVID-19 pandemic and protect the safety of our students and staff.

The University acted swiftly to respond to the emergence of the COVID-19 virus, standing up its pandemic response team in January and rapidly moving all of our teaching online and sending our staff and students home to work and study remotely in March, in accordance with instructions from health authorities.

We also moved quickly to implement our long-standing financial shock recovery plan to carefully manage the financial fallout from a significant decline in student enrolments. This required serious austerity measures: major savings in such areas as infrastructure spending, repairs and maintenance, research equipment, travel and recruitment of new staff.

The combined efforts of our staff to move teaching online efficiently resulted in the highest student satisfaction scores on record in Semester 1, 2020. Our decision to delay the start of Semester 2 and start offering small group classes back on campus underpinned a successful recruitment campaign which contributed to stronger-than-expected student enrolments. The teams who led our pandemic response managed rapidly changing situations with alacrity and kept our students and staff safe.

During the pandemic our academics have been at the forefront of COVID-19 research, from understanding its genetic origins to assisting global recovery efforts. At the same time, we have continued our critical work on the Sydney Operating Model and improvements to the student experience, in adapted forms, and played a leading role in promoting freedom of speech and academic freedom and advocating for amendments to federal legislation to improve outcomes for our students and researchers.

Despite the challenges of COVID-19 we have still focused on the big picture, launching the University's first sustainability strategy, developing a post-bachelor and microcredentialling education strategy to re-position our course offering in a changing marketplace and maintaining or improving our position in all major global rankings.

In 2020 we made major strides in supporting our core values of diversity and inclusion. We crafted a new Indigenous strategy (to be launched in early 2021), were the first university to sign the commitment for Preserving Gender Equity as a Higher Education Priority During and After COVID-19 and maintained silver status in the Australian Workplace Equality Index.

We also advanced our ambitions for two critical strategic initiatives – the Sydney Biomedical Accelerator and a possible future campus at Westmead – and the vision of several of our major donors was brought to fruition, with the opening of the Chau Chak Wing Museum and the Susan Wakil Health Building nearing completion. The latter brings together multiple health disciplines in a single precinct and is due to welcome students and staff in February 2021.

We are very grateful to the staff who contributed to the activities outlined in this Annual Report; to our students, who have stuck with us loyally; to our donors, who have continued to invest substantially in research and education; and to our alumni, partners and many more members of our wider community who provided invaluable support during a tumultuous 2020.



Belinda Hutchinson AC
Chancellor



Professor Stephen Garton AM*
Vice-Chancellor and Principal

*Professor Stephen Garton took over from Dr Michael Spence AC as Vice-Chancellor and Principal on 15 December 2020 (see page 6 for more details).

The University of Sydney 2020 Annual Report

Statutory Report

As Australia's first university – founded in 1850 – the University of Sydney has a proud history of global leadership in education and research and inspiring people from all backgrounds to contribute to positive real-world change. We're a world-renowned teaching and research institution – our research combines the expertise and talents of scholars from many disciplines.

A history of thinking forward

We make lives better by producing leaders of society and equipping our people with leadership qualities so they can serve our communities at every level. Through learning, critical analysis and active contribution to public debate, we help to shape Australia's national and international agenda. Find out more at sydney.edu.au

Our charter

The University of Sydney was incorporated by the Parliament of New South Wales on 1 October 1850, making it the first university to be established in Australia. For details of the University's principal function, under the *University of Sydney Act 1989*, please visit page 4.

Aims and objectives

As a leader in tertiary education, we have been challenging traditions for more than 160 years. We were one of the first universities in the world to admit students solely on academic merit. We aim to create and sustain a university in which, for the benefit of both Australia and the wider world, the brightest researchers and the most promising students, whatever their social or cultural background, can thrive and realise their full potential.

In creating the first university in Australia, our founders recognised the power of education to change society. We hold that belief just as strongly today.

Management and structure

Senate

The Senate is the governing authority of the University, with functions conferred on it by the *University of Sydney Act 1989* (as amended). The Senate oversees all major decisions concerning the conduct of the University, including staff appointments and welfare, student welfare and discipline, financial matters and the University's physical and academic development.

Composed of 15 Fellows and chaired by the Chancellor, the Senate awards all degrees and diplomas and is responsible to the Parliament of New South Wales. The Vice-Chancellor and Principal and the Chair of the Academic Board are both ex officio members of the Senate.

Academic Board

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

The Academic Board provides advice to the Senate and the Vice-Chancellor on all academic matters, including their relation to the University's strategic priorities and policies, the conditions of appointment and employment of academic staff, the approval of new and revised courses, and the maintenance of academic standards.

Executive management

The Vice-Chancellor is the principal administrative officer, or chief executive, of the University and has line-management responsibility for a number of deputy vice-chancellors and vice-principals who, with the Vice-Chancellor and other leadership staff, comprise the University's leadership team.

The Vice-Chancellor chairs the University Executive – the University's senior leadership team – which includes the faculty deans. The University Executive is representative of the University's diverse academic and administrative communities and is accountable to the Senate for the academic and financial health of the University. For more information about our governance and structure, visit: sydney.edu.au/about-us/governance-and-structure.html

Principal activities

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

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

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

The University has other functions, as follows.

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

- The University has such other functions as are conferred or imposed on it by or under this or any other Act.
- The functions of the University may be exercised within or outside the state, including outside Australia.

University officers as at 31 December 2020

CHANCELLOR

Belinda Hutchinson AC
BEc *Sydney*, FCA

DEPUTY CHANCELLOR

Richard Freudenstein
BEc LLB (Hons) *Sydney*

VICE-CHANCELLOR

Professor Stephen Garton AM (from 15 December 2020
– Dr Michael Spence AC was Vice-Chancellor from
1 January 2020 to 14 December 2020 inclusive)
BA *Sydney* PhD *UNSW*, FAHA FASSA FRAHS FRSN

DEPUTY VICE-CHANCELLORS

Deputy Vice-Chancellor (Education)
Professor Philippa Pattison AO
PhD *Melbourne*, FASSA

Deputy Vice-Chancellor (Indigenous Strategy and Services)

Professor Lisa Jackson Pulver AM
MPH GradDipClinEp PhD *Sydney*, MA *Deakin*

Deputy Vice-Chancellor (Research)

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

PRO-VICE-CHANCELLORS

Pro-Vice-Chancellor (Academic Excellence)
Professor Richard Miles BA *Lpool* PhD *Camb*, FSA

Pro-Vice-Chancellor (Education – Enterprise and Engagement)

Professor Richard Miles BA *Lpool* PhD *Camb*, FSA

Pro-Vice-Chancellor (Global Engagement)

Professor Kathy Belov AO BSc (Hons) PhD *Macquarie*

Pro-Vice-Chancellor (Research – Enterprise and Engagement)

Professor Julie Cairney
B.Met.Eng. *UNSW*, PhD *UNSW*

Pro-Vice-Chancellor (Research)

Professor Laurent Rivory BVSc PhD *Queensland*

Pro-Vice-Chancellor (Educational Innovation)

Professor Adam Bridgeman
BA Oxford PGCE *Birmingham* PhD *Cambridge*

Pro-Vice-Chancellor (Student Life)

Professor Susanna Scarparo PhD *Auckland* PFHEA

Pro-Vice-Chancellor (University Schools)

Professor Annamarie Jagose
PhD *Wellington*, FAHA

Pro-Vice-Chancellor (Medicine and Health)

Professor Robyn Ward AM FAHM FRACP
MBBS (Hons 1) PhD *UNSW*

VICE-PRINCIPALS

Vice-Principal (Advancement)

Rosalind Ogilvie
BA LLB *Melbourne*

Vice-Principal (External Relations)

Tania Rhodes-Taylor
BA *OU* MBA *UCL* PGDIP Marketing *CIM*

Vice-Principal (Operations)

Stephen Phillips
BCom *Wits*

Vice-Principal (Strategy)

Rebecca Murray
BA MSocSc *UON*

General Counsel

Richard Fisher AM
MEc *UNE* LLB *Sydney*

Chair of the Academic Board

Associate Professor Anthony (Tony) Masters
BSc (Hons) *Melbourne* PhD *ANU*, FRACI CChem GAIDC

Secretary to the Senate

David Pacey
BBus GradCertMgmt GradDipBus *CSU*

Faculty and University school leadership as at 31 December 2020

Faculty deans

Faculty of Arts and Social Sciences
Professor Annamarie Jagose
PhD *Wellington*, FAHA

The University of Sydney Business School
Professor Gregory Whitwell
BEd (Hons) *Monash* PhD *Melbourne*

Faculty of Engineering
Professor Willy Zwaenepoel
PhD *Stanford*, FACM, FIEEE

Faculty of Medicine and Health
Professor Robyn Ward AM FAHM FRACP
MBBS (Hons 1) PhD *UNSW*

Faculty of Science
Professor Iain Young
BSc (Hons) PhD *Aberdeen*

Heads of school and deans of University schools as at 31 December 2020

The University of Sydney School of Architecture,
Design and Planning
Professor Robyn Dowling
BEd (Hons) *Sydney* MA, PhD *Brit Col*

Sydney Conservatorium of Music
Professor Anna Reid
BMus *Sydney* MEd *UNE* PhD *UTS*

The University of Sydney Law School
Professor Simon Bronitt
LLB *Bristol* LLM *Ca*

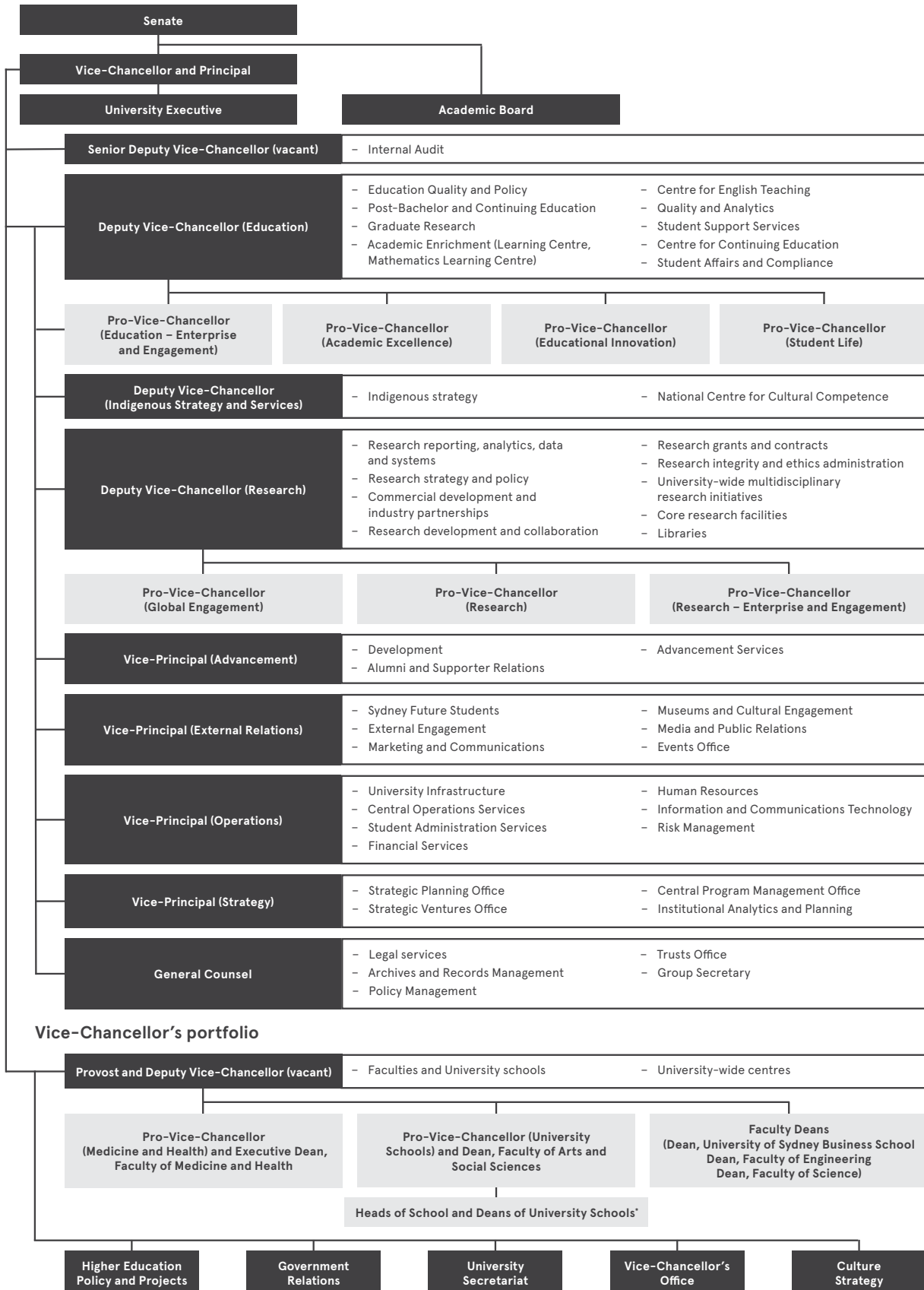
Transition to new Vice-Chancellor and Principal

In January 2020 the Vice-Chancellor and Principal, Dr Michael Spence AC, announced that he would be leaving the University after 12 years to take on the role of President and Provost of University College London. The University Senate appointed Professor Stephen Garton AM, the Senior Deputy Vice-Chancellor, as his immediate successor. Professor Garton began his term in December 2020 and will lead the University until a permanent successor is appointed.

Dr Spence's legacy as Vice-Chancellor is significant. Under his leadership the University:

- earned a regular ranking in the top 50 universities in the world
- transformed its undergraduate experience to give our students the confidence to become tomorrow's leaders
- raised a record \$1 billion during the INSPIRED philanthropic campaign
- excelled at collaborative multidisciplinary research to find solutions to the world's most pressing issues
- created partnerships with leading industry, government and community organisations across the globe
- simplified our administrative processes to achieve efficiencies and ensure strategic use of resources
- fostered deeper engagement with China, India and Southeast Asia
- embedded diversity, inclusion and cultural competence as bedrocks of a values-driven culture, where respect and disagreeing well are the norm
- transformed our campuses for generations of students and staff
- progressed its vision for a second principal campus in the heart of Western Sydney.

University of Sydney organisational structure as at 31 December 2020



Management and structure

*These roles include the following: Head and School and Dean, University of Sydney School of Architecture, Design and Planning; Head of School and Dean, the Sydney Conservatorium of Music and Head of School and Dean, the University of Sydney Law School.

University of Sydney Senate 2020

The Fellows of the Senate of the University of Sydney present their report on the consolidated entity consisting of the University of Sydney and the entities it controlled at the end of, or during, the year ended 31 December 2020.

The role of the Senate

The Senate is the governing authority of the University, with functions conferred on it by the *University of Sydney Act 1989* (as amended). The Senate oversees all major decisions concerning the conduct of the University, including staff appointments and welfare, student welfare and discipline, financial matters and the University's physical and academic development.

The Senate can report that the University is compliant with the Voluntary Code of Best Practice for the Governance of Australian Universities.

In 2020, Senate:

- reviewed the substantial progress of implementing the 2016–20 University Strategic Plan
- oversaw the University's response to the COVID-19 pandemic with agile and stable decision making aligned to advice from NSW Health
- received and interrogated a series of leadership essays to address the question 'What sort of University do we want to be?' which will inform the next strategic plan to be developed with the new Vice-Chancellor
- continued to support the transformation of the student experience with an aspiration of achieving an outstanding experience – from joining the University community to finishing a degree and transitioning to the next phase
- noted progress on the development of a postgraduate education and micro-credentialling strategy, a fundamental step to determining the future of non-award education at the University
- observed safety, health and wellbeing related matters and monitored related risks arising from the activities and operations of the University
- monitored the University's financial performance and approved the revised COVID-19 Budget for 2020 and 2021
- continued negotiations to secure land for a new multidisciplinary campus in Western Sydney and supported the shaping of a vision for the future of this campus

- oversaw the ongoing progress of the Campus Improvement Program through the Senate Building and Estates Committee and celebrated the opening of the Chau Chak Wing Museum.
- supported the improvement of operational processes and systems through the Sydney Operating Model to make the University easier to navigate for staff, students and external stakeholders; and
- noted the progress on efforts to improve academic performance, including the long-term impacts and benefits from the Academic Excellence Program, aspirational research performance, and the strengthening of mechanisms and processes to accurately and consistently manage academic performance.
- endorsed the University's Sustainability Strategy 2020 and its commitment to an institutional focus on sustainability that delivers solutions to the interconnected problems facing our shared future, including climate change
- approved the 'One Sydney, Many People' Strategy 2021– 2024 which incorporates our commitment to a stronger and more accountable partnership with Aboriginal and Torres Strait Islander peoples and our broader community.

Fellows of Senate

As at 31 December 2020

Chancellor

Belinda Hutchinson AC
BEC Sydney, FCA
Current term as Chancellor:
4 February 2017 – 3 February 2025

Deputy Chancellor

Deputy Chancellor
Richard Freudenstein BEC LLB (Hons) Sydney
Current term as Deputy Chancellor:
1 April 2020 – 31 March 2022

Vice-Chancellor

Professor Stephen Garton AM (from 15 December 2020
– Dr Michael Spence AC was Vice-Chancellor from
1 January 2020 to 14 December 2020 inclusive)
BA Sydney PhD UNSW, FAHA FASSA FRAHS FRNS

Current term as Vice-Chancellor:
15 December 2020 – current

Chair of the Academic Board

Associate Professor Anthony (Tony) Masters
BSc (Hons) *Melbourne* PhD *ANU*, FRACI CChem GAICD
Current term as Chair of Academic Board:
1 January 2020 – 31 December 2021

Two external persons appointed by the Minister for Education

Richard Freudenstein (Deputy Chancellor)
BEc LLB (Hons) *Sydney*
Current term as Fellow of Senate:
1 December 2017 – 30 November 2021

Dr Lisa McIntyre
BSc (Hons) *Sydney*, PhD *CAM*, GAICD
Current term as Fellow of Senate:
16 August 2017 – 30 November 2023

Five external persons appointed by the Senate

Jason Yat-sen Li
BA LLB (Hons) *Sydney* LLM *NYU*
Current term as Fellow of Senate:
1 December 2017 – 30 November 2021

Kate McClymont BA (Hons) *Sydney*
Current term as Fellow of Senate:
1 December 2019 – 30 November 2021

Karen Moses BEc *Sydney*
Current term as Fellow of Senate:
1 December 2017 – 30 November 2021

Emeritus Professor Alan Pettigrew
BSc (Hons) *Sydney*, PhD *Sydney* FAICD
Current term as Fellow of Senate:
9 May 2019 – 30 November 2023

Peter Scott
BE (Hons) *Monash*, MEngSc *UNSW*, HonFIEAust MICE
Current term as Fellow of Senate:
1 December 2019 – 30 November 2023

Two persons elected by and from the academic staff

Associate Professor Maryanne Large
BSc (Hons) *Sydney*, PhD *Trinity*
Current term as Fellow of Senate:
1 June 2019 – 31 May 2021

Professor Stephen Simpson AC
BSc (Hons) *Qld*, PhD *KCL*
Current term as Fellow of Senate:
1 June 2019 – 31 May 2021

One person elected by and from the non-academic staff

Dave Burrows BA *Sydney*
Current term as Fellow of Senate:
1 June 2019 – 31 May 2021

One person elected by and from the undergraduate students

Gabrielle (Gabi) Stricker-Phelps
Current term as Fellow of Senate:
1 December 2020 – 30 November 2022

One person elected by and from the postgraduate students

Lachlan Finch BA *Sydney*
Current term as Fellow of Senate:
27 October 2020 – 30 November 2022

Register of Interests

In accordance with Schedule 2A of the Act, Senate Fellows and members of Senate Committees have a duty to disclose any material interest to a meeting of Senate or a Senate Committee. Where a Fellow or a member has a material interest in a matter being considered or about to be considered at a meeting of the Senate or of a Senate Committee, and the interest appears to raise a conflict with the proper performance of the Fellow or member's duties in relation to the consideration of the matter, the Fellow or member must, as soon as possible after the relevant facts have come to the Fellow or member's knowledge, disclose the nature of the interest at a meeting of the Senate or of a Senate Committee.

Senate also collects and reports on any Related Party Transactions undertaken by the University and a Fellow or committee member.

Senate makes available a register of those declared interests and transactions online at: sydney.edu.au/about-us/governance-and-structure/governance/senate/register-of-interests.html

Senate committees

Senate has established the following committees to assist it with the exercise of its functions, effective from 1 January 2020 to 30 September 2020:

- Building and Estates Committee
- Finance and Audit Committee
- Finance and Audit Investment Subcommittee
- People and Culture Committee
- People and Culture Remuneration Subcommittee
- People and Culture Subcommittee
- Strategy and Risk Committee.

In 2020 Senate undertook an external review of its committee structure and established the following committees, effective 1 October 2020:

- Building and Estates Committee
- Finance Committee
- Finance Investment Subcommittee
- People and Culture Committee
- Risk and Audit Committee
- Honorary Awards Committee
- Nominations Committee
- Chairs Committee.

The table below records attendance for committees that operated in 2020. For more information, visit sydney.edu.au/about-us/governance-and-structure/governance/senate/senate-committees.html

Attendance by Fellows at Senate and its committees in 2020

Position	Name	Senate			BEC			FAC			FC			FAC IS			FC IS			PCC			PCC RSC			SARC			RAC			HAC			NOM		
		A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Chancellor	Belinda Hutchinson AC	7	7	7	6	6	6	5	5	5	3	3	3	3	3	3	1	1	1	6	6	6	4	4	4	2	2	2	2	2	1	1	1	1	2	2	2
Deputy Chancellor	Mr Richard Freudenstein	7	7	7	6	6	3	5	5	5	3	3	2	3	3	1	1	1	1	6	6	3	4	4	3	2	2	2	2	2	1	1	1	1	2	2	2
Vice-Chancellor	Dr Michael Spence AC (^^^)	7	7	7	6	6	6	5	5	5	3	3	3	3	3	2	1	1	1	6	6	6	4	4	4	2	2	2	2	2	2	1	1	1	2	2	2
Pro-Chancellors	Professor Stephen Garton AM (=)	7	0	0	6	0	0	5	0	0	3	0	0	3	0	0	1	0	0	6	0	0	4	0	0	2	0	0	2	0	0	1	0	0	2	0	0
	Ms Kate McClymont AM	7	7	7																6	6	4	4	4	3												
	Emeritus Professor Alan Pettigrew	7	7	7																6	6	6	4	4	4				2	2	2				2	2	2
Chair of Academic Board	Professor Tony Masters	7	7	7	6	6	5													6	5	5										1	1	1	2	2	2
	Dave Burrows	7	7	7	6	6	6																														
	Lachlan Finch (#)	7	2	2							3	1	1																								
	Associate Professor Maryanne Large	7	7	7				5	5	5	3	3	3																								
	Jason Yat-sen Li	7	7	7																6	6	4				2	2	2	2	2	2						
	Dr Lisa McIntyre	7	7	7				5	5	5	3	3	3	3	3	3	1	1	1							2	2	2							2	2	2
	Fellows	Lizzie Miller (^)	7	4	4	6	4	2																													
Karen Moses		7	7	6	6	6	5	5	5	5	3	3	3	3	3	2	1	1	1										2	2	2						
Gabrielle Stricker-Phelps (+)		7	1	1																																	
Peter Scott		7	7	7	6	6	6	5	5	4	3	3	3																						2	2	2
Professor Stephen Simpson AC		7	7	7																						2	2	1	2	2	2						
Francis Tamer (^)		7	6	4																						2	2	1				1	1	0			

A No. of meetings held, B No. of meetings eligible to attend, C No. of meetings attended

BEC Building and Estates Committee, FAC Finance and Audit Committee(-), FC Finance Committee(*), FAC IS Finance and Audit Investment Subcommittee(-), FC IS Finance Investment Subcommittee(*), PCC People and Culture Committee, PCC RSC People and Culture Remuneration Subcommittee(-), SARC Strategy and Risk Committee(-), RAC Risk and Audit Committee(*), HAC Honorary Awards Committee(*), and NOM Nominations Committee(*).

(^) No longer a Fellow of Senate as at 20 September 2020

(^^) No longer a Fellow of Senate as at 30 November 2020

(^^^) No longer a Fellow of Senate as at 14 December 2020

(#) New Fellow of Senate commenced 1 November 2020

(+) New Fellow of Senate commenced 1 December 2020

(=) New Fellow of Senate commenced 15 December 2020

(*) New Committee of Senate commenced 1 October 2020

(-) No longer a Committee of Senate as at 30 September 2020

Strategy and operations

The University's response to the COVID-19 pandemic and protecting the safety of our students, staff and members of our wider community was our most pressing priority for much of 2020. Despite the challenges presented by the pandemic, the University made considerable progress across all of the areas prioritised in our 2016-20 Strategic Plan.

Response to COVID-19 pandemic

The University acted efficiently in response to the emergence of COVID-19 as a global issue and news about the first Australian case, standing up its Pandemic Preparedness Committee on 25 January 2020.

The Crisis Management Committee was established on 29 January 2020 and comprised University Executive members with expertise and/or responsibilities relevant to aspects of the COVID-19 crisis. As part of this work the following groups were established to manage particular University aspects of the crisis and provide information, including:

- the Academic Response Team was responsible for the management of the ongoing academic operations (teaching and research) at the University; and
- the Operational Response Team was responsible for the management of ongoing business operations (ie, facilities and building maintenance, technology and of other professional service units). This included ensuring buildings were maintained, cleaned and ready for staff and students. For buildings that were not closed, the priorities included ensuring hand sanitiser and hygiene products were made available to staff and students.

Responding to students' immediate needs

International students were immensely impacted across the higher education sector, particularly with limitations on international travel permitted to and from Australia. The University responded quickly in February, establishing necessary ICT capabilities including fast network access from China and allowing students abroad to continue accessing University resources and to study online and remotely.

In March 2020, University teaching and learning went mostly online and the campus was largely closed, with only limited staff continuing to work on campus, students completing their studies remotely and the bulk of University staff working remotely. Critical research activities continued and some teaching activities continued face to face. This enabled the

University to continue its operations whilst adhering to the Public Health Order.

A roadmap for a safe return to campus

From March to July 2020 a key priority was establishing a roadmap for a safe return to campus, for both students and staff. The three-stage roadmap included remote learning and other arrangements where education and research could not be completed online, as well as a gradual relaxation of physical distancing restrictions and a return to face-to-face activities. Staff were encouraged to work from home.

The University continued to prepare for a transition back to campus, with an increased number of staff returning from 27 July 2020. Additionally, Semester 2, 2020 was delayed three weeks (from 3 August to 23 August) to allow staff further time to make the necessary preparations (including preparing courses for on-campus and remote delivery) and to give students time to enrol in courses and units of study. This approach allowed the University to recruit a substantial number of additional students, who were given additional time to enrol. In Semester 2, with some staff returning to campus, face-to-face teaching resumed in small groups, for selected courses.

Until mid-September the University remained in crisis mode and staff in the response teams met daily to remain informed and dynamic and to ensure they were able to respond to any issues as they arose, in accordance with government and NSW Health advice.

Austerity measures

With the decrease in student revenue affecting the University, austerity measures were put in place to ensure the University's financial viability and security, including a freeze on HR recruitment, limitations on travel, and a pause to large capital and building works. The University also took other steps to be financially prepared for an uncertain long-term future. Preliminary consultation for a program to offer eligible staff the opportunity to express interest in a voluntary redundancy began in September and members of the University Executive agreed to a significant reduction in their salary for 2020. Each member's individual entitlements were calculated to reduce their overall remuneration for 2020 by the equivalent of 20 percent of their annual base salary. In addition to the Vice-Chancellor, this applied to:

- Senior Deputy Vice-Chancellor
- Deputy Vice-Chancellors
- Vice-Principals

- Executive Dean
- Deans.

Planning for Semester 1, 2021

In late 2020 the Semester 1 Planning group (revised from the Academic Response Team) and the Operational Response Team actively worked towards Semester 1, 2021 planning, with ongoing movement out of crisis mode and adoption of business-as-usual practices.

Given international travel restrictions are likely to continue into 2021, it has been necessary for the University to simplify the enrolment process, improve the student enrolment experience and ensure the system configuration for units of study readily reflects the option to study remotely or on campus.

Support for students' wellbeing and mental health

Supporting students' wellbeing and mental health has been a critical focus for the entirety of the University's COVID-19 response. The University invested significantly in an extensive suite of support measures, including financial assistance (such as a travel ban hardship fund), social and mental health support. A mental wellbeing strategy was developed and endorsed in August, outlining a framework for a holistic institution-wide approach to mental wellbeing that is proactive and student centred. An advisory group was formed to guide its implementation over 2021.

In addition, the University created the delivered the following initiatives, to support our student body during a very challenging 2020.

- A digital online orientation and Welcome Week for Semester 2 2020 accommodated the needs of students located interstate and overseas. An orientation landing page and online planner for online orientation and Welcome Week were also launched.
- A new peer support advising program was launched in March to offer online consultation to students with a team of 17 trained peer support advisors fluent in English and Mandarin.
- The University partnered with Batyr programs in May to support mental health and promote help-seeking. Five online programs targeted students experiencing stress in the exam period, HDR students and residents of University-owned accommodation.
- A new partnership was also formalised in October with TalkCampus, a 24/7 global mental health online support service that provides students with a global network of peer support.

- Services such as Counselling and Psychological Services (CAPS) and the University Health Service transitioned to providing their support services online and a 24/7 mental wellbeing support line was established for onshore students.

Curriculum and student experience

Postgraduate education and micro-credentialling

The University continued to develop our postgraduate education and micro-credentialling strategy throughout 2020. Our planned activities cover five distinct workstreams: micro-credentials; online award courses; data capability and market analysis; review and consolidation of the existing portfolio; and establishing delivery quality standards. Together these initiatives will expand the University's revenue base for postgraduate education and ensure that the University delivers distinctive, high-quality courses across all modalities.

In 2020 the assessment of a partnership model for the delivery of online award courses continued and a financial analysis provided clear guidelines for any engagement with our preferred Online Program Management partner. In particular, the analysis highlighted the importance of offering online courses that reach genuinely new markets for the University.

Policy amendments that establish a framework and standards for micro-credentials were approved by our Academic Board in November. These amendments mean that the University can offer flexible and credit-eligible micro-credentials in response to market demands. In addition, we have undertaken a successful pilot of issuing digital badges for an executive education course in Behavioural Data Science, offered by the Business School.

Industry and Community Project Units (ICPUs)

Since the initial pilot in 2018 these industry projects have scaled considerably, with 3313 students completing 133 projects with 65 different industry partners at the 3000 level (six credit points). In 2020 the ICPUs attracted more than 1000 additional student enrolments in comparison to 2019, with 1829 students completing 45 projects.

2020 also saw the introduction of ICPUs at the 4000 level (12 credit points) to support Bachelor of Advanced Studies students. One pilot project was run with 65 students at the 4000 level. Even with the global pandemic, the ICPUs have continued to achieve great success in the domestic and international markets, with all projects pivoting to remote delivery and 100 percent retention of industry partners.

Global mobility

The University continues to have the largest outbound student mobility program in Australia. The University's current mobility percentage is 36 percent, based on the AUIDF Learning Abroad Benchmarking 2019 (in 2020). This represents a 13 percent increase in the number of mobility experiences (from 5668 in 2018 to 6430 in 2019) from the 33 percent total that we reported in the 2019 Annual Report (based on equivalent 2018 benchmarking).

Outbound mobility has been significantly impacted by COVID-19 and the resulting border closures, however the University is recommitting to reach the goal for 50 percent of students to have a global mobility experience as part of their award course once international travel resumes, with an enhanced focus on increasing participation of underrepresented cohorts.

Student experience

The University rescoped our student experience program in 2020 due to the temporary savings measures undertaken as part of our University-wide COVID-19 response and to ensure that our services aligned with student needs in a rapidly shifting environment. Six streams of work were consolidated into three interdependent program areas: Supporting Student-Centred Outcomes; Education and Higher Degree by Research (HDR) Experience and Orientation and Student Connectivity. There was progress across all streams of work.

One area of focus was establishing a sense of belonging and confidence early in a student's candidature. We focused on supporting students as they join the University and in the early stages of their studies through the development of:

- an orientation framework that articulates a University-wide vision for and coordinated approach to orientation
- a curriculum embedded-transition support project trialled across 7000 students in 22 undergraduate first-year units
- new Welcome Week guides
- a 'China Connect' initiative to provide pre-arrival and arrival programs, Canvas modules, welcome webinars and a WeChat mini-program online for students unable to join us in Australia.

As already reported, we continued to support students throughout the year, with a particular focus on fostering social connections in a digital environment. A virtual clubs and societies portal, vSydney, was developed to allow students to connect and engage with student clubs and societies in the absence of the traditional in-person Welcome Week activities. A social connectivity project, UsydMates, was piloted to help students make meaningful connections with their peers and develop a sense of belonging to the University in a digital space. The University also established a new framework for co- and extra-curricular activities that will ensure a coordinated, enhanced and consistent approach to designing, delivering, promoting and evaluating co- and extra-curricular programs at the University that are aligned with students' needs and expectations.

STUDENT ENROLMENTS*

Undergraduate enrolments by attendance and gender

Domestic/ international	Attendance type	Gender	Enrolments (UG)
Domestic	Full time	Women	11,730
		Others	14
		Men	8,833
	Part time	Women	2,108
		Others	3
		Men	1,831
Domestic total			24,519
International	Full time	Women	5,770
		Others	2
		Men	4,134
	Invalid	Women	0
		Men	0
	Part time	Women	703
	Men	356	
International total			10,965
Grand total			35,484

Postgraduate enrolments by attendance and gender

Domestic/ international	Attendance type	Gender	Enrolments (PG)
Domestic	Full time	Women	3,766
		Others	7
		Men	2,699
	Part time	Women	3,696
		Others	6
		Men	2,771
Domestic total			12,945
International	Full time	Women	6,618
		Others	0
		Men	4,545
	Invalid	Women	5
		Men	4
	Part time	Women	764
	Men	503	
International total			12,439
Grand total			25,384

Undergraduate enrolments by course level

Domestic/ international	Course type	Enrolments (UG)
Domestic	Bachelor (Graduate Entry)	591
	Bachelor (Honours)	3,199
	Bachelor (Pass)	20,478
	Diploma	147
	Non-Award	62
	Cross-Institutional	42
	Domestic total	
International	Bachelor (Graduate Entry)	97
	Bachelor (Honours)	1,346
	Bachelor (Pass)	8,242
	Diploma	1
	Non-Award	1,279
	Cross-Institutional	0
International total		10,965
Grand total		35,484

Postgraduate enrolments by course level

Domestic/ international	Course type	Enrolments (PG)
Domestic	Higher Doctorate	2
	Doctorate (Research)	2,757
	Doctorate (Coursework)	29
	Master (Research)	589
	Master (Coursework)	8,414
	Graduate Diploma	504
	Graduate Certificate	619
	Non-Award (PG)	21
	Cross-Institutional	10
	Domestic total	
International	Doctorate (Research)	869
	Doctorate (Coursework)	3
	Master (Research)	155
	Master (Coursework)	10,763
	Graduate Diploma	326
	Graduate Certificate	170
	Non-Award	150
	Cross-Institutional	3
International total		12,439
Grand total		25,384

Enrolments by faculty of course registration and course level

Domestic/ international	Faculty of registration	Enrolments		Enrolments
		Postgraduate	Undergraduate	
Domestic	University of Sydney Business School	1,019	2,791	3,810
	Faculty of Arts and Social Sciences	2,106	6,786	8,892
	Faculty of Engineering	771	3,302	4,073
	Faculty of Medicine and Health	5,810	3,384	9,194
	Faculty of Science	1,403	5,856	7,259
	Sydney Conservatorium of Music	169	835	1,004
	University of Sydney Law School	1,160	594	1,754
	University of Sydney School of Architecture, Design and Planning	506	929	1,435
	University Programs**	1	42	43
Domestic total		12,945	24,519	37,464
International	University of Sydney Business School	5,653	1,579	7,232
	Faculty of Arts and Social Sciences	1,590	2,467	4,057
	Faculty of Engineering	2,224	1,861	4,085
	Faculty of Medicine and Health	1,291	1,095	2,386
	Faculty of Science	497	1,997	2,494
	Sydney Conservatorium of Music	22	29	51
	University of Sydney Law School	470	97	567
	University of Sydney School of Architecture, Design and Planning	543	570	1,113
	University Programs**	149	1,270	1,419
International total		12,439	10,965	23,404
Grand total		25,384	35,484	60,868

STUDENT ENROLMENTS BY DIVERSITY GROUPS 2018, 2019 AND 2020

Indigenous and non-Indigenous enrolments				Students with Non-English Speaking Backgrounds (NESB)			
Indigenous indicator	2018	2019	2020	Non English speaking	2018	2019	2020
Indigenous	392	360	381	ESB	39,504	38,833	37,797
Non Indigenous	60,917	63,242	60,487	NESB	21,805	24,769	23,071
Grand total	61,309	63,602	60,868	Grand total	61,309	63,602	60,868

Students with disabilities (enrolments)

Domestic/international	Disability	Disability support services interest	2018	2019	2020
Domestic	Student indicated disability	No support	1,059	1,038	1,902
		Support	1,412	1,529	1,370
	Student indicated no disability	No disability	36,694	35,494	34,192
Domestic total			39,165	38,061	37,464
International	Student indicated disability	No disability		2	
		No support	125	151	412
		Support	195	299	229
	Student indicated no disability	No disability	21,824	25,089	22,763
International total			22,144	25,541	23,404
Grand total			61,309	63,602	60,868

*All statistics in these tables are as at 31 March 2020

**University Programs include enrolments in exchange and study programs, other non-award courses and enabling courses.

Research performance

The impact of the COVID-19 pandemic on the implementation of our research strategy in 2020 was significant, however, it was nevertheless a year of substantial research achievement.

Highly Cited Research

Nineteen University of Sydney academics were recognised as Highly Cited Researchers by Clarivate Analytics. These researchers are among the most cited in their scientific field – the top one percent worldwide.

Research grants and fellowships

The University was awarded significant funding by the Australian Research Council (ARC), National Health and Medical Research Council (NHMRC) and the Department of Health's Medical Research Future Fund (MRFF).

A total of \$48 million was awarded by the ARC for 98 grants and fellowships in 2020, including:

- 7 Future Fellowships – \$6.6 million
- 1 Australian Laureate Fellowship – \$3.4 million
- 24 Discovery Early Career Researcher Awards (DECRA), the highest success rate in the Group of Eight universities – \$10.1 million
- 49 Discovery Projects – \$21 million
- 5 Linkage Projects – \$1.4 million
- 6 Special Research Initiative for Australian Society, History and Culture grants, the highest number of awards for any university – \$1.3 million
- 6 Linkage Infrastructure, Equipment and Facilities grants – \$4.2 million

A total of \$92.1 million was awarded by the NHMRC (equivalent to 12.7 percent of all funds awarded) for 77 grants and scholarships in 2020, including:

- 41 Investigator Grants, the second highest success rate in the Group of Eight – \$60.9 million
- 21 Ideas Grants – \$19 million
- 3 NHMRC Centres of Research Excellence (Better Outcomes in Coronary Artery Disease; Prevention of Fall-related Injuries; Integrated Community Care for People with Complex Multi-morbidities) – \$7.5 million
- 3 Partnership Projects – \$3.4 million
- 1 NHMRC-EU Joint Programme on Neurodegenerative Disease Research (JPND) grant – \$0.5 million

- 7 Postgraduate Scholarships – \$0.7 million
- 1 NHMRC-NIHR Collaborative Research Grant – \$0.2 million

Between September 2019 and October 2020 more than \$52 million was awarded by the Medical Research Future Fund (MRFF) for 26 projects, including:

- almost \$3 million for a Phase 1/1b clinical trial to test the safety and effectiveness of a novel DNA-based COVID-19 vaccine that can be delivered needle free
- almost \$5 million for brain cancer rehabilitation, assessment and intervention
- more than \$4 million towards eliminating antibiotic-resistant tuberculosis in the Pacific region
- more than \$7 million for applied AI research to support clinical excellence in neurological diseases and youth mental health care.
- almost \$9.5 million for multiple congenital heart disease research projects, including a heart fitness intervention trial.

At the end of 2020 the University of Sydney had been awarded a cumulative total of \$101.6 million in MRFF funding for 47 grants, the second highest amount of funding awarded to any university since the fund's inception.

A culture of research excellence

Research support model

The University commenced implementation of a major restructure of our research services model to better support our researchers. The new model aims to enable research excellence, support career development and drive operational efficiency by ensuring we have an integrated and holistic research support model across our faculties, schools and research portfolio that meets our researchers' needs.

Research partnerships and impact

The University of Sydney is committed to creating breakthroughs by thinking differently, bringing together some of the best minds to address globally significant problems through research, learning and engagement. For details about our rankings performance, see page 19.

- In early 2020 more than 100 of our researchers came together and worked closely with the NSW and Commonwealth governments and community partners to help Australians understand the scale of the devastation of the 2019-20 bushfire season. The bushfires took a heavy toll, with many homes and lives lost and almost 3 billion animals impacted,

and our researchers' collaborative efforts also helped Australia to gain a deeper understanding of how we can build a more climate-resilient future.

- Our *Indigenous Grasslands for Grain* project united Indigenous knowledge and agricultural science with a focus on the production and commercial viability of native Australian grasses and grains, cultivated for thousands of years by First Nations people on Gamilaraay Country (western NSW) in Australia's variable climate and soils.
- We are establishing the Sydney Manufacturing Hub, a manufacturing-focused research facility geared to enable concept-to-production demonstration capabilities, including advanced pre- and post-processing of materials, in partnership with GE. Situated in an outstanding new bespoke facility in the Engineering precinct of our Darlington campus, the facility will support advanced capabilities to make and process metals, ceramics and polymeric-based materials.
- Co-founder of Licella Holdings and Gelion Technologies Professor Thomas Maschmeyer was awarded the 2020 Prime Minister's Prize for Science Innovation for his work taking fundamental science to commercialisation in fields that address environmental problems: plastic-waste recycling and safe, scalable storage for renewable energy. For more detail about Professor Maschmeyer's revolutionary battery technology, see page 22.
- Despite the impact of COVID-19, our Sydney Knowledge Hub continues to grow, attracting 17 start-up and early-stage companies to its premises – half of which are led by University of Sydney researchers. The hub helped attract more than \$3 million of additional research income from member collaborations.
- We collaborated with Harvard Medical School, Melanoma Institute Australia, Sydney Local Health District and Adaptive Biotechnologies to create a test that predicts which early-stage melanoma patients are at a high risk of their disease recurring and progressing.

COVID-19 research

University of Sydney experts were at the forefront of COVID-19 research in 2020, from understanding its genetic origins to assisting recovery efforts, enabled by strong local and international collaborative networks.

- One of the world's top authorities on viruses, evolutionary virologist Professor Edward Holmes was named 2020 NSW Scientist of the Year for fundamental insights into the origin and spread of numerous viruses, including the emergence of SARS-CoV-2.

He was the first person to publicly release the genome sequence of SARS-CoV-2, enabling the rapid development of diagnostic tests. Professor Holmes also co-authored the most influential academic paper of 2020 – an article on the origins of COVID-19 published in the March edition of *Nature Medicine*, which received global media coverage.

- Award-winning Sydney start-up DetectED-X developed a world-first online image-based tool for healthcare workers to improve COVID-19 diagnosis. Drawing on pandemic cases globally with support from healthcare and industry leaders, the CovED platform ramped up COVID-19 detection worldwide.
- The Snow Medical Research Foundation gifted \$5.5 million to a national consortium of Australia's two NHMRC Centres of Research Excellence focused on emerging infectious diseases and pandemic response: the University of Sydney-based Centre of Research Excellence in Emerging Infectious Diseases and the University of Melbourne-based Australian Partnership for Preparedness Research on Infectious Diseases Emergencies to fund priority COVID-19 research projects.
- The University led a Department of Foreign Affairs and Trade (DFAT)-funded program to prevent the spread of zoonotic and animal diseases in Southeast Asia and the Pacific. The program brings together a consortium of more than 40 experts from veterinary schools across Australia, New Zealand and the Asia-Pacific to equip veterinarians across the region with the tools for disease outbreak investigation and surveillance.
- A strategic partnership, *Strengthening Australian Civil Society*, will see the Sydney Policy Lab and Paul Ramsay Foundation work with civil society organisations to learn how to address the social and economic issues exposed and exacerbated by COVID-19.

Equity Prizes

The Equity Prizes support the University of Sydney's strategic commitment to developing excellent researchers across a variety of disciplines and relative to opportunity. Colleagues whose research careers had been impacted by COVID-19 were particularly encouraged to apply in 2020 and successful applicants benefit from an individually tailored career development program, as well as funding, over a 12-month period. 18 Equity Prizes were awarded in 2020 to help improve gender balance in senior roles and to provide assistance to colleagues with disabilities or who have significant carers' responsibilities.

Commercialisation of research

There was significant commercialisation activity throughout 2020, with 31 commercial deals closed and another 52 prospects remaining in the commercial pipeline. Highlights included Kinosis Therapeutics, a University spin-out formed in February 2019, completing a Series A2 financing round of \$5 million, with most of these funds coming from existing shareholders. Agerris, a University spin-out formed in April 2019, completed the second phase of investment, receiving \$2.4 million, and has begun operations on farms in New South Wales, Queensland and Victoria. Ferronova, licensee of University of Sydney nanoparticle technology that aids early detection of cancer, completed a Series A financing round of \$3.5 million, with the University becoming a shareholder as part of the licence deal. Ferronova is conducting first-in-human trials for oral, breast and colorectal cancer and has also commissioned the University to undertake further research and development.

The innovation pipeline remains strong at both ends of the lifecycle, with 151 invention disclosures submitted over the course of the year and seven University spin-off companies created, of which the University continues to hold equity in five.

The University was consistently among the top three performing institutions in the most recent Knowledge Commercialisation Australia Survey of Commercialisation Outcomes from Public Research (SCOPR), leading the sector between 2017-19 in spinning out new companies created by our academics. SCOPR enables benchmarking of participating institutions' research industry engagement and commercialisation results relative to the sector and shows the real-world impact and economic benefits of public sector research.

Engagement

International research and education collaborations

The University has 20 strategic partnerships with leading universities across North America, Europe and Asia that support collaboration on world-class research and education.

Our Office of Global Engagement hosted almost 50 virtual events in 2020, with more than 28,000 attendees.

Since 2016, 300 jointly funded projects facilitated by these partnerships have supported 130 early- and mid-career researchers and 81 PhD students. In 2020 the

University offered enhanced support for researchers seeking international funding to take collaborations to the next level, resulting in more than 70 applications to key international funding bodies.

In 2020 two key focuses for the University were solidifying these priority partnerships and implementing the initiatives of the India and China strategies. While the COVID-19 pandemic forced the University to postpone many planned strategic partnership agreements to 2021 due to resource and funding constraints, collaboration continued in an adjusted form (chiefly through online meetings and events). These activities were driven and supported by staff who drive our engagement in India and China, including our Centre in China – based in Suzhou – and our China Studies Centre. These two centres leverage and build on our education and research strengths.

Milestones for 2020 include two significant new education partnerships with Indian institutions and a number of other highlights.

- The University has created a new Industry and Community Project with the Tata Group in India. As a result, our students will collaborate with Tata Power in Semester 1, 2021 to explore opportunities for accelerating the growth in India's renewable energy market.
- In June the University signed a university-wide Memorandum of Understanding online with the Chinese Agricultural University. In August the Vice-Chancellor spoke at that university's Online Agricultural and Animal Science Conference, which was attended by 26,000 people in China and Australia.
- Sydney Law School and Jindal Global Law School in India entered into a dual degree pathway agreement that will allow Jindal final year Bachelor of Laws (LLB) students to complete a Sydney Master of Laws (LLM) and count credits back to their Jindal LLB. The first student intake is expected in the first semester of 2022.
- In June the China Studies Centre hosted an online seminar about lessons learned from China's experience with COVID-19, which featured world-renowned respiratory disease specialist Professor Zhong Nanshan and attracted more than 560 registrations from business, government and industry. In September the University of Sydney signed a Strategic Partnership Agreement with Sun Yat-sen University and hosted a successful online graduation celebration for

hundreds of Chinese graduates, their families and alumni at the Centre in China in Suzhou.

- In 2020 the University re-signed an agreement with Manipal Academy of Higher Education, India, and there are plans to sign agreements with additional institutions in 2021.

Recruitment strategies for priority international markets

The COVID-19 pandemic also impacted significantly on the University’s ability to engage with prospective students and partners through our regular calendar of activities. In 2020 we successfully pivoted to virtual forums and developed new digital resources and infrastructure to connect with those audiences, such as online recruitment events, a peer-to-peer platform for recruitment and onboarding, and a refreshed virtual campus tour for prospective students and parents. We have further stepped up our targeted marketing and communications activity in key markets like India and Southeast Asia.

We hosted our new India-based team in early 2020 for a week of training. They are continuing to implement our India Strategy on the ground and expand our network and presence in India. We welcomed the second cohort of Sydney Scholars India, with 14 scholarships awarded.

Industry engagement

The University has been proactively engaging with our existing partners and seeking to develop new partnerships through industry-focused campaigns and forums, public events, professional associations and in the media. This has generated multiple new opportunities to share our research with industry partners, to develop our commercialisation capacity and to provide real-life industry opportunities that will better prepare our students for their future careers both in Australia and overseas. All of this is having a positive impact on how the University is perceived by industry.

The findings of the 2020 industry perceptions survey confirmed that we have a significantly stronger presence amongst industry than in 2017. In 2020 more than 75 percent of partners perceived us as visible, innovative and enthusiastic to engage, compared to less than 35 percent in 2017. Twice as many partners rated a University of Sydney partnership as valuable and were likely to recommend us as a partner, compared to 2017.

Brand and research reputation

Our targeted marketing and communications efforts continued to showcase the impact of our research to the informed public in Australia and the international academic community, which has earned us favourable research reputation scores in the major rankings indices. While rankings do not measure everything the University values, they are an important indicator of quality and prestige for students, particularly international students. They also give us an indication of how others, outside the University, perceive the quality of our research and teaching.

In 2020 we improved or maintained our position in all major global rankings.

Rankings organisation	Ranking in Australia	Global ranking
Academic Ranking of World Universities (ARWU)	4	74
QS Graduate Employability Rankings	1	4
QS World University Rankings	2	40
Times Higher Education Impact Rankings	1	2
Times Higher Education World University Rankings	2	51
US News & World Report Best Global Universities Rankings	2	27

We retained our brand position as a market leader, demonstrating our resilience during a challenging year. Market research confirmed that perceptions of Sydney as a progressive and influential institution continue to improve, while negative perceptions are on a decline.

In a year of extraordinary challenges, demonstrating the impact of our research has never been more important. Our researchers, supported by our media team, disseminated an unprecedented amount of evidence-based advice to help build collective understanding and resilience (for more information on our excellence in research, see pages 16 and 17). 2020 has also been our strongest year in terms of international media coverage, further reinforcing our international research reputation. We had a total of almost 60,000 media mentions in Australia and overseas, reaching an estimated audience of 760.7 million, with approximately 32,000 items in international media.

We were proactive in advocating for our sector in light of major reforms, as well as raising public awareness of the economic contribution that Universities make to the Australian economy (see ‘Legal change’ on page 26 for more information).

On 3 September 2020 we delivered our first online graduation celebration for the Class of 2020, to replace formal in-person ceremonies, after a University-wide decision in July to cancel these ceremonies, in line with government and NSW Health guidelines. The online celebration reached an audience of almost 5500 people across 91 countries and received mostly positive feedback.

Cultural engagement

In November we opened the doors to our most significant cultural asset and Sydney's newest museum, the Chau Chak Wing Museum. It brings together 443,900 collection items in 18 exhibitions across four floors, as well as a suite of public events and hands-on learning programs for students. From its official opening on 18 November until the University end-of-year shutdown on 23 December, the museum attracted 15,438 visitors and generated strong interest from the public, the media, alumni and current and prospective donors.

In September, the Seymour Centre was one of the first arts centres in NSW to reopen after COVID-19 closures. Despite the cancellation of the majority of the centre's 2020 program, its spaces have become an invaluable asset for theatre companies, schools and community events, strengthening our network of partners and positioning Seymour as a significant asset in the performing arts fabric of Sydney and NSW.

Philanthropy

In 2020 the University received many generous gifts from our network of alumni and friends.

Major gifts included:

- \$20 million from the CLEARbridge Foundation to fund a new Professorial Chair, a laboratory, and vital supporting resources to drive immunotherapy research
- \$12.9 million from the BHP Foundation to support the Brain and Mind Centre's suicide prevention work, which will see locally designed dynamic systems models embedded in eight Primary Health Networks. This follows an earlier gift from the Foundation of \$1.08 million to establish a COVID-19 Mental Health Response Independent Think Tank led by the University's Matilda Centre for Research in Mental Health and Substance Use.
- \$12.5 million for new research into the genetic basis of Parkinson's disease, thanks to a grant administered by the Aligning Science Across

Parkinson's (ASAP) initiative. ASAP's implementation partner, the Michael J. Fox Foundation for Parkinson's Research, issued the grant.

- \$3.9 million from the Lang Walker Family Foundation to the Chris O'Brien Lifehouse to establish Australia's first Professorial Chair in head and neck cancer surgery.
- \$1 million raised by WIRES from the general public, in response to the 2020 bushfires, to support the Koala Health Hub over three years. The hub is an initiative that supports koala welfare and conservation by connecting researchers across the country with people at the frontline of koala care and management.

The University also received more than \$350,000 in smaller donations for our student bursary fund.

The vision of several of our major donors was brought to fruition on our campus in 2020, with the opening of the Chau Chak Wing Museum and the Susan Wakil Health Building nearing completion. The Susan Wakil Building, which will bring together multiple health disciplines to work out of the same precinct, was funded by the largest gift in the University's history, \$35 million from the Wakil family foundation, and opened in February 2021.

Alumni from around the world connected with our programs; 60 percent of the webinar audience was based internationally from more than 36 different countries. There was also an increase in support from alumni volunteers, with 1795 people contributing as mentors, advisers or guest speakers.

Promotion

In late January the Department of Home Affairs banned overseas travel from Australia, and as a result travel by University of Sydney staff for 2020 was extremely limited. The University's decision making on overseas visits aimed to minimise the spread of COVID-19, in line with Australian Government and NSW Government health directives, given the high risk of contracting COVID-19 outside Australia's borders. Another key consideration is that overseas healthcare systems in some countries were under pressure due to the pandemic and not equipped to support visitors from overseas.

During 2020, the following University of Sydney executive staff travelled overseas:

Vice-Chancellor and Principal

6–10 January 2020: Hong Kong

- University Grants Commission Meeting
20–22 January 2020: Davos, Switzerland
- World Economic Forum Annual Meeting

Deputy Vice-Chancellor (Research)

27–31 January 2020: Europe

- Go8 Delegation

Planning for the future

Throughout the immediate and imperative challenges of responding to COVID, we have continued to imagine and plan for the University we want and need to become in a post-COVID future.

Sydney Operating Model

In 2020 the Sydney Operating Model (SOM) concluded its three-year program of work. Its objectives have been:

- to make the University simpler to navigate
- to free up resources and redirect these to support our core business of education and research
- to make the University a better place to work, study and engage with.

The ongoing and significant challenges of delivering such a complex program of work include integrated project delivery, institutional readiness for such transformation, responding to changes in available funding, and the consequential impact from each of these challenges on the magnitude and timing of benefits delivery.

The program adapted its scope and delivery after a funding reduction in 2019 (which allowed the University to focus on the Student Experience program) and as a result of the 2020 austerity measures already reported. Despite these significant challenges, the three-year program met objectives for many key areas of the University's operations.

Over the three-year period 2018–20 the SOM program embarked on 15 separate projects to improve operational efficiency across education, research and central operations activity areas. Nine projects were completed and implemented, four projects were shifted to business-as-usual delivery due to COVID-19 disruption and two projects will continue into 2021 as originally planned (Curriculum Timetabling and HR Foundation).

Beyond project delivery, the SOM program has contributed significantly to maturing the University's capability of transformation at scale across three key areas:

- development of a methodology and a capability to identify and monitor project benefits, both financial and non-financial
- introduction of an integrated approach to organisational readiness, change management and impact tracking
- initiation of a business architecture capability for the University.

The University forecasts that the SOM Program will deliver annualised financial benefits of \$84 million by 2023. It has provided a foundation for ongoing transformation, cost take out and business process improvement over coming years.

Indigenous Strategy:

Completing *Unfinished Business* and designing *One Sydney, Many People*

On 7 December 2020 the University Senate endorsed the *One Sydney, Many People* Strategy 2021–2024, which sets out a whole-of-University commitment to journey together, valuing, respecting and celebrating Aboriginal and Torres Strait Islander knowledges and cultures. The strategy builds on and concludes the work of the University's first Indigenous Strategy, *Wingara Mura – Bunga Barrabugu* 2012–16, and the subsequent 2020 *Unfinished Business Action Plan*.

One Sydney, Many People is designed to redefine the role we play as a University and as a community of practice. It has been developed with the support of every portfolio, professional service unit, faculty and school, as well as with stakeholders from community, government and business.

One Sydney, Many People contains four strategic focus areas: *Nguragaingun* – Culture and Community, *Eora* – People (Our Staff and Students), *Ngara* – Education and Research and *Pemulian* – Environment. The 35 initiatives outlined underneath these four focus areas will touch every part of the University and build upon the progress made through previous strategies and plans.

Concurrent to the development of *One Sydney, Many People*, significant progress was also achieved to complete the priorities set out in the *Unfinished Business Action Plan*. These included:

- an evaluation of student enrolment pathways
- preparation for the Extended Bachelor Program
- mapping of the Aboriginal and Torres Strait Islander staff and student experience
- an evaluation of the Merit Appointment Scheme and the Wingara Mura Leadership Program
- a feasibility study for a dedicated Aboriginal and Torres Strait Islander student space, and
- revitalisation of the *Wingara Mura Design Principles*.

Ngarangun: Sydney Indigenous Research Strategy

The University of Sydney governs its Indigenous research efforts with the guidance of a tailored strategy developed after several years of consultations with Aboriginal and Torres Strait Islander communities across Australia and with our own University community. The strategy was released in 2019 as 'Ngarangun (we learn, think and listen together)': sydney.edu.au/content/dam/corporate/documents/research/ngarangun-indigenous-research-strategy.pdf.

The purpose of the strategy is to provide guidance to the University community and our partners in Australia and overseas on our approach to Indigenous research as a community engaged and supported effort that will grow our University's reputation for excellence in Indigenous research. Ngarangun also aims to support and develop Indigenous researchers of excellence and make the University the place of choice for Indigenous research.

The Sydney Indigenous Research Hub was created to support the strategy and is overseen by Professor Jakelin Troy, Director, Indigenous Research, herself a Ngarigu woman and senior scholar. In 2020 a notable achievement was the rapid growth of the Sydney Indigenous Research Network, which is run by the Hub and had 220 members from Australia and overseas by the end of the year. Other notable activities include the completion of an annual event, 'Garabarala (let's sing, dance, feast and yarn together): Knowledge Feast' showcasing Indigenous research and ways of doing research.

Sustainability Strategy

The bushfires that raged across Australia as 2020 began sent a powerful signal that climate change is not merely a risk, but a new reality to which we must adapt and which we must do all that is within our power to mitigate. In 2020, in addition to sharing our

researchers' extensive expertise on issues related to the fires, resilience and sustainability with governments and the public, the University committed to placing sustainability at the heart of our research, education, operations and in the way we care for Country.

The University's Sustainability Strategy was endorsed by the Senate in July and launched in August 2020, following extensive consultation with staff and students. It guides how we will make an impact, locally and globally, and focuses on three key pillars: enriching lives through research and education; enabling resilient places and a responsible footprint; and empowering good governance and coordination. For more information about the strategy, please visit our website: sydney.edu.au/about-us/vision-and-values/sustainability.html

As a physical sign of our commitment to a sustainable future, in October 2020, Gelion Technologies delivered on its promise to roll out solar-powered benches at the University of Sydney, taking its revolutionary battery technology to pre-market stage. The Endure batteries that power the off-grid smart benches are the first commercial installation for the company, which was spun out from the University of Sydney by founder and chemist, Professor Thomas Maschmeyer.

By the end of 2020 the University had begun to form communities of practice focused on education, living lab, campus partners and travel, ahead of the rollout of various sustainability initiatives in 2021.

Sydney Biomedical Accelerator

The problems we are facing in healthcare and disease are now so complex that impactful solutions require large multi-skilled teams to ask ambitious questions. The Sydney Biomedical Accelerator will support research collaboration to accelerate and translate solutions. It is a transformative project for the University and NSW and will build upon established excellence to deliver a world-class facility in research, biomedical science, informatics, technology, innovation, education and clinical services delivery. The strategy for the new facility will involve the whole University and support collaboration, especially across the faculties of medicine and health, science and engineering. Sydney Biomedical Accelerator will work in synergy with our multidisciplinary research initiatives and maximise the use of the University's core facilities program.

The context in which we are progressing this initiative changed significantly in the latter months of 2020. Firstly, the \$750 million re-development of the Royal Prince Alfred Hospital campus was fast tracked and planning commenced. Secondly, the University’s financial position improved due to higher-than-projected enrolments. Finally, we are planning to use some of our projected 2021 federal government research funding to support the infrastructure for this initiative. The University, in partnership with the Sydney Local Health District, submitted a full business case to NSW Health in 2020.

Parramatta/Westmead campus

2020 ended with the University and the NSW Government signing a new legal agreement to create a world-class multidisciplinary university campus at Parramatta/Westmead. The Government has selected the University as the ‘educational anchor’ for its planned innovation district at Parramatta/Westmead, based on our demonstrated capabilities as a top-100 global university. This paves the way for the University to play a significant role in shaping a critical area of Sydney in the remainder of the 21st century.

Following two years of negotiations, the Government and the University executed a Framework Deed that places the University in a strong position to develop a second major campus at Parramatta/Westmead in future years. The agreement gives the University ‘first-refusal rights’ on an option to acquire parcels of land in the Cumberland Precinct adjacent to the Westmead hospitals.

Campus Improvement Program

The University continued with the implementation of the Campus Improvement Program 2014-2020 that has delivered new buildings, infrastructure and recreational, sporting and retail spaces to support the University’s vision for the future.

By the end of 2020, the University successfully delivered and officially opened the Chau Chak Wing Museum, completed the refurbishment of the Old Teachers College to be the new home of the Sydney College of the Arts, completed the construction of the Susan Wakil Health Building for occupation in February 2021, and our partnership at Westmead progressed with the completion of the construction of the Central Acute Services Building and Innovation Centre.

A culture built on our values

Culture Strategy

The University has concluded and extended the initiatives of the culture arm of the 2016–2020 Strategic Plan, which sought to demonstrate leadership at all levels; embed our values; and promote understanding across institutional barriers. In 2020 this work included delivering five leadership development initiatives involving university staff and leaders, leading a review of the Code of Conduct for Staff and Affiliates, delivering the Vice-Chancellor’s Awards for Excellence, and establishing a suite of University-wide events and communications.

The University community has responded admirably to the challenges created by the COVID-19 pandemic, as reflected in the record 260 peer nominations for Vice-Chancellor’s Awards. The University recognised the vast contributions of 60 individual staff and teams, including 14 recipients of the Special Award for Excellence (2020), which honoured special contributions, creativity or commitment during the pandemic response.

Through a University-wide ‘Culture Forum’ event series and ‘Culture Chat’ video series the University sought to promote understanding and connection. This work covered themes that include our cultural aspirations, staff empowerment, role-modelling of values, institutional purpose, collegiality, and excellence. These events and videos reached more than 7500 University staff.

In addition, the Culture Strategy conducted consultations and roundtable discussions on the current state of the University’s cultural aspirations and how the values create a culture of excellence. The work has also been guided by a newly established Culture Advisory Council that comprises internal and external members.

Other issues

Freedom of speech and academic freedom

University of Sydney Attestation Statement

The University responded promptly to an independent review of freedom of speech and academic freedom in Australian higher education by former High Court Chief Justice, the Hon. Robert French AC. The University’s resulting Charter of Freedom of Speech and Academic Freedom took effect on 1 January 2020. The University’s Senate views the Charter as consistent with the principles of Mr French’s recommended Model Code for the Protection of Freedom of Speech and Academic Freedom in Australian Higher Education Providers.

In December, an independent review of the Model Code's implementation evaluated the University's approach as exemplary. This review, conducted by Emeritus Professor Sally Walker AM, made a small number of recommendations it believed would further strengthen the University's approach. The University will respond to these recommendations in 2021.

When adopting the University's Charter, the Senate also agreed to a review of the University's policies to ensure they are aligned with the provisions of the Charter. That review is ongoing and during 2020 the following policies were made or updated to align with the Charter: Student Charter 2020, Student Associations Policy 2020, Open Access to University Research Policy 2015, Research Data Management Policy 2014, Gift Acceptance Policy 2013 and Research Agreements Policy 2011.

The presidents of the Students' Representative Council and the Sydney University Postgraduate Representative Association served on the University's Model Code Implementation Group. The University will continue to encourage its affiliated student bodies to adopt and uphold the Charter's principles.

In August the Vice-Chancellor, Dr Michael Spence, released a statement to staff and students that asked them to familiarise themselves with the Charter's principles and reminded them that the University is a place where ideas can always be freely discussed, including controversial or unpopular views. "It is a place where people are free to express themselves and to protest or disagree, so long as they do so respectfully and in accordance with the law," Dr Spence said.

The Charter explicitly recognises the rights of all academic and professional staff to protest and engage in public debate (including, where appropriate having regard to their fields of expertise, to do so with reference to their connection with the University) and to criticise the University within the limits of the law. It includes an acknowledgement of the ancient learning cultures and traditions of the Aboriginal and Torres Strait Islander peoples on whose ancestral lands the University's campuses sit. On various occasions, the Vice-Chancellor and other University leaders responded to criticisms of the University and its staff, stressing the importance of respect for freedom of speech and academic freedom.

The University received a small number of complaints related to freedom of speech and academic freedom, with each matter dealt with on a case-by-case basis. All formal complaints were dealt with in accordance with the University's complaints procedures and the Resolution of Complaints Policy 2015. From 2021 the University will collect data on all formal complaints concerning issues of freedom of speech and academic freedom.

In August 2020 the NSW Police Force attended the University's Camperdown Campus to enforce a Public Health Order in relation to a protest involving about 50 people. The University raised its concerns about the response publicly and in a letter to the Inner West Police Area Command. The letter stressed the need for the University to work with the police to secure a safe environment on its campuses that supports freedom of speech, including through lawful protest. A joint set of protocols and communication processes to improve law enforcement for future protests on its campuses are under development.

In November, the Federal Court dismissed an application by the National Tertiary Education Union and Dr Tim Anderson against the University, in which they alleged, among other things, contraventions of the *Fair Work Act* by the University concerning a claimed enforceable right to 'intellectual freedom'. For more details about this matter, which is subject to appeal, see page 27.

Modern slavery

Modern slavery is a serious violation of dignity and human rights and includes exploitative practices such as human trafficking, slavery, servitude, forced labour, debt bondage and forced marriage. The University of Sydney is committed to respecting human rights and taking meaningful action to address modern slavery. In 2020, the University launched the Modern Slavery Framework and Implementation Strategy, outlining our vision to make a meaningful contribution to the global effort to eradicate modern slavery. Under the strategy, the University's priorities include building staff awareness and understanding of modern slavery risks through all-staff training; supporting our students with information and training and access to support services; and collaborating with others in the university sector, NGOs and business community.

In December the University achieved an important milestone in our response to the *Modern Slavery Act 2018 (Cth)* when we published our Modern Slavery Policy 2020, which sets out:

- the University’s commitment to respecting human rights and addressing modern slavery
- principles for taking meaningful action to identify and address modern slavery
- standards of behaviour expected of all staff, affiliates, suppliers and partners
- roles and responsibilities for implementing this policy
- how our commitment supports the University’s values of respect and integrity, openness and engagement, and diversity and inclusion
- a compliance framework for meeting reporting obligations set out in the *Modern Slavery Act 2018 (Cth)*.

To read the policy, please visit our website:

sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2020/516&RendNum=0

Under the *Modern Slavery Act* the University is required to prepare and publish an annual statement on steps taken to identify and address the risks of modern slavery in its operations, supply chains and investments. During 2020, we established a project team to map and respond to our legal reporting obligations under the Act. Work on developing the statement commenced in 2020 and it is due to be finalised in mid 2021.

Underpayment of staff

In 2020 the University discovered an issue regarding the payment of employee entitlements to some staff by the University. The issue came to light after the University proactively initiated a preliminary review of payroll records following reports from other large organisations of payroll issues. Price Waterhouse Coopers (PwC) was engaged to assist with the review, which has identified instances of underpayments and some overpayments of entitlements during the last six years. The errors appear to mainly arise from deficient and inconsistent processes and practices for timesheet submission and approval, and some inadequacies in the University’s payroll system.

The University has been proactive in informing the Fair Work Ombudsman and staff unions about the issue. Staff were also informed and updated through University communications. Based on the University’s preliminary review, it was expected that the total amount involved will be less than 0.5 percent of our annual payroll cycle.

In mid 2020 the University commenced a comprehensive analysis of all payments made to Enterprise Agreement-covered staff to identify any instances of incorrect payments so that the errors could be rectified and necessary back payments made to affected staff. The complexity and scope of this exercise is such that it will continue well into 2021. Work is also underway to address the causes of the errors to ensure that entitlements are correctly calculated in the future. This includes increased investment in our payroll systems and a review of relevant procedures, work practices and organisational behaviours. The University has already begun to implement some improvements and will continue to do so as a priority. The consolidation of the University’s HR function and the implementation of a new HR system will also provide a more consistent approach.

Legal change

There has been significant legislative and regulatory activity in 2020 that is relevant to universities.

Public health legislation introduced in NSW in 2020

To facilitate the public health response to the COVID-19 pandemic, the NSW Government introduced various public health orders under the *Public Health Act 2010*. Those orders have been amended on a rolling basis to accommodate public health concerns and have had ongoing and significant impacts on the activities of the University, particularly so far as its face-to-face teaching activities are concerned.

COVID-19 related legislation and orders

Of particular relevance is the various iterations of the *Retail and Other Commercial Leases (COVID-19) Regulation 2020* which gave a number of the University's tenants the right to negotiate rent relief and prevented the University from taking certain prescribed action, including terminating occupancy arrangements on the basis of non-payment of rent.

Higher Education Support Amendment (Job Ready Graduates and Supporting Regional and Remote Students) Act 2020

The *Higher Education Support Act 2003* was amended in October to reflect significant changes to university funding announced by the Australian Government in June through its Job-ready Graduates Package. These changes will, from 2021, provide additional Commonwealth-supported places for Australian students and targeted support intended to increase the numbers of students from regional and Aboriginal and Torres Strait Islander backgrounds accessing higher education. The Act restructures the Commonwealth Grant Scheme funding clusters and the Commonwealth contribution amounts for students.

From 1 January 2021 students will pay less in fields where the Government expects strong future employment growth but up to 113 percent more in disciplines considered less likely to prepare students for the future labour market. Significantly, the funding changes draw heavily on data the Government collects from universities about their teaching costs in different fields of education, effectively separating funding for higher education teaching and research and reducing average real funding for each enrolled

Commonwealth student by around 6 percent in 2021. The changes include three years of transition funding for providers and grandfathering arrangements for most continuing students.

Contract cheating

The *Tertiary Education Quality and Standards Agency Act 2011* was amended so as to make it a criminal offence to provide academic cheating services. If proven, the offence can result in imprisonment for up to two years. An academic cheating service involves a third-party providing work for a student where that work is required to be undertaken by a student as part of their assessment for a course.

Arrangements with foreign governments and their agencies

The *Australia's Foreign Relations (State and Territory Arrangements) Act* commenced on 10 December, imposing obligations on Australia's public universities. Where a public university has entered, proposes to enter or enters an arrangement with a foreign government, it must notify the Minister for Foreign Affairs. The arrangement must be in writing but need not be legally binding. In the case of universities, the arrangements most likely and most commonly affected are with foreign universities that do not enjoy institutional autonomy; which, relevantly, is to say independence from the control of their government.

The Minister has the power to require a university to terminate or vary an agreement if they determine that the arrangement would adversely affect Australia's foreign relations. In the case of a proposal to enter an arrangement, the Minister may require the University not to proceed further with negotiations concerning the arrangement and there is no requirement for the Minister to have regard to the requirements of procedural fairness when making a determination.

The Act augments the *Guidelines to Counter Foreign Interference in the Australian University Sector* and various existing Commonwealth laws including the *Foreign Influence Transparency Scheme Act 2018*. These laws and guidelines are supplemented by the delivery of outreach programs and tools to assist universities with their due diligence.

The University has established an integrated approach to identifying and managing foreign interference risks, in line with the Australian Government's guidelines.

In December it outlined its approach in a detailed submission to the Federal Parliamentary Joint Committee on Intelligence and Security's inquiry into foreign interference affecting Australian higher education and research sector.

the University did not contravene clause 315 of the EA because it did not create a legally enforceable right to exercise intellectual freedom. The decision is subject to an appeal.

Allegations concerning contract security providers

The NSW Independent Commission Against Corruption (ICAC) investigation, known as Operation Gerda, investigated whether, from January 2009 to February 2019, staff from Sydney Night Patrol & Inquiry Co (SNP Security) and/or its subcontractor, S International Group Pty Ltd (SIG), dishonestly obtained a financial benefit from the University while providing it with contracted security services.

Operation Gerda commenced in 2017 after the University reported to the Commission possible corruption in the supply of security services to the University.

Public hearings were held in February 2019 and on 26 May 2020 ICAC released the final report of its investigation, which included 24 corruption prevention recommendations to assist the University to improve its systems. The University cooperated fully with the investigation, welcomed ICAC's final report and provided a formal response to its recommendations in August. The University made good progress with its response to the investigation during 2020, significantly strengthening its contract management and financial controls at the local security level and progressively across the University's operations.

National Tertiary Education Union & Tim Anderson v University of Sydney

In November the Federal Court dismissed an application by the National Tertiary Education Union (NTEU) and Dr Tim Anderson against the University. During 2017 and 2018 Dr Anderson posted various materials on social media which the University alleged were in breach of the University's Code of Conduct and Public Comment Policy. Based on that view, the University terminated Dr Anderson's employment. This action was alleged to be unlawful adverse action and in breach of the *University of Sydney Enterprise Agreement 2018-2021* (the 'EA'). The Court found (i) it was not clear that a number of the posts constituted the exercise of intellectual freedom, and (ii) even if the posts were a genuine exercise of intellectual freedom,

Human resources

HR-related policies and practices

A new Flexible Working Arrangements Policy was launched in August, providing a framework for planning, managing and supporting ways of working flexibly. The policy builds on the gains made in flexible working throughout the COVID-19 pandemic response and aligns with the new Curriculum Timetabling Policy to support academic staff with teaching workload allocation.

The University launched a Staff Sexual Misconduct Policy and Staff Sexual Misconduct Response Procedures in October to ensure clear and transparent options for staff to lodge a disclosure or a complaint related to sexual assault or sexual harassment. This policy and procedures also provide guidance and support to assist staff and are part of the University's response to addressing issues raised in the Australian Human Rights Commission's Change the Course Report and Broderick Report. For more information, see 'Consumer response' on page 32.

In August 2020 the University launched the Academic Probation and Confirmation Policy. The policy and supporting procedures introduce a robust and consistent process for setting, monitoring and reviewing performance expectations from recruitment through to the critical first years of an academic staff member's employment with the University. They ensure academic staff are aware of their probation and confirmation conditions and that their performance and development is monitored and reviewed.

The Declaration of External Interests (DEI) online form was updated to enhance functionality, to support the University's International Collaboration Principles and to provide greater clarity that declarations include relationships with overseas entities.

The annual declaration process supports the declaration requirements of the External Interests Policy, Code of Conduct, and Outside Earnings of Academic Staff Policy. It also supports staff and managers in identification and management of conflicts of interest, thereby reducing any associated individual and reputational risk. In 2020 approximately 6500 staff and affiliates submitted declarations.

Strategic talent acquisition and strategic hires

2020 provided an opportunity to further build on our strategic intent of uplifting capability and embedding best practice into the University's talent acquisition process and procedures.

A new dedicated Senior Talent Acquisition function was created as part of the newly formed team structure to provide a differentiated delivery model for our most senior and strategic hires at the University. Two other pillars (Faculties and Schools and Central Portfolios) were also formed to provide focused attention to their respective client groups and allow for further service optimisation to occur.

A service uplift was noted in 2020 across all recruitment KPIs with a marked improvement in 'time to fill' (for both academic and professional appointments) and an increase in client satisfaction ratings for both hiring managers and candidates. 2020 was focused on ensuring service fundamentals were consistently in place across all recruitment activities.

Key appointments

The University appointed a number of key senior executive leaders throughout 2020, including Professor Stephen Garton AM as the Vice-Chancellor and Principal (as reported), Mr Philip Kent as the University Librarian, Mr Michael Powell as the Chief Safety Officer leading the newly established Safety PSU within the Operations portfolio and Professor Julie Cairney as Interim Pro-Vice-Chancellor (Research – Enterprise and Engagement).

Staff level and salary ranges as at 31 March 2020

Academic staff

Level E and above	\$202,042 +
Level D	\$156,848 – \$172,794
Level C	\$130,264 – \$150,204
Level B	\$106,343 – \$126,279
Level A	\$74,962 – \$101,018

General staff (35-hour week)

HEO 10 and above	\$130,409 +
HEO 9	\$121,998 – \$128,727
HEO 8	\$105,198 – \$118,639
HEO 7	\$93,986 – \$102,393
HEO 6	\$86,105 – \$92,824
HEO 5	\$74,898 – \$83,861
HEO 4	\$69,293 – \$73,216
HEO 3	\$60,889 – \$67,613
HEO 2	\$58,085 – \$59,769
HEO 1 and below	<= \$56,405

Combined totals of academic and general staff positions 2016-20 by appointment term and gender

	2016			2017			2018			2019			2020			
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Unspecified	Total	Women	Men	Total
Continuing	2192	1884	4076	2262	1976	4238	2397	2002	4399	2383	2021		4404	2527	2046	4573
Fixed term	1814	1204	3018	1945	1287	3232	2165	1381	3546	2409	1451		3860	2439	1519	3958
Total	4006	3088	7094	4207	3263	7470	4562	3383	7945	4792	3472	1	8265	4966	3565	8531

Academic staff positions 2016-20 by appointment term, level and gender

	2016			2017			2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
Level E & above	107	266	373	125	283	408	133	305	438	125	317	442	147	311	458
Level D	132	250	382	150	257	407	161	250	411	170	245	415	191	260	451
Level C	225	239	464	230	253	483	219	260	479	232	249	481	234	249	483
Level B	175	152	327	189	174	363	182	169	351	187	170	357	205	179	384
Level A	31	21	52	36	33	69	36	28	64	44	26	70	40	24	64
Subtotal	670	928	1598	730	1000	1730	731	1012	1743	758	1007	1765	817	1023	1840
Fixed term															
Level E & above	78	166	244	80	175	255	84	177	261	95	173	268	100	182	282
Level D	64	75	139	62	83	145	74	88	162	72	89	161	74	88	162
Level C	131	107	238	132	95	227	131	96	227	143	98	241	137	89	226
Level B	230	187	417	237	184	421	292	203	495	311	230	541	299	233	532
Level A	316	262	578	329	316	645	355	316	671	356	317	673	350	351	701
Subtotal	819	797	1616	840	853	1693	936	880	1816	977	907	1884	960	943	1903
Total	1489	1725	3214	1570	1853	3423	1667	1892	3559	1735	1914	3649	1777	1966	3743

General staff positions 2016-20 by appointment term, level and gender

	2016			2017			2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
HEO 10 & above	138	110	248	145	117	262	156	128	284	169	142	311	196	142	338
HEO 9	97	101	198	105	106	211	133	103	236	139	96	235	133	86	219
HEO 8	234	171	405	212	167	379	231	156	387	215	157	372	210	150	360
HEO 7	268	193	461	278	186	464	311	187	498	309	183	492	330	192	522
HEO 6	415	180	595	433	189	622	432	201	633	404	197	601	435	190	625
HEO 5	215	94	309	204	107	311	240	109	349	229	131	360	246	162	408
HEO 4	89	49	138	88	49	137	100	49	149	95	57	152	99	55	154
HEO 3	41	48	89	38	47	85	43	47	90	46	44	90	42	40	82
HEO 2	18	10	28	22	8	30	14	9	23	17	7	24	15	6	21
HEO 1 & below	7	0	7	7	0	7	6	1	7	2	0	2	4	0	4
Subtotal	1522	956	2478	1532	976	2508	1666	990	2656	1625	1014	2639	1710	1023	2733
Fixed term															
HEO 10 & above	57	67	124	68	59	127	94	70	164	117	74	191	132	79	211
HEO 9	48	32	80	63	36	99	62	46	108	83	55	138	94	61	155
HEO 8	109	46	155	120	49	169	137	71	208	161	68	229	186	80	266
HEO 7	169	95	264	184	107	291	226	119	345	275	116	391	281	124	405
HEO 6	261	67	328	264	78	342	286	79	365	324	89	413	329	102	431
HEO 5	217	58	275	268	77	345	300	83	383	333	99	432	304	84	388
HEO 4	66	19	85	62	5	67	70	16	86	96	28	124	104	29	133
HEO 3	59	15	74	67	14	81	47	9	56	38	10	48	45	11	56
HEO 2	7	6	13	6	6	12	4	4	8	3	1	4	3	1	4
HEO 1 & below	2	2	4	3	3	6	3	4	7	2	4	6	1	5	6
Subtotal	995	407	1402	1105	434	1539	1229	501	1730	1432	544	1976	1479	576	2055
Total	2517	1363	3880	2637	1410	4047	2895	1491	4386	3057	1558	4615	3189	1599	4788

Workforce diversity

In 2020 the University continued to focus on our core values of diversity and inclusion. By harnessing the power of diversity, the University becomes collectively stronger, can challenge ordinary thinking and achieve our ambition for excellence. It is with this collective strength that we cultivate an inclusive environment, so all staff can thrive and realise their full potential at the University.

The University celebrated diversity and inclusion at the Vice Chancellor's Awards for Excellence where our networks (Mosaic, Pride, Disability at Work, Women at Sydney and Indigenous Staff Networks) received the Outstanding Contribution to Diversity and Inclusion award and the Aboriginal and Torres Strait Islander Coaching and Mentoring Academic Program received the Outstanding Mentoring and Leadership award.

COVID-19 impacts and flexible working

The COVID-19 pandemic presented specific challenges to the University and a re-alignment of our diversity and inclusion priorities was required to support the immediate need of staff moving from campus to remote working and impacts on available resources and staff.

The University was the first to sign the commitment for Preserving Gender Equity as a Higher Education Priority During and After COVID-19 (then signed by more than 20 universities and institutions across Australia) and also implemented additional measures to retain staff living with disability and Aboriginal and Torres Strait Islander staff during this time of consolidation.

As reported, our Flexible Working Arrangements Policy was updated and communicated to staff with corresponding training (more than 1500 people attended), guides and programs. This included immediate support for those requiring workplace adjustments at home, particularly for those living with disability. We also saw the release of tips, seminars and guides to support parents and carers to juggle their responsibilities while working remotely.

Gender equity

Our participation in the Athena SWAN/Science in Australia Gender Equity (SAGE) Program and the Women's Career Acceleration and Leadership Strategy contributed to increases in the representation of women at leadership levels across the University.

While women are now well represented among senior professional staff, there is still progress required with our senior academic staff. The delivery of targeted development programs supported women as the majority of applicants for promotion to Level E academic positions (with high success rates) for the first time at the University.

Level	% of women
Senior leaders	46%
Level E academic staff (including exempt)	32%
Level D academic staff	42%
Senior professional staff	46%

Key achievements:

- Continued implementation of the University's 2019 Athena SWAN Bronze Institutional Award Action Plan.
- Commencement on the Silver Award application to attain five Cygnet Awards relating to key barriers to gender equity
- Maintained compliance with the Workplace Gender Equality Agency's requirements for the eighth consecutive year

Aboriginal and Torres Strait Islander people

The University continued our commitment to the Aboriginal and Torres Strait Islander Employment Framework 2019-2021, which aims to increase representation and attract new talent. The new *One Sydney, Many People Strategy* was developed and the Framework will transition in 2021 under the strategy's focus area of Eora – People (staff and students).

Key achievements:

- Re-established and strengthened the Aboriginal and Torres Strait Islander network
- Creation of dedicated support through our network and a dedicated Employee Assistance Program hotline to assist Indigenous staff with the Black Lives Matter movement and COVID-19

- Continued delivery and review of the Wingara Mura Leadership Program and the Merit Appointment Scheme
- Continued partnership with AFL Sportsready for the delivery of Indigenous traineeships
- Piloted a Coaching and Mentoring Aboriginal and Torres Strait Islander Academics program
- Celebrated culturally significant events, including the annual Aboriginal Welcoming Smoking and Dancing ceremony, Reconciliation Week, NAIDOC Week and Mabo Day.

LGBTQ

We are proud to continue our commitment to LGBTQ inclusion while ensuring the University remains a safe environment for people of diverse sexualities and genders.

Key achievements:

- Maintained Silver status for a second year in the Australian Workplace Equality Index
- Implemented changes to our Leave Policy to explicitly state parental leave was available to all as well as implementation of new gender affirmation leave
- Participation in the Sydney Gay and Lesbian Mardi Gras Parade and Fair Day
- Celebrated multiple days of significance throughout the year together with several remote events ran by the Pride Network
- Increase in the visibility of LGBTQ women at the University

Disability

The Disability Inclusion Action Plan 2019-24 affirms the University's aspiration to be an employer of choice for people with disability.

Key achievements:

- Piloted a Disability Employment Program, worked with recruitment firms to source further candidates and made changes to the University screening process
- Maintained targeted disability awareness training to staff with online content and Confident Manager workshops
- Raised awareness on key diversity dates throughout the year
- Continued to work with the Disability at Work Network on implementing policy changes

Cultural diversity

The University affirms the importance of dignity for all individuals and strives to create and maintain a culture that respects diverse traditions, heritages, and experiences.

Key achievements:

- Continued the Vice-Chancellor's Sponsorship Program for culturally diverse women.
- Launched two anti-racism workshops in conjunction with the Aboriginal and Torres Strait Islander Network and the Pride Network.
- Partnered with networks to discuss the effects of COVID-19 on diverse communities from an Indigenous as well as a parent and carer perspective.
- Initiated the 'Say My Name' campaign to help others pronounce your name, signal additional languages and do your best to pronounce someone else's name.

Diversity of University staff

Diversity group	2019	2020
Female	4792	4966
Aboriginal and Torres Strait Islander	90	86
Ethnic/racial/religious minority	712	748
People whose first language was not English	1073	1678
People with a disability	126	132
People with a disability requiring work-related adjustments	18	19

Please note: All diversity data is based on optional staff self-disclosure.

Diversity group	2019	2020
Academic		
Female	1735	1777
Aboriginal and Torres Strait Islander	38	38
Ethnic/racial/religious minority	273	286
People whose first language was not English	557	827
People with a disability	52	58
People with a disability requiring work-related adjustments	13	14
General		
Female	3057	3189
Aboriginal and Torres Strait Islander	52	48
Ethnic/racial/religious minority	439	462
People whose first language was not English	516	851
People with a disability	74	74
People with a disability requiring work-related adjustments	5	5

Please note: All diversity data is based on optional staff self-disclosure. Numbers as of 31 March 2020.

Consumer response

In 2020 the COVID-19 pandemic had a significant impact on the nature and volume of complaints received by the University and, in some contexts, directly affected our management of complaints. Our shift to remote learning and teaching in March, in line with government and NSW Health public health directives, meant that we had a greatly reduced staff and student population physically on campus for much of the year.

At the University our Student Affairs Unit (SAU) handles complaints from and/or about students and misconduct by students. Like virtually every element of the delivery of degree programs in the teaching year of 2020, complaints received by the SAU reflected the wide-ranging effects of the COVID-19 pandemic through the substantial adaptations undertaken at very short notice to accommodate remote learning as the default learning mode. Similarly, the University's Workplace Relations Unit needed to adapt its communication modes for managing complaints because of the lack of staff on campus. This unit deals with complaints made about staff and affiliates that relate to alleged bullying, harassment, discrimination, sexual assault and sexual harassment and other various types of complaints. Such complaints may be made by staff, affiliates, students or members of the public.

Sexual misconduct

The University is committed to responding to sexual misconduct in a compassionate, transparent and fair manner, in an environment that promotes respect and dignity. In 2018, the University released the Student Sexual Misconduct Policy and Student Sexual Misconduct Response Procedures. On 6 October 2020, the University further enhanced our framework of safety and support when we released the Staff Sexual Misconduct Policy and Staff Sexual Misconduct Response Procedures. This policy and set of procedures are designed to support current and former staff and affiliates who may want to make a disclosure or complaint about sexual misconduct. In addition, the University launched two new online forms for staff and members of the public to make reports of sexual misconduct.

Likewise, the University is committed to resolving claims of historical sexual abuse in a compassionate, transparent and fair manner, in an environment that promotes respect and dignity for claimants and which treats people accused of sexual abuse fairly. Further information is available in the University's Guiding

Principles for Responding to Claims of Historical Sexual Abuse: sydney.edu.au/content/dam/corporate/documents/about-us/values-and-visions/final_guiding-principles-historical-claims_v06102020.pdf

The University provides support to survivors of sexual misconduct through the Safer Communities Office, established in November 2019. This office is a team of specialist staff who provide trauma-informed support and assistance.

Student complaints

In 2020, the Student Affairs Unit (SAU) received a total of 1282 complaints – approximately double the number of complaints when compared with those received in 2019.

Three themes were evident in 2020:

1. Complaints about inadequate guidance and/or support following the movement of assessment and learning to the remote learning environment – some from individual students, but the majority from groups of students in the same units of study submitting identical or near-identical complaints. These group complaints were the main cause of the doubling of complaint numbers.
2. Complaints about technical malfunctions relating to online invigilation and/or examinations
3. Complaints about eligibility for the University's financial relief packages, particularly the Travel Ban Hardship Fund, a scheme quickly implemented to support students in specific circumstances that arose from COVID-19 impacts.

In relation to the first two themes, many complaints arose from the implementation of systems or services not previously used in those units of study. For the third theme, completely new programs were created without the opportunity for comprehensive testing, due to time constraints. Overall, the responses from faculties and schools in relation to complaints regarding their units of study were swift and effective. While not every resolution was welcomed by all complainants, a great deal of consideration was given to the novel circumstances involved, and in some cases alternative arrangements were made to reduce or eliminate unfair outcomes, including a number of policy changes. In the case of the financial relief packages, significant work was done to ensure fairness in decision making and program delivery, including formal reviews of decisions.

During 2020 the SAU received two sexual and indecent assault complaints from students, compared to six in 2019, and it received 12 formal sexual harassment complaints, compared to 14 in 2019.

Staff complaints

There was a total of 130 complaints during 2020, which was a six percent decrease compared to 2019. This excludes disciplinary matters such as misconduct/serious misconduct and unsatisfactory performance. In 2020 there was one sexual assault complaint and eight formal sexual harassment complaints were made by staff and students against staff and affiliates, compared to two and six respectively in 2019.

The decline in the overall number of complaints can be attributed directly to staff and students working and studying at home during the COVID-19 pandemic. As a result, the frequency and type of staff-to-staff and student-to-staff interactions changed and often reduced, and the Workplace Relations unit had to rely on a greater use of Zoom meetings and discussions via the phone as opposed to face-to-face meetings.

The largest category of complaints remains allegations of bullying. Complaints about a staff member's behaviour remain the second most common form of complaint. Each complaint is assessed in accordance with due policy and process and appropriate actions are determined and taken by the delegate in response. Such complaints about behaviour, if substantiated, may result in any one of the following determinations:

- misconduct/serious misconduct proceedings commence
- mediation or a facilitated discussion will take place to improve workplace behaviour and relations
- counselling or being directed to attend specified training courses that may be in conjunction with other determinations.

The time taken by workplace relations staff to process complaints in accordance with relevant University policy and procedure is about the same compared to last year, excluding a few very complex, serious and lengthy investigations, some of which involved other employers.

Infrastructure issues

In 2020 University Infrastructure (UI) managed complaints received from the community and University staff about infrastructure, facilities and security issues (including those complaints Central Operations raised with UI) using the approved UI Complaints Management guidelines. The guidelines are based on the customer satisfaction formula recommended by the NSW Ombudsman's Effective Complaint Handling (3rd Edition – February 2017) and the Australian/New Zealand Standards– Guidelines for complaints management in organizations (ISO 10002:2014, MOD).

The process is designed to deliver quality customer service and to enable the University to communicate effectively with our stakeholders, students and the neighbouring community.

The University received 48 complaints regarding issues associated with infrastructure and services, compared to 105 complaints in 2019. Eighty-eight percent of these complaints related to facilities management and security issues. Many of the 48 complaints related to physical noise (42 percent) and parking related issues (38 percent). More than half of complaints were received from local residents and the rest came from University staff (33 percent), the general public (6 percent), students (6 percent) and government agencies (2 percent).

The sizeable reduction in complaints could be attributed to the working from home and online study arrangements that were introduced in March 2020.

Cyber security

The security of the University's information and systems is fundamental to our ability to achieve excellence in research and education. Improving and maturing our cyber security continued to be one of our highest priorities in 2020, to ensure data and our information and communications technology (ICT) are safe and secure.

We take a rigorous, standards-based approach to managing cyber security risks for our staff, students, alumni, affiliates, partners and vendors, and all other organisations and individuals who support our commitment to excellence. Our Cyber Security Policy defines the responsibilities and principles required within the University to protect the confidentiality, integrity and availability of ICT resources and digital information, and the Acceptable Use of ICT Resources Policy outlines the conditions of use of University ICT services, and penalties for misuse. These policies are publicly available at www.sydney.edu.au/policies. From late 2019 to the end of 2020 a total of 12,431 staff completed cyber security awareness training, via a mandatory online module.

Our defence-in-depth approach to managing cyber security risk encompasses technical, procedural and personnel controls, and in designing our control model we have adopted many of the Australian Signals Directorate's (ASD) recommended mitigation strategies. The University recognises that while technological control measures and prevention are vital, these measures cannot provide absolute protection from highly skilled, resourced and motivated threat actors. Consequently, we have partnered with managed security service providers to deliver a continuous monitoring, incident detection and response capability.

The move to increased remote working in response to COVID-19 changed the risk profile for staff, and consequently the University has focused on ensuring that devices are compliant with our security standards and that staff awareness of email phishing threats was strengthened.

There has also been increased engagement with the Australian Government, through the University Foreign Interference Taskforce, who published best practice guidelines for cyber security, and in response to proposed changes to the *Security of Critical Infrastructure Act 2018 (Cth)* that bring the sector within the scope of the Act and impose new "positive security obligations" on universities and others.

The University recognises that the cyber security threat environment continues to deteriorate, and that government and community expectations of organisations' cyber security controls are increasing. In this context, the University will continue to prioritise improvements to our cyber security capability and maturity for the foreseeable future.

Risk management and insurance

2020 highlighted the important role that risk management plays in enabling the successful operations of the University, particularly in turbulent times. Substantial progress was made in uplifting the organisational resilience maturity through the development, implementation and testing of business continuity plans across the University. This work facilitated a more coordinated and effective response to the ongoing disruptive impact of the COVID-19 pandemic.

For the first time in the University's history, the Crisis Management Committee was formally activated for an extended period to oversee the pandemic response effort. The coordinated and agile response to the pandemic enabled the University to minimise the potential financial and operational impacts in 2020. Additionally, the Organisational Resilience Framework and related artefacts now incorporate key learnings from the ongoing pandemic.

2020 also saw active and regular referencing of the University Risk Appetite and Tolerances and Risk Management Framework in key strategic and operational decisions. Reports on emerging risks, enterprise level risk mitigation status and significant local unit risks continued to be provided to the University Executive and Senate Risk and Audit Committee throughout 2020, giving timely insight into the risk exposure levels across the University.

Other notable achievements during the year include:

- maturing risk management processes across faculties, schools, portfolios and professional service units
- continuing to report and proactively manage risk exposure against the University's risk appetite and tolerance statement through key risk indicators
- continuing to review and revitalise Risk and Audit Committee reporting.

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

Work health and safety

Safety strategy

The University continued to drive improvements in safety culture through our Safety and Wellbeing Strategy 2017-20. This included a focus on visible leadership, with more than 4166 leader-led safety conversations undertaken, including 187 by University Executive members.

The psychological health and wellbeing framework was established to reinforce the importance of accountability for psychological wellbeing at all levels, individual, team and University.

As reported on pages 11 and 12, the University has made safeguarding the health of its community our first priority throughout the COVID-19 pandemic, with safety and wellbeing considered during all decision making. A coordinated and safety-focused approach resulted in a swift transition to online learning and remote working in Semester 1, 2020 and increased on-campus activity in Semester 2.

Work health and safety governance

The People and Culture Committee of Senate met throughout 2020 to oversee governance of safety risk. In September oversight of safety risk was transferred to the Risk and Audit Committee of Senate.

Work health and safety management

The University Executive (UE) Work Health & Safety Committee met four times during 2020 to monitor University-wide WHS performance, undertake consultation and optimise the University decision-making process for University-wide WHS issues.

A change program was initiated with the objectives of creating a new professional service unit focused on safety, under the Vice-Principal Operations; creating a new Chief Safety Officer role; and consolidating reporting lines of all safety professionals into the Safety Professional Services Unit.

Safety Management System audit

Safety Management System (SMS) auditing continued throughout 2020, as part of a three-year program designed to assess implementation of the University's safety management system. The scope of each audit included verification of effective risk controls and recommendations for improved WHS performance through an appreciative line of enquiry.

A new role has been established to focus on the University's Safety Assurance Framework and associated Audit Program. The Senior Manager Safety Specialists and Assurance commenced in October 2020 and an updated Safety Assurance Framework has been developed.

WHS training

Significant compliance improvements achieved during 2019 were maintained during 2020. At the end of 2020, 99 percent of 8372 fixed-term employees had completed the online university WHS Induction and 87 percent of 1491 managers had completed the WHS for Managers and Supervisors training. A completion rate of 80 percent was achieved for the WHS induction of HDR students.

Operational risks

A variety of tools and resources were developed to support the COVID-19 pandemic response, including the shift to remote working, the continuation of essential on-campus activities, and the gradual return to on-campus activities with physical distancing and enhanced hygiene.

Operational support was provided to facilitate the safe relocation of the Sydney College of the Arts from Rozelle to new facilities in the Old Teachers College, along with the commissioning of the Chau Chak Wing Museum and Susan Wakil Health Building.

The MyLab services for end-to-end management of hazardous substances was bedded in, and a review of the management of Scheduled Drugs and Poisons was carried out in partnership with the DVC Research portfolio.

The Office of the Gene Technology Regulator finalised amendments to the Gene Technology Regulations designed to ensure that new technologies used in research processes are appropriately regulated. Steps have been taken to manage the implications. The University's Radiation Management Licence was renewed in July 2020, based on an established regulated material and apparatus inventory.

Work health and safety incidents

In 2020 there were a total of 1455 incidents and hazards reported via Riskware. This represents a 30 percent decrease in overall reporting from the previous year, attributed to less on-campus activity in response to the COVID-19 pandemic. A total of 64 percent of all reports were hazards and near misses.

Cut, puncture or graze (22 percent) was the most frequent mechanism of injury reported during 2020, followed by slip or trip (14 percent), body stress from ergonomic factors (8 percent) and body stress from handling objects and body stress from repetitive movement (7 percent each).

The most frequently reported injury differed between staff and students. For staff the most frequent injury was slip or trip and fall on same level while the most frequent students' injuries were the result of cut, puncture or graze.

Staff

Mechanism	Number	% of total
Slip or fall on same level	54	17%
Cut, puncture or graze	45	14%
Body stress from ergonomic factors	39	12%

Students

Mechanism	Number	% of total
Cut, puncture or graze	64	40.25%
Acute illness	20	12.58%
Hit (or struck) by an animal	10	6.29%

Wellbeing

Wellbeing is acknowledged by the University as an organisational priority. The sustainability and effectiveness of wellbeing programs targeting physical and psychological health are supported by a network of 70 wellbeing champions.

During the pandemic response, the key objective of 'Wellbeing at Sydney' was to assist staff to adjust to new ways of working and manage heightened levels of anxiety and uncertainty. Wellbeing resources were quickly adapted to meet the context of the pandemic response. One of the most successful campaigns was a series of working well remotely webinars. These featured our leading professional and academic subject matter experts discussing a range of topics to promote wellbeing while working remotely. There was a high level of engagement – 1552 staff participated in 16 webinars. Similarly, there was a high level of engagement in mindfulness training and practice to build resilience, with 1562 instances of staff participation in mindfulness initiatives, compared with 904 during 2019.

The annual flu vaccination program was bought forward and successfully delivered across five campuses during April and May, with vaccination

vouchers also provided to local pharmacists. A total of 3975 staff took advantage of the free vaccination program – a 4 percent increase in participation compared with 2019. Other physical wellbeing activities included walking challenges and an evidence-based weight control and lifestyle program.

Workers compensation

In 2020, 264 incidents of injury were reported to the Insurer, with 81 resulting in workers compensation claims, a 20 percent decrease in the total number of claims compared with 2019.

	2020	2019	2018	2017
Total cost of claims	\$630,298	\$494,243	\$337,402	\$453,300
Average time lost (days per claim)	4.74	5.00*	8.49*	7.36*
Average cost of claims	\$7,781	\$5,673	\$4,205	\$5,596
Injuries reported (WC claims)	81	101	112	91
Premium payable (\$million)	\$2.04	\$1.79	\$1.49	\$1.43

* Change to calculation method to include sick leave days taken

Musculoskeletal and traumatic joint, ligament and muscle tendons injuries continue to be the most prevalent workers' insurance claims. Psychological injury claims accounted for 11 percent of all claims in 2020, compared with four percent during 2019. A total of 236 staff were supported to remain at, or recover at, work while experiencing personal ill health issues. Of those cases, 41 percent related to mental ill-health.

The University continues to provide an Employee Assistance Program by Benestar Pty Ltd. Staff use of the Employee Assistance Program was 7.7 percent, which is higher than the industry average (three percent). This result provides a positive indicator that staff (and their families) are taking help-seeking steps to access support services.

Insurance arrangements

The University has completed its ninth successive year in the NSW Loss Prevention and Recovery Workers Compensation Scheme. Cost of claims and premium cost for 2020 were above the minimum premium payable. The University will remain insured under the icare Loss Prevention and Recovery scheme for Workers Compensation in 2021.

Privacy and personal information

The University complied with the requirements of the *Privacy and Personal Information Protection Act* as outlined in its Privacy Management Plan, Privacy Policy 2017 and Privacy Procedures 2018. We responded to 21 requests for access to information and completed 12 internal reviews under Part 5 of the Act. One privacy event was reported to the Privacy Commissioner. No matters were decided by the NSW Civil and Administrative Tribunal or investigated by the NSW Privacy Commissioner.

Government Information (Public Access) Act

Program for the release of information

We reviewed our program for the release of information, to confirm its adequacy. We assessed access applications, the University's Contracts Register, information made available under the Open Access requirements, and the University website. No patterns regarding information sought were identified, and the types of requests received were not generated by gaps in the program of proactive release. Our website facilitates proactive release of information where there is no overriding public interest against disclosure. We communicated policy and procedures and changes, such as new buildings, units, staff appointments, events, updated media releases and contact details for further information.

Access applications received during the year

We received 42 new access applications: 11 were for the personal information of the applicant; 28 were for information other than personal information; three were for a combination of personal information and information other than personal information; none were withdrawn. The number of new applications received increased compared with 32 new applications for 2019. Three were refused partly, because the applications were for the disclosure of information referred to in Schedule 1 of the *Government Information (Public Access) Act* (information for which there is conclusive presumption of overriding public interest against disclosure). Seven internal reviews were conducted.

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	1	2	2	2	2	1	0	0
Members of Parliament	0	1	0	0	0	0	0	0
Private sector businesses	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	2	1	0	0	1	1	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	6	10	2	3	0	1	0	0

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

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	1	7	1	0	0	0	0	0
Access applications (other than personal information applications)	7	7	2	5	3	3	0	0
Access applications that are partly personal information applications and partly other	1	0	1	0	0	0	0	0

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

Table C: Invalid applications

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

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	3
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

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

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of occasions when application not successful
Responsible and effective government	12
Law enforcement and security	1
Individual rights, judicial processes and natural justice	14
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	No of applications
Decided within the statutory timeframe (20 days plus any extensions)	9
Decided after 35 days (by agreement with applicant)	17
Not decided within time (deemed refusal)	10
Total	36

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	1	2	3
Review by Information Commissioner*	5	0	5
Internal review following recommendation under section 93 of the Act	1	3	4
Review by NCAT	1	0	1
Total	8	5	13

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

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	No of applications for review
Applications by access applicants	12
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

Financial review of 2020

Statement of financial performance (Income statement)

The University of Sydney's parent only financial statements for the year ended 31 December 2020 show an underlying deficit of \$2.2 million (2019: \$22.4 million). This operating result excludes quarantined items that cannot be spent on day-to-day operations.

If quarantined items such as unspent funds relating to specific research grants, philanthropic funds allocated by donors to certain purposes and funds that must be spent on specific capital investment projects are included, the University recorded a 2020 operating result of \$106.6 million (2019: \$177.9 million).

While an operating result of \$106.6 million reflects the University's financial position in accordance with Australian accounting standards, it does not represent a surplus that can be spent freely. The operating result can be reconciled to the underlying result as follows:

	2020 \$M	2019 \$M	Change \$M	Change %
Operating revenue ¹	2,644.4	2,740.3	(95.9)	(3.5)
Operating expenses ²	2,537.8	2,562.4	(24.6)	(1.0)
Parent operating result per financial statements	106.6	177.9	(71.3)	(40.1)
Adjusted for:				
Philanthropic funds ³	(74.2)	(170.9)	96.7	56.6
Investment funds ³	8.5	(39.8)	48.3	121.4
Specific purpose grants	(9.5)	42.6	(52.1)	122.3
Parent underlying margin before borrowing costs	31.4	9.8	21.6	220.7
Borrowing costs	(33.6)	(32.2)	(1.4)	(4.3)
Parent underlying margin after borrowing costs	(2.2)	(22.4)	20.2	(90.3)

¹ For further information, see Section 1 on operating revenue (page 43)

² For further information, see Section 2 on operating expenses (page 46)

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

The positive operating result disclosed in the financial statements was achieved through contributions generated by quarantined items that include the following:

- **Philanthropic funds:** A large proportion of the philanthropic funds managed by the University must be invested in perpetuity. Under the terms of many of the endowments, some investment income

derived from these investments must be retained to maintain the real value of the endowment and is not therefore available to fund day-to-day operations.

- **Investment funds:** Must be held in reserve to meet capital requirements for a collateral fund to support the University's borrowing program and protect against any unforeseen circumstances. These reserves also support our obligation to meet employee entitlements and will assist in providing accommodation for our students.
- **Specific purpose grants:** Impact of accounting for as-yet unspent but committed research and education grants, including National Health and Medical Research Council grants, Australian Research Council grants and student scholarship funds.

Statement of financial position (Balance sheet)

The University Statement of financial position has been dissected to provide greater understanding of the significant restrictions that are in place for many of the funds held. 46.3 percent of the University's wealth, represented by its Net Assets, represents value that cannot be applied to support the University's day-to-day operations. Segregating the Statement of financial position demonstrates that much of the University's cash balances and the majority of its financial investments are restricted in terms of their use, largely being governed by philanthropic restrictions. In the table below please note the following:

- Tied funds are those funds contributed by external research funding bodies that can only be used for the specific purpose intended by the funder.
- Endowment funds are those restricted purpose funds that are unable to be utilised, except for the specific purpose intended by the donors of the funds.
- Future funds are the funds set aside by the University for the specific purpose of providing a backstop for the University's borrowing program, to protect staff entitlements and to shield the University against unforeseen circumstances.

Summary Balance Sheet as at 31 December 2020

	Discretionary University funds	Tied University funds	Endowment funds	Future funds	Total
Description	\$M	\$M	\$M	\$M	\$M
Assets					
Cash and cash equivalents	483.0	239.1	67.7	27.9	817.7
Receivables and contract assets	54.9	0.2	6.2	2.5	63.8
Other financial assets	200.2	-	1,114.2	472.6	1,787.0
Other non-financial assets	38.9	-	-	-	38.9
Superannuation fund receivables	1,542.3	-	-	-	1,542.3
Intangible assets	174.9	-	-	-	174.9
Total non-property assets	2,494.2	239.3	1,188.1	503.0	4,424.6
Liabilities					
Trade and other liabilities	306.7	239.3	6.5	98.6	651.1
Borrowings	694.7	-	-	-	694.7
Staff provisions	414.2	-	-	-	414.2
Other provisions	120.2	-	-	-	120.2
Superannuation fund liabilities	1,541.3	-	-	-	1,541.3
Total liabilities	3,077.1	239.3	6.5	98.6	3,421.5
Net non-property assets	(582.9)	-	1,181.6	404.4	1,003.1
Property, plant and equipment	3,211.1	-	25.4	623.4	3,859.9
Net assets	2,628.2	-	1,207.0	1,027.8	4,863.0

University unencumbered cash on hand	483.0
University weekly cash draw	50.1
Cover	9.6 weeks

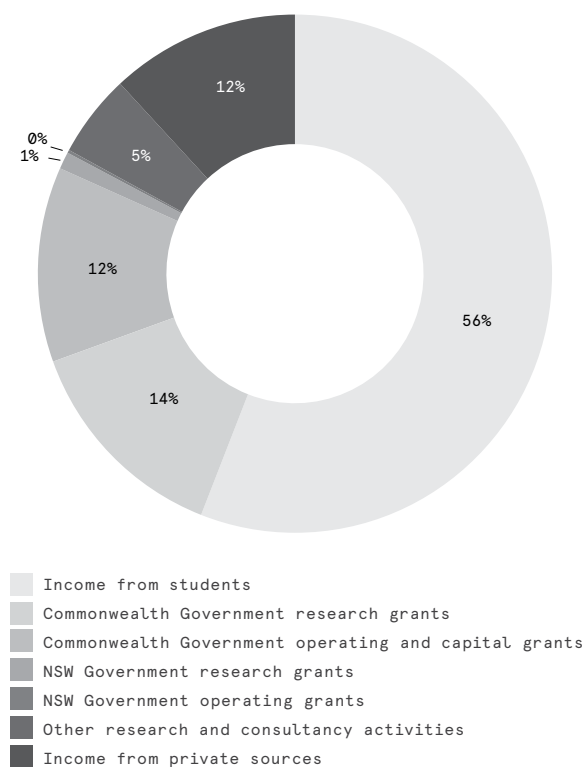
An analysis of the above highlights that the University's available non-property assets have a deficit value of \$582.9 million, the largest component of which is the University's borrowings in the form of bond and lease finance.

1. Operating revenue

The 2020 operating revenue of \$2,644.4 million was \$95.9 million less than 2019, mainly due to the impacts of the COVID-19 pandemic. The University's response to these impacts included implementing a program of austerity measures to ensure our financial viability and security (see page 11 for more details).

The following table and chart show the major components of the reported revenue.

	2020 \$M	2019 \$M	Change \$M	Change %
Income from students (including HECS-HELP and FEE-HELP)	1,479.5	1,454.9	24.6	1.7
Commonwealth Government operating and capital grants	321.9	310.7	11.2	3.6
Research and consultancy activities	523.4	513.2	10.2	2.0
NSW Government operating grant	4.9	3.8	1.1	28.9
Income from private sources	314.7	457.7	(143.0)	(31.2)
Total	2,644.4	2,740.3	(95.9)	(3.5)



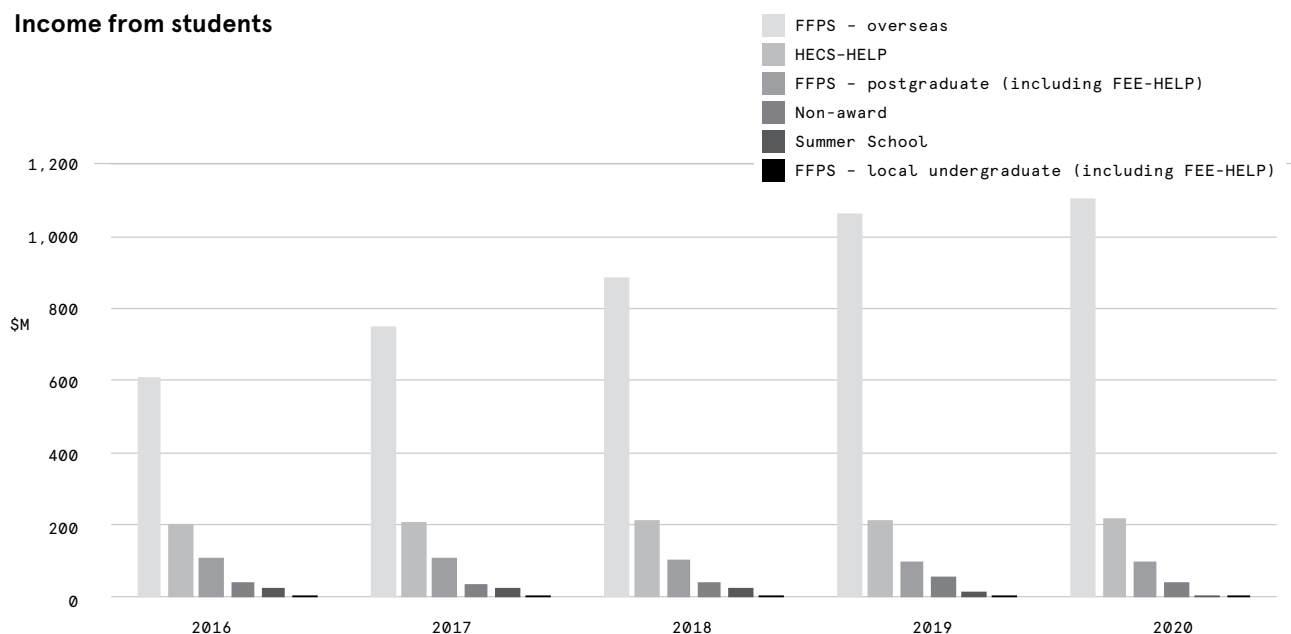
1.1 Income from students

Despite the uncertainty of the global pandemic, enrolment numbers for overseas full fee-paying (FFP) students remained strong in 2020, and this cohort represented 74.7 percent of total student income.

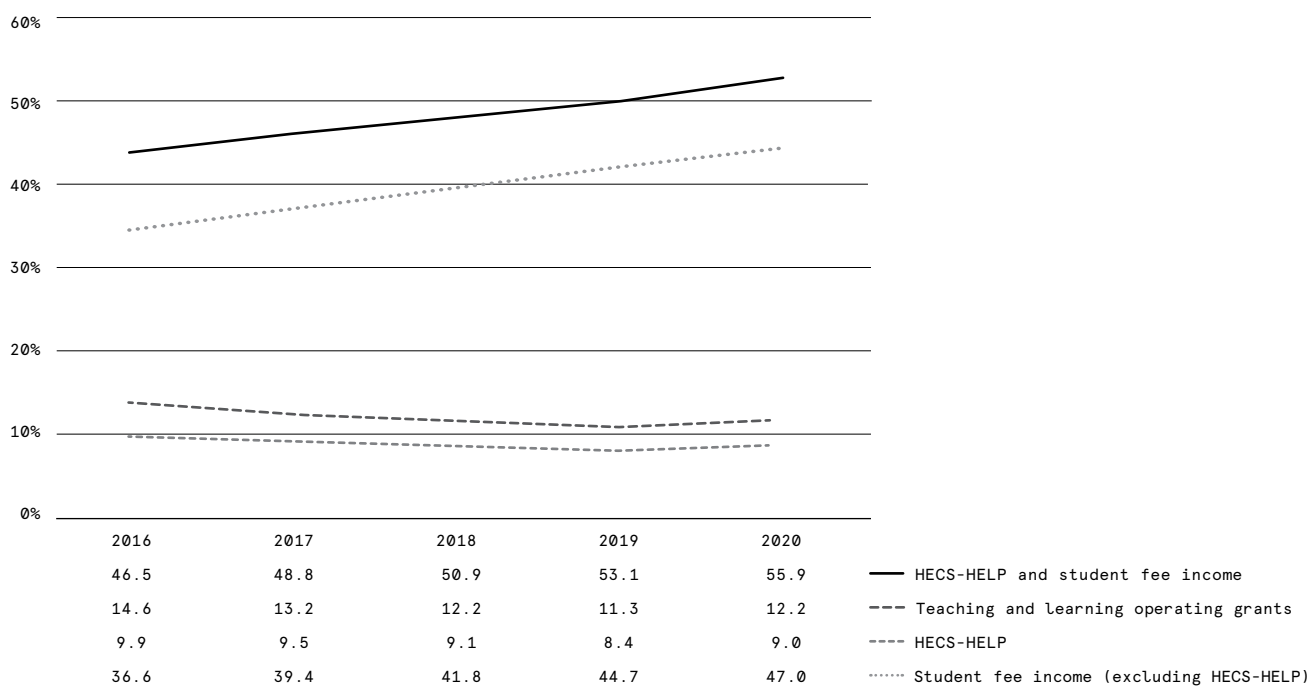
The 2020 growth in income from students of \$24.6 million was mainly attributable to additional course fees generated from FFP overseas students of \$43.3 million, an increase of 4.1 percent, offset by reductions in non-award and Summer School programs.

	2020 \$M	2019 \$M	Change \$M	Change %
FFPS - overseas	1,105.2	1,061.9	43.3	4.1
HECS-HELP	223.1	216.6	6.5	3.0
FFPS - postgraduate (including FEE-HELP)	101.4	100.8	0.6	0.6
Non-award	43.9	58.3	(14.4)	(24.7)
Summer School	5.3	16.8	(11.5)	(68.6)
FFPS - local undergraduate (including FEE-HELP)	0.6	0.5	0.1	20.0
Total income from students	1,479.5	1,454.9	24.6	1.7

Income from students



University education revenue sources as a percentage of total revenue



The proportion of University revenue received from combined HECS-HELP and student fee income has increased from 46.5 percent in 2016 to 55.9 percent in 2020.

The majority of this increase can be attributed to continued growth in income from overseas full fee-paying students. During the same five-year period funding received from Commonwealth teaching and learning operating grants has declined from 14.6 percent to 12.2 percent.

1.2 Commonwealth Government funding

Declining Commonwealth financial support in real terms has continued to intensify financial pressure on the University and has made it necessary for the University to broaden alternate revenue sources, such as full fee-paying students. Commonwealth operating support increased by \$11.2 million while research revenue decreased by \$14.6 million, largely due to a reduction in spending on government research projects. The increase in operating grants is mainly attributable to an \$11.5 million increase in Commonwealth Grant Scheme funding, offset by other immaterial decreases.

	2020 \$M	2019 \$M	Change \$M	Change %
Teaching and learning operating grants	321.9	310.7	11.2	3.6
Capital funding	0.0	0.0	0.0	0.0
Commonwealth Government operating and capital grants	321.9	310.7	11.2	3.6
Research program funding	178.5	180.0	(1.5)	(0.8)
Australian Research Council	38.7	37.8	0.9	2.4
National Health and Medical Research Council	76.5	71.0	5.5	7.7
Other Commonwealth agencies - research	39.0	55.7	(16.7)	(30.0)
Other Commonwealth agencies - non-research	25.4	28.2	(2.8)	(9.9)
Commonwealth research funding	358.1	372.7	(14.6)	(3.9)
Total Commonwealth funding	680.0	683.4	(3.4)	(0.5)

1.3 NSW Government grants

Grants provided by the NSW Government increased by \$0.1 million, or 0.3 percent, to \$33.1 million in 2020. The increase is driven by new operating grants being awarded.

	2020 \$M	2019 \$M	Change \$M	Change %
NSW Government operating grants	4.9	3.8	1.1	28.9
NSW Government research grants	28.2	29.2	(1.0)	(3.4)
Total NSW Government grants	33.1	33.0	0.1	0.3

1.4 Research and consultancy activities

Income received by the University for research and consultancy activities increased by \$10.2 million in 2020, or 2.0 percent, to \$523.4 million. Commonwealth research funding of \$358.1 million represented 68.4 percent of the total funding in this category. Contributions by non-Commonwealth Government external funding bodies accounted for \$24.8 million of the \$10.2 million total increase, offset by Commonwealth research funding being lower than 2019 by \$14.6 million. In 2020 foundations and individual research grants were higher than 2019 by \$14.7 million. Overseas collaborations were higher than 2019 by \$7.4 million.

	2020 \$M	2019 \$M	Change \$M	Change %
Commonwealth research funding	358.1	372.7	(14.6)	(3.9)
NSW Government research grants	28.2	29.2	(1.0)	(3.4)
Industry research grants	11.0	11.8	(0.8)	(6.8)
Foundations and individual research grants	64.2	49.5	14.7	29.7
Local collaborative research funds	15.2	15.4	(0.2)	(1.3)
Overseas collaborative research funds	36.3	28.9	7.4	25.6
Consultancies	10.4	5.7	4.7	82.5
Non-Commonwealth research and consultancy funding	165.3	140.5	24.8	17.7
Total research and consultancy income	523.4	513.2	10.2	2.0

1.5 Income from private sources

The major components of this income group were as follows:

	2020 \$M	2019 \$M	Change \$M	Change %
Investment income	68.5	213.5	(145.0)	(67.9)
Philanthropic income	120.2	79.7	40.5	50.8
Commercial and other activities	42.9	58.7	(15.8)	(26.9)
Contributions from external organisations	43.4	40.3	3.1	7.7
Other fees and charges	34.9	59.9	(25.0)	(41.7)
Sponsorship income	4.8	5.6	(0.8)	(14.3)
Total income from private sources	314.7	457.7	(143.0)	(31.2)

Investment income decreased in 2020 by \$145.0 million, mainly due to decreased returns in the global markets, largely a response to the COVID-19 pandemic.

The long-term portfolio returned 1.5 percent, with the medium-term fund returning 2.4 percent. At 31 December 2020, the University was holding unrealised losses of \$27.0 million (2019: \$71.5 million unrealised profits).

Philanthropic income increased by \$40.5 million.

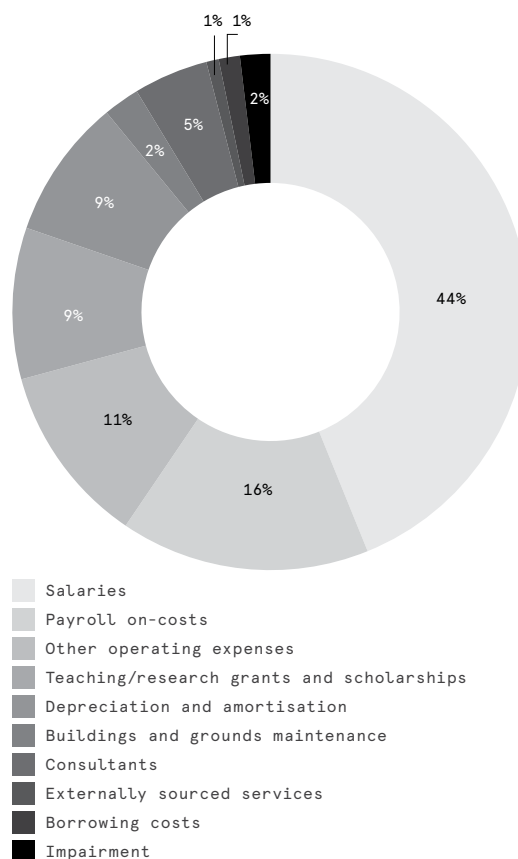
1.6 Philanthropic income pledged

The University continued to receive generous support from donors in 2020, raising \$161.1 million in pledged philanthropic income, an increase of 58.4 percent from 2019.

2. Operating expenses

The 2020 operating expenditure of \$2,537.8 million was \$24.6 million, or 1.0 percent lower than in 2019.

	2020 \$M	2019 \$M	Change \$M	Change %
Salaries	1,113.1	1,072.8	40.3	3.8
Payroll on-costs	396.5	362.4	34.1	9.4
Total employee benefits	1,509.6	1,435.2	74.4	5.2
Other operating expenses	287.1	333.1	(46.0)	(13.8)
Teaching/research grants and scholarships	240.7	244.0	(3.3)	(1.4)
Depreciation and amortisation	222.5	284.7	(62.2)	(21.8)
Repairs and maintenance	57.8	58.5	(0.7)	(1.2)
Consultants	19.8	15.0	4.8	32.0
Externally sourced services	118.5	151.7	(33.2)	(21.9)
Borrowing costs	33.6	32.2	1.4	4.3
Impairment	48.2	8.0	40.2	502.5
Total non-salary expenses	1,028.2	1,127.2	(99.0)	(8.8)
Total expenses	2,537.8	2,562.4	(24.6)	(1.0)



The major items contributing to the decrease were as follows:

- A \$62.2 million decrease in depreciation and amortisation expenses. Of this decrease, \$46.2 million was due to the library print collections being depreciated to their residual values and \$16.0 million was due to a change in depreciation rates for property, plant and equipment.
- As part of the University's austerity measures in 2020, a \$46.0 million decrease in operating expenses was driven by a \$41.6 million decrease in travel and related staff development and training. This is largely the effect of COVID-19 and a \$6.6 million decrease in services from a reduced number of events being run during 2020, offset by minor increases of \$2.2 million.
- As another austerity measure in 2020, the University reported a \$33.2 million decrease in the use of externally sourced service providers, partially offset by a \$4.8 million increase in outsourced consultant expense.
- A \$3.3 million decrease in teaching and research grants and scholarships, resulting from decreased funding for specific research projects.

These totals were offset mainly by the following increases:

- A \$74.4 million increase in salaries and payroll on-costs. Of this increase, \$35.8 million relates to growth in annual leave provisions and \$15.8 million relates to increased redundancy costs as a result of the voluntary redundancy program. The remainder of the increase is the result of the annual increment in the University's enterprise agreement and associated on-costs.
- An increase in impairment of assets by \$40.2 million, largely due to provision of \$51.0 million for the replacement of cladding for 18 buildings, offset by an \$11.0 million doubtful debts provisioning reduction due to improved collections performance.

3. Expenditure on assets

In accordance with its 2016–20 Strategic Plan, the University has committed to a long-term capital expenditure plan to ensure its future sustainability. This includes funding for state-of-the-art buildings, information and communications technology and library infrastructure to support the University's core teaching and research activities.

In 2020 the University reprioritised capital spend and projects as part of temporary austerity measures. The University incurred capital expenditure of \$292.2 million, which is a \$77.2 million decrease compared to

2019. During 2020, the University completed the Chau Chak Wing Museum project and the Susan Wakil Health Building moved to the final stage of completion.

	2020 \$M	2019 \$M	Change \$M	Change %
Land and buildings	5.8	1.2	4.6	383.3
Equipment	24.2	43.5	(19.3)	(44.4)
Capital works – software	20.9	25.7	(4.8)	(18.7)
Capital works – buildings	209.7	281.6	(71.9)	(25.5)
Other	31.6	17.4	14.2	81.6
Total capital expenditure	292.2	369.4	(77.2)	(20.9)

4. Equity

The total equity of the University at 31 December 2020 was \$4,863.0 million, \$166.3 million higher than at 31 December 2019 at the University parent entity level.

	2020 \$M	2019 \$M	Change \$M	Change %
Restricted funds	708.9	685.3	23.6	3.4
Reserves	554.0	495.5	58.5	11.8
Retained earnings	3,600.1	3,515.9	84.3	2.4
Total equity	4,863.0	4,696.7	166.3	3.5

The three major components of total equity were as follows:

- **Restricted funds**, which total \$708.9 million at 31 December 2020 (2019: \$685.3 million). These are funds with a capital preservation obligation and are quarantined from use to support the University's day-to-day operations.
- **Reserves**, which largely comprise revaluation adjustments for the University's land and heritage assets. In 2020, there was a net increase of \$58.5 million in the reserves, which arose from the revaluation of the farmland owned by the University in close proximity to the second Sydney Airport site at Badgerys Creek and heritage assets in the Nicholson Collection.
- **Retained earnings** of the University stand at \$3,600.1 million, made up of the initial revaluation reserve of \$1,660.5 million created in 1992 (when the NSW Government transferred the land and buildings to the University) together with the cumulative net operating surpluses generated, excluding reserves, in the periods up to 31 December 2020.

5. Operating statement

	2020 Budget (revised in February 2020)*	2020 Forecast	2020 Actual	2021 Budget
	\$'M	\$'M	\$'M	\$'M
Revenue and income from continuing operations				
Australian Government financial assistance				
Australian Government grants	680.1	683.6	680.0	798.4
HELP - Australian Government payments	251.0	268.9	265.3	276.8
State and local government financial assistance	34.8	34.9	33.1	36.4
Fees and charges	972.7	1,199.9	1,215.3	1,253.5
HECS-HELP - student payments	33.2	33.9	33.7	34.6
Investment revenue	54.6	-	108.3	54.3
Consultancy and contracts	147.7	148.1	137.2	157.7
Royalties, trademarks and licences	4.2	5.9	6.9	3.9
Other revenue	231.2	205.3	163.6	215.6
Gains/(losses) on disposal of assets	0.7	0.2	1.0	0.2
Total income from continuing operations	2,410.2	2,580.6	2,644.4	2,831.5
Expenses from continuing operations				
Employee-related expenses	1,484.0	1,496.9	1,509.6	1,542.8
Depreciation and amortisation	212.5	222.8	222.5	241.2
Repairs and maintenance	48.3	57.9	57.8	93.7
Borrowing costs	32.5	33.5	33.6	28.1
Impairment of assets	(11.9)	(13.3)	48.2	(6.7)
Grant and scholarship expenses	139.6	136.5	120.3	131.4
Externally sourced services and consultants	138.8	145.5	138.3	104.1
Teaching and research grants	125.7	127.4	120.4	144.9
Other expenses	363.63	389.00	287.1	371.0
Total expenses from continuing operations	2,533.2	2,596.2	2,537.8	2,650.7
Operating result before income tax	(123.0)	(15.6)	106.6	180.8
Income tax benefit/(expense)	-	-	-	-
Operating result after income tax	(123.0)	(15.6)	106.6	180.8
Net result attributable to members of the University of Sydney	(123.0)	(15.6)	106.6	180.8

Notes:

1. Net gain/(loss) on sale of property, plant and equipment.

*The 2020 budget was varied from the original 2020 budget in February 2020 to account for the then projected impact of the COVID-19 pandemic.

6. Investments and investment performance

The Long-Term Fund (LTF) achieved a return (after external manager fees) of 1.5 percent for 2020. The portfolio was resilient during the market sell-off in March, demonstrating the benefits of strong asset class diversification, which included hedging strategies designed to offset risk aversion. Exposure to offshore currencies during the year held back short-term returns.

Long-Term Fund (LTF)

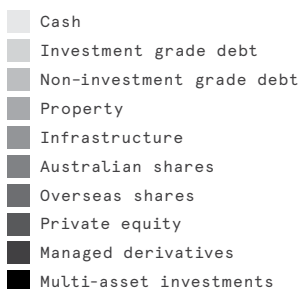
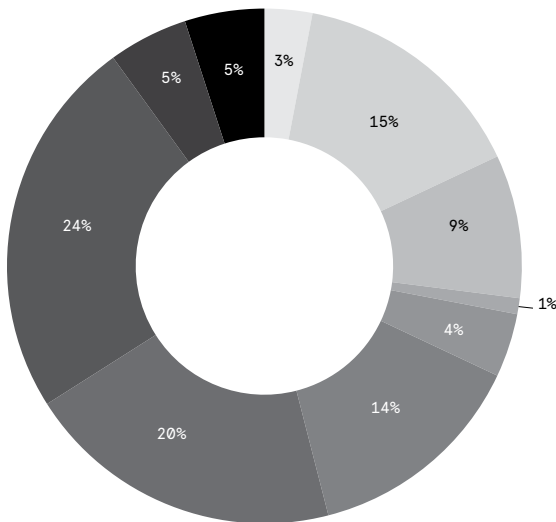
Value as at 31 December 2020:
\$1,666.35 million

Cash flow objective:
4.5% per annum

Capital objective:
Consumer Price Index (real terms capital preservation)

Total return objective:
Consumer Price Index + 4.5% after all fees

Long-Term Fund Asset Allocation as at end December 2020



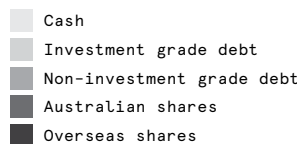
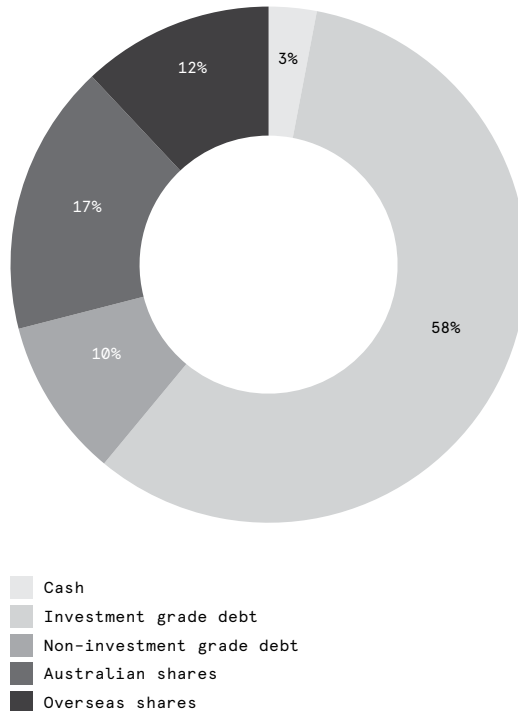
The return of the University Medium-Term Fund (MTF) (after external manager fees) for the 2020 calendar year was 2.4 percent. With interest rates falling to 0.1 percent this return is a substantive improvement on holding cash for funds with spending plans out one to four years and came on the back of a 10 percent return in 2019.

Medium-Term Fund (MTF)

Value as at 31 December 2020:
\$101.17 million

Total return objective:
Bloomberg AusBond Bank Bill + 1.5% after all fees

Medium-Term Fund Asset Allocation as at end December 2020



7. Creditor's payment performance

2020 quarter	March		June		September		December	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of accounts paid on time:								
By number of invoices	89%	80%	90%	80%	84%	80%	84%	80%
By value of invoices	89%	80%	83%	80%	89%	80%	83%	80%
Amount of accounts paid on time (excluding investments)	\$318.7M		\$241.6M		\$403.6M		\$255.0M	
Total amount of accounts paid (excluding investments)	\$358.7M		\$292.5M		\$451.6M		\$305.5M	

Performance excludes time delay factors attributed to invoices received directly by the business unit.

8. Summary of land owned by the University

Land use

	2020 \$M	2019 \$M	Change \$M	Change %
Teaching and research land	182.7	182.7	0.0	0.0
Student accommodation	110.4	123.7	(13.3)	(10.8)
Commercial land	22.4	21.3	1.1	5.2
Investment land	262.8	191.2	71.6	37.4
Total land	578.3	518.9	59.4	11.4

Teaching and research land

The major teaching and research facilities of the University, located on the Camperdown and Darlington campuses in Sydney, cover a total of 51 hectares. The University has several teaching and research facilities in addition to these premises, including:

- Cumberland Campus (Faculty of Health Sciences, East Street, Lidcombe)
- Brain and Mind Centre, Mallett Street, Camperdown
- Camden Campus (Faculty of Science)
- Australian Archaeological Institute at Athens and Thessaloniki, Greece
- University-owned and commercially operated farms throughout eastern Australia (covering a total area of approximately 10,313 hectares) which support the teaching and research activities of the Faculty of Science.

The University also occupies a number of sites on long-term leases, licences and agreements in New South Wales including:

- Sydney Conservatorium of Music in central Sydney

- the Plant Breeding Institute at Narrabri and other field stations
- University teaching and research hospitals
- Science facilities at the Australian Technology Park at Redfern.

The University occupied the Sydney College of the Arts (SCA) at Rozelle and sought approval from the Minister for Education to formally exit the premises by 31 December 2020, and this was achieved.

Commercial farms

The University operates two commercial farms that support teaching and research activities. The farms, which are located in the Liverpool plains and Southern Highlands regions of New South Wales, are valued on a fair value basis.

Student housing

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

9. Overseas travel

The University paid \$4.1 million for staff overseas travel in 2020 (2019: \$23.3 million). The \$19.2 million decrease is an impact of COVID-19 and associated travel bans.

10. Financial statements for subsidiaries

Please refer to note 27 of the Financial Statements for details of the University's subsidiaries.



INDEPENDENT AUDITOR'S REPORT

The University of Sydney

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the University of Sydney (the University), which comprise the Income statement and Statement of comprehensive income for the year ended 31 December 2020, the Statement of financial position as at 31 December 2020, the Statement of changes in equity and the Statement of cash flows for the year then ended, notes to the financial statements and the Responsible Entity's Declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (the ACNC Act) and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the University in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 31 December 2020. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
Employee benefit liabilities - employee underpayments and termination payments	
<p>At 31 December 2020, the University reported the following employee benefit liabilities:</p> <ul style="list-style-type: none"> underpayments of professional and academic employees of \$31.1 million (included within the accrued expenses balance of \$118 million in Note 18 'Trade and other liabilities') termination payments of \$28.9 million (included in Note 20 'Provisions') relating to a voluntary redundancy program. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> of the extent of significant management judgements underpinning key assumptions used to estimate the liabilities a voluntary redundancy program was in progress at year end. <p>Further information on these liabilities is included in Note 1(e) 'Prior period errors', Note 18 'Trade and other liabilities' and Note 20 'Provisions'.</p>	<p>Key audit procedures for both matters included the following:</p> <ul style="list-style-type: none"> assessed the reasonableness of the methodology and key assumptions adopted in estimating the liabilities assessed the sufficiency and appropriateness of management's liabilities against the requirements of applicable Australian Accounting Standards assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards. <p>Additional key audit procedures performed for the underpayments matter included the following:</p> <ul style="list-style-type: none"> obtained the underpayments calculation from management's independent expert and, for a sample of calculations: <ul style="list-style-type: none"> examined employee entitlements under the University's Enterprise Agreement verified underpayment calculations were supported by employee time and attendance records assessed the completeness and mathematical accuracy of the data used in the calculation assessed the qualifications, competence and objectivity of management's independent expert. <p>Additional key audit procedures performed for the termination payments matter included the following:</p> <ul style="list-style-type: none"> examined a sample of the formal offers made at year end to ensure the offers were irrevocable re-performed a sample of calculations to confirm management's basis of measurement.
Valuation of defined benefit superannuation and long service leave liabilities	
<p>At 31 December 2020, the University reported:</p> <ul style="list-style-type: none"> defined benefit superannuation liabilities totalling \$1.5 billion employee long service leave liabilities totalling \$260 million. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> the defined benefit superannuation and long service leave liabilities are financially significant to the University's financial position 	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> assessed the key controls supporting the data used in the models and assessed the completeness and mathematical accuracy of the data used in the models obtained management's actuarial reports and year-end adjustments, and in relation to defined benefit superannuation liabilities engaged a qualified actuary ('auditor's expert') to:

Key Audit Matter**How my audit addressed the matter**

- | | |
|--|---|
| <ul style="list-style-type: none"> • there is a risk the data used in the defined benefit superannuation and long service leave liability valuation models (the models) is not accurate and/or complete • the underlying models used to value the liabilities are complex due to a high level of judgement and estimation involved in the valuation assumptions, including discount rates, salary inflation and other assumptions • the total value of the liabilities is sensitive to small changes in key valuation inputs. | <ul style="list-style-type: none"> – assess the qualifications, competence and objectivity of management's independent experts – assess the appropriateness of the models – confirm the reasonableness of key assumptions used – assess the reasonableness of the reported liability value <ul style="list-style-type: none"> • assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards. |
|--|---|

Further information on the valuation of defined benefit superannuation and long service leave liabilities is included in Note 20 'Provisions' and Note 26 'Defined benefit plans'.

Provision for building rectification

At 31 December 2020, the University reported a building rectification provision of \$56.9 million. The provision reflects the University's estimate of costs it expects to incur where it has a present obligation to rectify buildings with identified safety hazards.

I considered this to be a key audit matter because the recognition and measurement of the provision involved significant management judgements, assumptions and estimates.

Further information on the provision is disclosed in Note 20 'Provisions'.

Key audit procedures included the following:

- assessed the reasonableness of the methodology and key assumptions adopted in estimating the provision
- examined a sample of cost estimates for buildings where rectification issues had been identified to confirm management's basis of measurement
- assessed the status of enforceable orders and correspondence from the relevant authority
- examined evidence to support the recognition of a provision where management concluded the University has:
 - a legal obligation to address enforceable orders, or
 - a constructive obligation based on its intention to rectify and past actions in responding to similar hazards to student and staff safety
- assessed the sufficiency and appropriateness of the provision against the requirements of applicable Australian Accounting Standards.

Valuation of other financial assets (investments)

At 31 December 2020, the University held investments of \$1.8 billion measured at fair value. The University's investments are managed by external fund managers and a contracted services organisation.

I considered this to be a key audit matter because:

- of the significance of the balance to the University's financial position
- the University holds a portfolio of assets classified as 'level 3' according to the fair value hierarchy under Australian Accounting Standards (i.e. where significant unobservable inputs are

Key audit procedures included the following:

- evaluated the design of relevant key controls over investments, and assessed on a sample basis whether these controls were implemented effectively
- confirmed the existence and completeness of balances at 31 December 2020 with external counterparties
- obtained, for unit trust and equities assets, valuation confirmations directly from the external fund managers and assessed the reliability of the information received

Key Audit Matter	How my audit addressed the matter
<p>used in the valuation). The University's Level 3 assets of \$62 million include unlisted unit trusts and unlisted equities. Assessing the fair value of these assets requires judgment as the valuation inputs are not based on observable market transactions or other readily available market data</p> <ul style="list-style-type: none"> of the degree of judgement and estimation uncertainty associated with the valuation. <p>Further information on investments is included in Note 13 'Other financial assets' and Note 31 'Fair value measurement'.</p>	<ul style="list-style-type: none"> assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.

Other Information

The University's annual report for the year ended 31 December 2020, includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Senate of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Appointed Officers.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

University Senate's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Senate is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Margaret Crawford
Auditor-General for New South Wales

29 March 2021
SYDNEY



To the Vice-Chancellor
The University of Sydney

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the University of Sydney for the year ended 31 December 2020, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Margaret Crawford".

Margaret Crawford
Auditor-General for New South Wales

17 March 2021
SYDNEY

Professor Stephen Garton AM,
Vice-Chancellor and Principal

19 March 2021

RESPONSIBLE ENTITIES' DECLARATION

In accordance with a resolution of the Senate of The University of Sydney dated 4 February 1991, we state that in the responsible entities' opinion:

- a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Professor Stephen Garton AM
Vice-Chancellor and Principal



Karen Moses
Chair, Finance Committee



Professor Stephen Garton AM,
Vice-Chancellor and Principal

19 March 2021

STATEMENT BY APPOINTED OFFICERS

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

1. The financial statements present a true and fair view of the financial position of the University at 31 December 2020 and the financial performance of the University for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, the "Financial Statement Guidelines for Australian Higher Education Providers for the 2020 Reporting Period" issued by the Australian Government Department of Education.
3. The financial report has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
4. We are not aware of any circumstances which would make any details included in the financial statements to be misleading or inaccurate.
5. There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.
6. The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was granted, and the University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
7. The University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Professor Stephen Garton AM
Vice-Chancellor and Principal

Karen Moses
Chair, Finance Committee



THE UNIVERSITY OF
SYDNEY

2020 **Annual Financial Statements**

The University of Sydney
Income statement
for the year ended 31 December 2020

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	4(a)	680,013	683,397	680,013	683,397
HELP - Australian Government payments	4(b)	265,287	257,397	265,287	257,397
State and local government financial assistance	5	33,127	33,012	33,127	33,012
Fees and charges	6	1,215,335	1,224,168	1,215,335	1,224,168
HECS-HELP - student payments		33,701	33,076	33,701	33,076
Investment revenue	7	108,288	119,449	108,288	119,449
Consultancy and contracts	8	137,233	111,250	137,233	111,250
Royalties, trademarks and licences		6,850	6,945	6,850	6,945
Other revenue	9	203,479	177,389	203,479	177,389
Total revenue from continuing operations		2,683,313	2,646,083	2,683,313	2,646,083
Gain on disposal of assets		953	221	953	221
Share of profit on investments accounted for using the equity method		2,417	781	0	0
Total other investment income/(loss)	7	(39,836)	94,016	(39,836)	94,016
Total income from continuing operations		2,646,847	2,741,101	2,644,430	2,740,320
Expenses from continuing operations					
Employee-related expenses	10	1,509,614	1,435,212	1,509,614	1,435,212
Depreciation and amortisation	15/16	222,476	284,747	222,476	284,747
Repairs and maintenance		57,810	58,454	57,810	58,454
Borrowing costs		33,621	32,168	33,621	32,168
Impairment of assets		48,253	8,043	48,253	8,043
Grant and scholarship expenses		120,272	116,772	120,272	116,772
Consultants		19,844	15,048	19,844	15,048
Externally sourced services		118,451	151,648	118,451	151,648
Teaching and research grants		120,391	127,232	120,391	127,232
Other expenses	11	287,135	333,140	287,135	333,140
Total expenses from continuing operations		2,537,867	2,562,464	2,537,867	2,562,464
Net result before income tax from continuing operations		108,980	178,637	106,563	177,856
Less: Income tax (benefit)/expense		0	0	0	0
Net result after income tax from continuing operations		108,980	178,637	106,563	177,856
Net result attributable to members of The University of Sydney		108,980	178,637	106,563	177,856

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

The University of Sydney
Statement of comprehensive income
for the year ended 31 December 2020

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net result after income tax from continuing operations		108,980	178,637	106,563	177,856
Items that will not be reclassified to profit or loss					
Gain on revaluation of property, plant and equipment	21	58,448	29,788	58,448	29,788
Distributions from subsidiary		0	0	141	0
Other adjustments		1,633	0	0	0
Net actuarial gains/(losses) recognised in respect of defined benefit plans		1,129	1,470	1,129	1,470
Total		61,210	31,258	59,718	31,258
Total other comprehensive income		61,210	31,258	59,718	31,258
Total comprehensive income		170,190	209,895	166,281	209,114
Total comprehensive income attributable to members of The University of Sydney		170,190	209,895	166,281	209,114

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

The University of Sydney
Statement of financial position
as at 31 December 2020

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 Restated \$'000	2020 \$'000	2019 Restated \$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	817,739	565,169	817,739	565,169
Receivables and contract assets	13	158,117	193,797	158,117	193,797
Other financial assets	14	1,277	0	1,277	0
Other non-financial assets	17	32,113	33,001	32,113	33,001
Total current assets		1,009,246	791,967	1,009,246	791,967
Non-current assets					
Receivables and contract assets	13	1,448,040	1,537,947	1,448,040	1,537,947
Other financial assets	14	1,771,591	1,699,005	1,785,708	1,711,005
Property, plant and equipment	15	3,859,905	3,777,535	3,859,905	3,777,535
Intangible assets	16	180,981	190,184	174,852	184,055
Other non-financial assets	17	6,741	3,202	6,741	3,202
Investments accounted for using the equity method		17,970	11,944	0	0
Total non-current assets		7,285,228	7,219,817	7,275,246	7,213,744
Total assets		8,294,474	8,011,784	8,284,492	8,005,711
LIABILITIES					
Current liabilities					
Trade and other liabilities	18	651,137	561,655	651,137	561,655
Borrowings	19	216,961	13,351	216,961	13,351
Derivative financial instruments		0	601	0	601
Provisions	20	524,735	397,086	524,735	397,086
Total current liabilities		1,392,833	972,693	1,392,833	972,693
Non-current liabilities					
Borrowings	19	477,689	699,409	477,689	699,409
Provisions	20	1,550,956	1,636,876	1,550,956	1,636,876
Total non-current liabilities		2,028,645	2,336,285	2,028,645	2,336,285
Total liabilities		3,421,478	3,308,978	3,421,478	3,308,978
Net assets		4,872,996	4,702,806	4,863,014	4,696,733
EQUITY					
Parent entity interest					
Restricted funds*		708,877	685,328	708,877	685,328
Reserves	21	555,305	496,857	553,992	495,544
Retained earnings		3,608,814	3,520,621	3,600,145	3,515,861
Total equity		4,872,996	4,702,806	4,863,014	4,696,733

* Restricted funds are those funds with a capital preservation obligation.

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

The University of Sydney
Statement of cash flows
for the year ended 31 December 2020

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash flows from operating activities					
Australian Government grants		1,015,055	983,252	1,015,055	983,252
State and local government grants		51,028	46,146	51,028	46,146
HECS-HELP student payments		33,701	33,076	33,701	33,076
Receipts from student fees and other customers (inclusive of GST)		1,733,481	1,575,091	1,733,481	1,575,091
Dividends received		106,875	101,280	106,875	101,280
Interest received		10,994	20,397	10,994	20,397
Interest and other costs of finance		(28,755)	(27,252)	(28,755)	(27,252)
Other investment funds received/(paid)		(12,835)	22,525	(12,835)	22,525
Payments for low value leases		(4,090)	(5,010)	(4,090)	(5,010)
Payments for employee-related expenses		(1,505,535)	(1,395,000)	(1,505,535)	(1,395,000)
Payments to suppliers (inclusive of GST)		(742,195)	(836,961)	(742,195)	(836,961)
Net cash provided by/(used in) operating activities	30	657,724	517,544	657,724	517,544
Cash flows from investing activities					
Proceeds from sale of financial assets		1,107,742	811,983	1,107,742	811,983
Proceeds from sale of property, plant and equipment and intangibles		8,322	402	8,322	402
Payments for property, plant and equipment and intangibles		(292,204)	(369,429)	(292,204)	(369,429)
Payments for financial assets		(1,210,722)	(909,040)	(1,210,722)	(909,040)
Net cash provided by/(used in) investing activities		(386,862)	(466,084)	(386,862)	(466,084)
Cash flows from financing activities					
Payments of lease liabilities		(17,834)	(20,421)	(17,834)	(20,421)
Net cash provided by/(used in) financing activities		(17,834)	(20,421)	(17,834)	(20,421)
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of financial year		565,169	534,165	565,169	534,165
Effects of exchange rate changes on cash and cash equivalents		(458)	(35)	(458)	(35)
Cash and cash equivalents at end of the financial year	12	817,739	565,169	817,739	565,169
Financing facilities and balances		31(d)			

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

The University of Sydney
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for the year ended 31 December 2020

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1 Basis of preparation of the financial statements

The principal accounting policies adopted in the preparation of these financial statements are set out below and where applicable throughout the notes to the accounts. These can be identified in the text body as italicised text. These policies have been consistently applied, unless otherwise stated.

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

The financial statements were authorised for issue, under the delegation of the Senate, on 19 March 2021.

(a) Basis of preparation

These financial statements represent the audited general purpose financial statements of the University of Sydney (the 'University'). They have been prepared on an accrual accounting basis in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the *Higher Education Support Act 2003* (Financial Statement Guidelines), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, the *Australian Charities and Not-for-profits Commission Act 2012*, and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

These financial statements are financial statements for the consolidated entity comprising the University of Sydney and its controlled entities. They are presented in Australian dollars which is the University's functional and presentation currency.

The University of Sydney applies Tier 1 reporting requirements.

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

The University of Sydney is a not-for-profit entity and these financial statements have been prepared on that basis. Some requirements of the Australian Accounting Standards applicable to not-for-profit entities are inconsistent with IFRS.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets (including derivative instruments) that have been measured at fair value through profit or loss, and certain classes of property, plant and equipment.

(iii) Critical accounting estimates

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. All significant estimates or assumptions made in the preparation of the financial statements are described in the relevant accounting policy notes. These are listed below:

- i) Note 4 - Australian Government financial assistance
- ii) Note 5 - State and local government financial assistance
- iii) Note 8 - Consultancy and contracts
- iv) Note 15 - Property, plant and equipment
- v) Note 18 - Trade and other liabilities
- vi) Note 19 - Borrowings
- vii) Note 20 - Provisions
- viii) Note 26 - Defined benefit plans
- ix) Note 32 - Fair value measurement

(iv) Rounding amounts

Amounts in the financial statements and notes to the financial statements have, unless otherwise stated, been rounded to the nearest thousand dollars.

(v) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect to changes in presentation in the current year.

(vi) Foreign currency transactions and balances

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

(vii) Income tax

The University is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

1 Basis of preparation of the financial statements (continued)

(b) Basis of consolidation

The consolidated financial statements represent the financial statements of the parent entity, being the University of Sydney, and the assets, liabilities and results of all entities it controlled in accordance with *AASB 10 Consolidated Financial Statements* at the end of or during the financial year, and are together referred to as the consolidated entity. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Controlled entities are consolidated from the date on which control is transferred to the University. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group.

A list of controlled entities is contained in Note 27(b) to the financial statements.

(c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

(d) Change in accounting estimates

The University has made the following accounting policy change with effect from 1 January 2020. The changes represent revised accounting estimates and therefore are applied prospectively in accordance with the requirements of *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

Library print collection - The University will continue to amortise the print collection over 10 years, however, a residual value of 10% will replace the previous determination of a nil residual value. The adoption of the 10% residual value reflects continuing utility of the collection as a reference resource for students and staff.

On a consolidated basis, this change in accounting policy has increased the 2020 net result by \$46,171k.

(e) Correction of prior period errors

Restatement for Underpaid Staff Entitlements Remediation

During the second quarter 2020, a review of employee wage and salary entitlements identified that certain employees covered by the University's Enterprise Agreement 2018-2021 (EA) were paid less than their correct entitlements in certain instances. While the review is continuing and the extent of the remediation required is not yet complete, as at 31 December 2020 the University has recognised an accrual for the remediation of the underpaid staff entitlements of \$31,103k. This accrual covers the period from 2014 to 2020, of which \$25,603k relates to salary payment shortfalls (including superannuation, payroll tax, and associated leave benefits), and \$5,500k to interest and other remediation costs. Of those amounts, the component that relates to prior periods from 2014 to 2019 is \$25,827k (\$21,260k relating to salary payment shortfalls and \$4,567k relating to interest and other remediation costs).

The main issues that the review has identified to date are related to:

- Non-payment of minimum engagement hours for certain Professional casual employees where some staff were paid based on timesheets instead of the EA-required minimum hours;
- Non-payment of overtime for some Professional part-time and casual employees; and
- Non-payment of overtime for work performed by Professional employees outside the normal span of hours.

The University continues to diligently review the past six years of payroll data to which the payment shortfalls relate and for which the University has a statutory obligation to report. The calculations of the salary payment shortfall involve a substantial volume of data, a high degree of complexity, interpretation and estimation, and are subject to further analysis of prior periods and the Fair Work Ombudsman's ongoing investigation.

On 13 November 2019, the Senate of Federal Parliament referred an inquiry into the unlawful underpayment of employees' remuneration to the Senate Economics References Committee. The terms of reference for the inquiry are focused on the causes, extent and effects of unlawful non-payment or underpayment of employees' remuneration by employers and measures that can be taken to address the issue. The University was invited to make a submission to this inquiry. Around 15 September 2020, the University made a brief written submission in which it acknowledged the payment errors, that it had no prior knowledge of the errors, and outlined the detailed review and remediation process required to rectify the errors.

As a consequence of the payment shortfalls, employee benefits expenses and accruals have been understated in the period from 2014 to 2019.

1 Basis of preparation of the financial statements (continued)

(e) Correction of prior period errors (continued)

Restatement of Commercial Buildings

As part of the annual revaluation process for 2020, the University identified that the valuation process for Commercial buildings included embedded equipment attached to or built within those commercial buildings. The embedded equipment is currently recognised at cost less accumulated depreciation separately to the commercial buildings, resulting in an overstatement of the asset value of \$14,930k.

As such, the above adjustments have been corrected by restating each of the affected financial statement line items on the Statement of Financial Position as at 31 December 2019, in the comparative period in the 2020 Annual Financial Statements, in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

As at 31 December 2020, the University's best estimate for the payment shortfall to the impacted staff for prior periods and the revaluation of commercial properties and the impacts to the University's Consolidated Financial Statements in the reporting periods to which they relate, are outlined in the table below:

	Economic entity (Consolidated)			Parent entity (University)		
	Balance as at 31 December 2019		Balance restated 31 December 2019	Balance as at 31 December 2019		Balance restated 31 December 2019
		Adjustment			Adjustment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statement of financial position						
Assets						
Property, plant and equipment	3,792,465	(14,930)	3,777,535	3,792,465	(14,930)	3,777,535
Liabilities						
Current trade and other liabilities	535,828	25,827	561,655	535,828	25,827	561,655
Equity						
Retained earnings	3,546,448	(25,827)	3,520,621	3,541,688	(25,827)	3,515,861
Reserves	511,787	(14,930)	496,857	510,474	(14,930)	495,544

2 Financial Reporting Impacts of COVID-19

Although the University's financial position for 2020 is more positive than was expected early in the pandemic, the net result before income tax from continuing operations has been negatively impacted by COVID-19. The impact has been driven through the cancellation and deferral of international student enrolments during 2020, together with the negative impact of international and domestic investment market performance during the year.

The impact on student fee and investment income has been partially offset by savings measures introduced by the University in deferring infrastructure investment, reducing or eliminating the use of consultants, carefully managing repair and maintenance activity, reducing capital expenditure for equipment acquisition, canceling all non-essential travel and implementing a hiring freeze. In addition, the University has called for voluntary redundancies. Coupled with the exceptional work undertaken by staff to retain and attract students during 2020, despite materially higher costs of student and staff safety incurred in response to COVID-19, these savings measures have significantly reduced the impact of the pandemic upon the University.

The net result before income tax was impacted by reduced investment returns, higher operating costs to bring teaching and exams on-line, additional costs associated with cleaning, security and personal protective equipment, incremental IT costs to enable the staff and students of the University to work and study remotely, and the additional cost of casual staff hours to support the safety of staff and students.

Whilst COVID-19 has impacted the student's learning experience, both students and staff have demonstrated extraordinary resilience in adapting quickly to new ways of learning and teaching, as both students and staff recognised the efforts the University has made in maintaining a safe environment for teaching and learning.

3 Revenue and income from continuing operations

(a) Disaggregation of revenue and income from continuing operations (excluding investment revenue and other investment income)

Economic entity (Consolidated) and Parent entity (University)

The University derives revenue and income from:

Revenue and Income Streams

	Australian Government financial assistance \$'000	State and local government financial assistance \$'000	Fees and charges \$'000	HECS-HELP - student payments \$'000	HECS-HELP Government payments \$'000	Consultancy and contracts \$'000	Royalties, trademarks and licences \$'000	Donations and Bequests \$'000	Other \$'000	Total Revenue from contracts with customers \$'000	Total Income of not-for-profit entities \$'000
2020											
Revenue and Income Streams											
Course fees and charges											
Domestic undergraduate students	0	0	1,263	33,701	193,563	0	0	0	0	228,527	0
Onshore overseas undergraduate students	0	0	484,016	0	0	0	0	0	0	484,016	0
Domestic postgraduate students	0	0	29,955	0	71,724	0	0	0	0	101,679	0
Onshore overseas postgraduate students	0	0	621,144	0	0	0	0	0	0	621,144	0
Continuing education	0	0	10,293	0	0	0	0	0	0	10,293	0
Other course fees and charges	0	0	20,144	0	0	0	0	0	0	20,144	0
Total course fees and charges	0	0	1,166,815	33,701	265,287	0	0	0	0	1,465,803	0
Research income	143,720	33,127	0	0	0	126,800	0	66,198	8,475	258,283	120,037
Recurring government grants	500,421	0	0	0	0	0	0	0	0	1,420	499,001
Non-course fees and charges	0	0	18,029	0	0	0	0	0	0	18,029	0
Student residences	0	0	13,650	0	0	0	0	0	0	13,650	0
Student amenities	0	0	16,841	0	0	0	0	0	0	16,841	0
Other	0	0	48,520	0	0	0	0	0	0	48,520	0
Total non-course fees and charges	0	0	48,520	0	0	0	0	0	0	48,520	0
Other	0	0	0	0	0	0	6,850	0	0	6,850	0
Royalties, trademarks and licences	0	0	0	0	0	10,433	0	58,764	70,042	62,825	112,286
Other	35,872	0	0	0	0	0	0	0	0	35,872	0
Total Other	35,872	0	0	0	0	10,433	6,850	58,764	70,042	69,675	112,286
Total revenue from contracts with customers	151,801	25,207	1,215,335	33,701	265,287	96,922	6,850	0	48,598	1,843,701	0
Total income of not-for-profit entities	528,212	7,920	0	0	0	40,311	0	124,962	29,919	0	731,324
Total revenue and income	680,013	33,127	1,215,335	33,701	265,287	137,233	6,850	124,962	78,517	1,843,701	731,324

**The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)**

3 Revenue and income from continuing operations (continued)

	Economic entity (Consolidated) and Parent entity (University)							Total Revenue from contracts with customers \$'000	Total Income of not-for-profit entities \$'000
	Australian Government financial assistance \$'000	State and local government financial assistance \$'000	Fees and charges \$'000	HECS- HELP- student payments \$'000	HECS-HELP Government payments \$'000	Consultancy and contracts \$'000	Royalties, trademarks and licences \$'000		
2019									
Revenue and income streams									
Course fees and charges									
Domestic undergraduate students	0	0	993	33,076	187,660	0	0	0	221,729
Onshore overseas undergraduate students	0	0	478,418	0	0	0	0	0	478,418
Domestic postgraduate students	0	0	31,378	0	69,737	0	0	0	101,115
Onshore overseas postgraduate students	0	0	583,522	0	0	0	0	0	583,522
Continuing education	0	0	15,400	0	0	0	0	0	15,400
Other course fees and charges	0	0	41,570	0	0	0	0	0	41,570
Total course fees and charges	0	0	1,151,281	33,076	257,397	0	0	0	1,441,754
Research income	164,476	29,197	0	0	0	105,502	0	26,940	306,649
Capital government grants	490,691	0	0	0	0	0	0	0	0
Non-course fees and charges									
Student residences	0	0	36,766	0	0	0	0	0	36,766
Student amenities	0	0	13,215	0	0	0	0	0	13,215
Other	0	0	22,906	0	0	0	0	0	22,906
Total non-course fees and charges	0	0	72,887	0	0	0	0	0	72,887
Other									
Royalties, trademarks and licences	0	0	0	0	0	6,945	0	0	6,945
Other	28,230	3,815	0	0	0	5,748	58,437	85,741	128,006
Total Other	28,230	3,815	0	0	0	5,748	58,437	85,741	134,951
Total revenue from contracts with customers	192,706	33,012	1,224,168	33,076	257,397	111,250	6,945	5,675	1,956,241
Total income of not-for-profit entities	490,691	0	0	0	0	0	0	79,702	0
Total revenue and income	683,397	33,012	1,224,168	33,076	257,397	111,250	6,945	85,377	1,956,241

Total revenue from contracts with customers

Total income of not-for-profit entities

Total revenue and income

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)

4 Australian Government financial assistance including Australian Government loan programs (HELP)

(a) Australian Government grants

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Commonwealth Grant Scheme	35(a)	317,224	305,698	317,224	305,698
Other grants	35(a)	4,723	5,024	4,723	5,024
Research Training Program	35(c)	93,517	95,921	93,517	95,921
Research Support Program	35(c)	84,958	84,049	84,958	84,049
Australian Research Council	35(e)	38,656	37,755	38,656	37,755
National Health and Medical Research Council		76,496	71,044	76,496	71,044
Other Commonwealth research funding		39,019	55,676	39,019	55,676
Other Commonwealth non-research funding		25,420	28,230	25,420	28,230
Total Australian Government grants		680,013	683,397	680,013	683,397

(b) Higher Education Loan Programs

HECS-HELP		189,363	183,538	189,363	183,538
FEE-HELP		71,835	69,831	71,835	69,831
SA-HELP	35(h)	4,089	4,028	4,089	4,028
Total Higher Education Loan Programs	35(b)	265,287	257,397	265,287	257,397
Total Australian Government financial assistance		945,300	940,794	945,300	940,794

Research

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction. Research grants that are considered to be within the scope of AASB 15 Revenue from Contracts with Customers meet the enforceability criteria due to the existence of refund clauses in the agreements with the grantor and the promises to transfer goods or services to the customer (or on behalf of the customer) are sufficiently specific as the University has the obligation to provide:

- Comprehensive research findings during or after completion
- Access to research materials throughout the contract period to the grantor
- Publication of research data and results on an ongoing basis in an open access repository, if requested by the grantor
- A licence or transfer of intellectual property if requested by the grantor.

Depending on the nature of the promise, the University either recognises revenue at a point in time when the promise is delivered (e.g. when the research findings are published) or recognises revenue over time as the service is performed (e.g. as the customer obtains control of the intellectual property as it is created). Generally, research contract revenue is recognised over time using an input methodology, being expenditure incurred to date for the project.

There is no significant financing component as research contracts typically have a life span of less than three years on average. The consideration is mostly fixed without highly probable variable components.

Other Grants

Revenue recognition for other non-research funding noted above is determined by reference to the specific contract terms including enforceability and existence of sufficiently specific performance obligations. This funding has been determined to not meet this criteria and as a result the revenue is recognised upon receipt.

5 State and local government financial assistance

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-capital				
State government research grants	28,237	29,197	28,237	29,197
Other	4,890	3,815	4,890	3,815
Total non-capital	33,127	33,012	33,127	33,012
Capital				
Total capital	0	0	0	0
Total state and local government financial assistance	33,127	33,012	33,127	33,012

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Notes to the financial statements
for the year ended 31 December 2020
(continued)

6 Fees and charges

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Course fees and charges					
Fee-paying onshore overseas students*		1,105,160	1,061,940	1,105,160	1,061,940
Continuing education		10,293	15,400	10,293	15,400
Fee-paying domestic postgraduate students		29,717	31,091	29,717	31,091
Fee-paying domestic undergraduate students		536	366	536	366
Students undertaking non-award courses		965	914	965	914
Other course fees and charges		20,144	41,570	20,144	41,570
Total course fees and charges		1,166,815	1,151,281	1,166,815	1,151,281
Other non-course fees and charges					
Student residences		18,029	36,766	18,029	36,766
Student Services and Amenities Fees from students	35(h)	13,650	13,215	13,650	13,215
Other non-course fees and charges		16,841	22,906	16,841	22,906
Total non-course fees and charges		48,520	72,887	48,520	72,887
Total fees and charges		1,215,335	1,224,168	1,215,335	1,224,168

* Note: Fee-paying onshore overseas students includes students that were temporarily located overseas due to the pandemic, but were enrolled in a course provided in Australia.

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

When the course or training has been paid in advance by students, or the University has received government funding in advance (e.g. before starting the academic period) the University recognises a contract liability until the service is provided.

Rental income from operating leases included in Other non-course fees and charges above is recognised on a straight-line basis over the lease term.

7 Investment revenue and income

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Distributions from managed funds	83,471	75,245	83,471	75,245
Dividends received	13,823	23,807	13,823	23,807
Interest received	10,994	20,397	10,994	20,397
Total investment revenue	108,288	119,449	108,288	119,449
Change in fair value of financial assets designated at fair value through profit or loss	(27,001)	71,491	(27,001)	71,491
Realised gain/(loss) on financial assets at fair value through profit or loss	(12,835)	22,525	(12,835)	22,525
Total other investment income/(loss)	(39,836)	94,016	(39,836)	94,016
Total investment income	68,452	213,465	68,452	213,465

Investment income is recognised as it is earned.

8 Consultancy and contracts

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Consultancy	10,433	5,748	10,433	5,748
Contract research	126,800	105,502	126,800	105,502
Total consultancy and contracts	137,233	111,250	137,233	111,250

Consultancy revenue is recognised in the period in which the service is provided, having regard to the stage of completion of the service. Refer to note 4(b) for the accounting policy on research funding.

The University of Sydney
Notes to the financial statements
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(continued)

9 Other revenue

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bequests and donations	124,962	85,377	124,962	85,377
Contributions (external organisations)	43,409	40,256	43,409	40,256
Farms	4,335	3,167	4,335	3,167
Reimbursement income	10,222	20,563	10,222	20,563
Shop sales	1,755	5,786	1,755	5,786
Veterinary/medical practice income	8,171	8,017	8,171	8,017
Other revenue	10,625	14,223	10,625	14,223
Total other revenue	203,479	177,389	203,479	177,389

Other revenue is brought to account as it is earned and is recognised when the goods and services are provided.

Bequests and donations

Bequests and donations are recognised on receipt as there are no enforceable contracts entered into or no sufficiently specific performance obligations between the University and the donor.

10 Employee-related expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	551,808	545,816	551,808	545,816
Contributions to superannuation schemes				
Contributions to funded schemes	41,693	42,782	41,693	42,782
Contributions to unfunded schemes	49,075	45,931	49,075	45,931
Payroll tax	37,009	37,998	37,009	37,998
Workers' compensation	1,831	1,380	1,831	1,380
Long service leave expense	22,876	26,795	22,876	26,795
Annual leave	55,586	37,631	55,586	37,631
Termination payments	24,840	3,986	24,840	3,986
Total academic	784,718	742,319	784,718	742,319
Non-academic				
Salaries	528,822	510,310	528,822	510,310
Contributions to superannuation schemes				
Contributions to funded schemes	38,161	38,434	38,161	38,434
Contributions to unfunded schemes	44,918	41,264	44,918	41,264
Payroll tax	33,001	34,502	33,001	34,502
Workers' compensation	1,173	716	1,173	716
Long service leave expense	17,971	19,611	17,971	19,611
Annual leave	53,220	35,368	53,220	35,368
Termination payments	7,646	12,655	7,646	12,655
Total non-academic	724,912	692,860	724,912	692,860
Employee related expenses	1,509,630	1,435,179	1,509,630	1,435,179
Deferred employee benefits for superannuation*	(16)	33	(16)	33
Total employee related expenses	1,509,614	1,435,212	1,509,614	1,435,212

* Includes income of \$16k (2019: expense of \$33k) for the Professorial Superannuation Scheme. Refer to Note 20(c) for accounting policies on employee benefits.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)

11 Other expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotional expenses	8,015	10,764	8,015	10,764
Audit fees, bank charges, legal costs, insurance and taxes	13,210	12,972	13,210	12,972
Communications	10,850	11,480	10,850	11,480
Farm operations	19,531	11,048	19,531	11,048
Library materials	6,926	8,929	6,926	8,929
Laboratory, medical supplies and materials	25,407	27,080	25,407	27,080
Licences, patents, copyright and commissions	51,805	48,043	51,805	48,043
Non-capitalised equipment	21,496	24,829	21,496	24,829
Operating leases and rental expenses	4,090	6,350	4,090	6,350
Printing and stationary	8,993	15,657	8,993	15,657
Rents	6,694	1,321	6,694	1,321
Software licences	33,655	28,512	33,655	28,512
Travel, staff development and training	13,265	54,876	13,265	54,876
Utilities and rates	44,082	48,617	44,082	48,617
Other expenses	19,116	22,662	19,116	22,662
Total other expenses	287,135	333,140	287,135	333,140

12 Cash and cash equivalents

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	464,445	177,797	464,445	177,797
Short term deposits at call	353,294	387,372	353,294	387,372
Total cash and cash equivalents in the statement of financial position and statement of cash flows*	817,739	565,169	817,739	565,169

As at 31 December 2020, the amount of cash and cash equivalents held by the University that was subject to capital preserved trust restrictions was \$27,963k (2019: \$25,800k).

* These are interest bearing at a variable average rate of 0.41% (2019: 2.02%).

Cash and cash equivalents include cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)

13 Receivables and contract assets

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	42,339	60,379	42,339	60,379
Student fees and loans	14,510	9,835	14,510	9,835
Less: allowance for expected credit losses	(7,854)	(11,089)	(7,854)	(11,089)
Total trade receivables	48,995	59,125	48,995	59,125
Accrued income and other receivables	13,925	35,239	13,925	35,239
Contract assets	573	199	573	199
Deferred government benefits for superannuation*	94,624	99,234	94,624	99,234
Total other receivables	109,122	134,672	109,122	134,672
Total current receivables	158,117	193,797	158,117	193,797
Non-current				
Deferred government benefits for superannuation*	1,441,969	1,532,411	1,441,969	1,532,411
Super Asset Plan (Professorial Superannuation System)	5,678	5,118	5,678	5,118
Other receivables	393	418	393	418
Total non-current receivables	1,448,040	1,537,947	1,448,040	1,537,947

*The University contributes to three superannuation scheme within the State Authorities Superannuation Trustee Corporation, see Note 26(f). These are subject to reimbursement arrangements under the *Higher Education Support Act 2003*, in the proportion of 78:22 between the Commonwealth and NSW governments respectively.

Trade receivables

As at 31 December 2020 current receivables of the University with a nominal value of \$7,854k (2019: \$11,089k) were impaired.

The amount of the provision that relates to specific expected credit losses was \$7,283k (2019: \$11,062k). The individually impaired receivables mainly relate to private sector organisations' expected credit loss due to unexpected difficult economic situations.

The remaining provision of \$571k (2019: \$27k) is a provision for a portion of receivables over ninety days where it was assessed that this portion of the receivables is not expected to be recovered.

13 Receivables and contract assets (continued)

Trade receivables (continued)

As at 31 December 2020 trade receivables of \$20,424k (2019: \$22,672k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these receivables is as follows:

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Under 3 months	10,943	19,454	10,943	19,454
3 to 6 months	6,560	2,381	6,560	2,381
6 to 12 months	2,411	708	2,411	708
Over 12 months	510	129	510	129
Total past due but not impaired receivables	20,424	22,672	20,424	22,672

Set out below is the movements in the allowance for expected credit losses of trade receivables and contract assets:

	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At 1 January	11,089	3,335	11,089	3,335
Provision for expected credit losses	(2,738)	7,996	(2,738)	7,996
Receivables written off	(497)	(242)	(497)	(242)
At 31 December	7,854	11,089	7,854	11,089

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less allowance for expected credit losses.

Impairment

Because of the short-term nature of trade receivables and contract assets the University applies a simplified approach in calculating expected credit losses. The University does not track changes in credit risk on an individual basis, but instead recognises a loss allowance based on lifetime expected credit losses for trade receivables on a collective basis at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted where necessary for forward-looking factors specific to the debtor and the economic environment.

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contract assets				
Contract assets - current	573	199	573	199

A contract asset is the University's right to consideration in exchange for goods or services that the University has transferred to the customer when that right is conditional on something other than the passage of time.

14 Other financial assets

Current

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Other financial assets at fair value through profit or loss				
Forwards and futures	1,277	0	1,277	0
Total current other financial assets through profit or loss	1,277	0	1,277	0

The University of Sydney
Notes to the financial statements
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(continued)

14 Other financial assets (continued)

Non-current

Other financial assets at fair value through profit or loss

Listed securities	257,965	287,038	257,965	287,038
External fund managers*	1,406,455	1,285,234	1,406,455	1,285,234
Floating rate notes	45,846	75,509	45,846	75,509
Convertible notes	5,096	4,782	5,096	4,782
Shares in unlisted companies	52,888	42,348	67,005	54,348
Total non-current other financial assets at fair value through profit or loss	1,768,250	1,694,911	1,782,367	1,706,911

Financial assets at amortised cost

Loans receivable	3,341	4,094	3,341	4,094
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Total non-current other financial assets at amortised cost

3,341	4,094	3,341	4,094
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Total non-current other financial assets

1,771,591	1,699,005	1,785,708	1,711,005
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Total other financial assets

1,772,868	1,699,005	1,786,985	1,711,005
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* Includes unlisted managed investment schemes, unlisted partnerships and unlisted equities.

Financial assets at fair value through profit or loss

Financial assets which do not meet the objective of the University's business model for managing financial assets, or are not held to collect contractual cash flows, are measured at fair value through profit or loss. Financial assets at fair value through profit or loss principally comprise marketable securities, unit trusts and debt instruments. They are included in non-current assets unless the maturity date of the asset is within twelve months of the reporting date. Financial assets at fair value through profit or loss are initially recognised at fair value, with subsequent increases or decreases in fair value recognised in the Income statement. Transaction costs incurred in the acquisition of financial assets at fair value through profit or loss are recognised as expenses in net profit in the period in which they are incurred.

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

Financial assets at amortised cost

Financial assets at amortised cost held for the objective of collecting contractual cash inflows on specific dates are generally in the form of principal and/or interest. They are subsequently measured using the effective interest method net of any impairment loss. When a financial asset at amortised cost is reclassified, its fair value at the reclassification date becomes its new carrying amount.

Impairment of financial assets

The University recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables not held at fair value through profit or loss. ECLs are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the University expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a twelve-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Loans, together with the ECL, are written off when there is no realistic prospect of future recovery. If in a subsequent year, the amount of the estimated impairment loss changes, the ECL amount is adjusted. If a write-off is later recovered, the recovery is credited to financial costs in the Income statement.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e.) removed from the University's consolidated Statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The University has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the University has transferred substantially all the risks and rewards of the asset, or (b) the University has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)

15 Property, plant and equipment

Parent entity (University)/ Economic entity (Consolidated)	Teaching and research land \$'000	Teaching and research building \$'000	Teaching research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Plant and equipment improvement \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Subtotal property, plant and equipment (owned) \$'000	Right-of- use assets- Leasing \$'000	Total \$'000	
At 1 January 2020																
Cost	182,665	1,983,109	202,038	0	0	0	1,037,527	55,291	336,088	0	0	544,819	4,341,537	236,937	4,578,474	
Valuation	0	0	0	336,196	317,236	3,404	0	0	0	260,215	0	0	917,051	0	917,051	
Accumulated depreciation and impairment	0	(568,186)	(72,891)	0	0	0	(532,553)	(18,242)	0	0	(490,080)	(1,681,952)	(36,038)	(1,717,990)		
Net book amount	182,665	1,414,923	129,147	336,196	317,236	3,404	504,974	37,049	336,088	260,215	54,739	3,576,636	200,899	3,777,535		
Year ended 31 December 2020																
Cost and valuation:																
Additions	0	51,043	0	0	5,843	0	24,297	0	230,637	558	1,155	313,533	(355)	313,178		
Transfer from work in progress	0	90,677	226	0	1,380	0	69,427	0	(189,312)	0	0	(27,602)	26,072	(1,530)		
Donations	0	0	0	0	0	0	0	0	0	201	0	201	0	201		
Asset disposals	0	0	0	(4,725)	(2,625)	0	(334)	0	0	0	0	(7,684)	0	(7,684)		
Asset retirements	0	(761)	0	0	0	0	(38,952)	(645)	0	(1)	0	(40,359)	0	(40,359)		
Impairment	0	(51,043)	0	0	0	0	0	0	0	0	0	(51,043)	0	(51,043)		
Revaluation increment/(decrement)	0	0	0	64,040	(6,863)	0	0	0	0	1,271	0	58,448	0	58,448		
Non-capitalisable costs	0	0	0	0	0	0	0	0	(28,160)	0	0	(28,160)	0	(28,160)		
Restatement/retirement of ROU assets	0	0	0	0	0	0	0	0	0	0	0	0	(11,254)	(11,254)		
Transfers/reategorisation	1	(2,228)	281	81	(7,144)	(35)	(4,894)	197	(1)	(1)	1	(13,742)	1	(13,741)		
Depreciation																
Depreciation	0	(53,897)	(4,257)	0	(8,704)	(77)	(94,334)	(1,442)	0	0	(1,415)	(164,126)	(23,918)	(188,044)		
Write back accumulated depreciation on asset:																
Disposals	0	0	0	0	7	0	307	0	0	0	0	314	0	314		
Retirements	0	40	0	0	0	0	37,053	449	0	0	0	37,542	0	37,542		
Transfers/reategorisation	0	0	0	0	8,696	77	6	0	0	0	2	8,781	(1)	8,780		
Restatement/retirement of ROU assets	0	0	0	0	0	0	0	0	0	0	0	0	5,722	5,722		
Closing net book amount	182,666	1,448,754	125,397	395,592	307,826	3,369	497,550	35,608	349,252	262,243	54,482	3,662,739	197,166	3,859,905		
At 31 December 2020																
Cost	182,666	2,070,797	202,545	0	0	0	1,087,071	54,843	349,252	0	0	545,975	4,493,149	251,401	4,744,550	
Valuation	0	0	0	395,592	307,826	3,369	0	0	0	262,243	0	969,030	0	969,030		
Accumulated depreciation and impairment	0	(622,043)	(77,148)	0	0	0	(589,521)	(19,235)	0	0	(491,493)	(1,799,440)	(54,235)	(1,853,675)		
Net book amount	182,666	1,448,754	125,397	395,592	307,826	3,369	497,550	35,608	349,252	262,243	54,482	3,662,739	197,166	3,859,905		

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15 Property, plant and equipment (continued)

Parent entity (University)/ Economic entity (Consolidated)	Teaching and research land \$'000	Teaching and research building \$'000	Teaching and research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Subtotal property, plant and equipment (owned) \$'000	Right-of- use assets - Leasing \$'000	Total \$'000
At 1 January 2019														
Cost	182,665	1,879,901	194,200	0	0	0	886,651	64,382	387,845	0	543,807	4,139,451	0	4,139,451
Valuation	0	0	0	319,314	266,226	3,368	0	0	0	245,827	0	834,735	0	834,735
Accumulated depreciation and impairment	0	(517,721)	(68,392)	0	0	0	(423,327)	(22,538)	0	0	(442,497)	(1,474,475)	0	(1,474,475)
Net book amount	182,665	1,362,180	125,808	319,314	266,226	3,368	463,324	41,844	387,845	245,827	101,310	3,499,711	0	3,499,711
Adoption of AASB 16	0	0	0	0	0	0	0	(17,033)	0	0	0	(17,033)	157,487	140,454
Prior period correction (cost)*	0	0	0	0	(14,930)	0	0	0	0	0	0	(14,930)	0	(14,930)
Restated net book amount	182,665	1,362,180	125,808	319,314	251,296	3,368	463,324	24,811	387,845	245,827	101,310	3,467,748	157,487	3,625,235
Year ended 31 December 2019														
Cost and valuation:														
Additions	0	0	0	397	758	0	43,474	0	307,323	562	1,012	353,526	81,833	435,359
Transfer from work in progress	0	104,171	7,838	0	72,455	0	109,585	14,362	(340,100)	0	0	(31,689)	22,598	(9,091)
Donations	0	0	0	0	0	0	0	0	0	2,013	0	2,013	0	2,013
Asset disposals	0	0	0	0	0	0	(801)	0	0	0	0	(801)	(22,049)	(22,850)
Asset retirements	0	0	0	0	0	0	(2,153)	0	0	(181)	0	(2,334)	0	(2,334)
Revaluation increment/(decrement)	0	0	0	16,485	(7,466)	36	0	0	0	11,994	0	21,049	0	21,049
Non-capitalisable costs	0	0	0	0	0	0	0	0	(50,009)	0	0	(50,009)	0	(50,009)
Transfers/re-categorisation	0	(963)	0	0	192	0	771	(6,420)	31,029	0	0	24,609	(2,932)	21,677
Depreciation														
Depreciation	0	(50,668)	(4,499)	0	(8,660)	(74)	(111,070)	(6,804)	0	0	(47,583)	(229,358)	(24,938)	(254,296)
Write back accumulated depreciation on asset:														
Disposals	0	0	0	0	0	0	619	0	0	0	0	619	0	619
Retirements	0	0	0	0	0	0	1,389	0	0	0	0	1,389	0	1,389
Revaluations	0	0	0	0	8,665	74	0	0	0	0	0	8,739	0	8,739
Transfers/re-categorisation	0	203	0	0	(4)	0	(164)	11,100	0	0	0	11,135	(11,100)	35
Closing net book amount	182,665	1,414,923	129,147	336,196	317,236	3,404	504,974	37,049	336,088	260,215	54,739	3,576,636	200,899	3,777,535
At 31 December 2019														
Cost	182,665	1,983,109	202,038	0	0	0	1,037,527	55,291	336,088	0	544,819	4,341,537	236,937	4,578,474
Valuation	0	0	0	336,196	317,236	3,404	0	0	0	260,215	0	917,051	0	917,051
Accumulated depreciation and impairment	0	(563,186)	(72,891)	0	0	0	(532,553)	(18,242)	0	0	(490,080)	(1,681,952)	(36,038)	(1,717,990)
Net book amount	182,665	1,414,923	129,147	336,196	317,236	3,404	504,974	37,049	336,088	260,215	54,739	3,576,636	200,899	3,777,535

* Refer to Note 1(e) for further details.

15 Property, plant and equipment (continued)

Non-commercial assets

In accordance with AASB 116 Property, Plant and Equipment, the University has chosen to apply the cost model to value its plant and equipment, library collections and non-commercial teaching and research land, buildings and infrastructure. Cost includes expenditure directly attributable to acquisition of items. After recognition, these classes of assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. Non-commercial land, buildings and infrastructure are identified as assets that are subject to specific restrictions; for example, land grants, zoned specific use and specific contractual arrangements.

Commercial land, buildings and infrastructure

These are measured using the revaluation model. After recognition, these classes of assets are recorded at their fair value and carried at a revalued amount, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation. Under the revaluation model, revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from the value determined using fair value at the reporting date. At the date of revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the assets and the net amount restated to the revalued amount of the assets.

Commercial teaching and research land, buildings, and infrastructure are externally valued every year with a formal valuation occurring every three years. The next formal valuation will be undertaken at 31 December 2021. Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation increment/(decrement). To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the Income statement.

Heritage assets

Heritage assets are also measured using the revaluation model. Valuations for the University's heritage assets are performed on a cyclical basis by independent valuers.

Works in progress

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

Leasehold improvements

Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

Subsequent costs

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

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Asset sales

Net realised gains/(losses) are included as income/(expenses) when control of the asset passes to the buyer.

Depreciation

Land is not depreciated. Depreciation is calculated on a straight-line basis. The depreciation rates are based on the estimated useful lives of the various classes of assets employed. Pro-rata depreciation is charged in the year of purchase and disposal. Depreciation rates by class of assets are as follows:

	2020	2019
Plant and equipment	10%-25%	10%-25%
Buildings and infrastructure	2%	2%
Leasehold improvements*	Various	Various
Library collections**	10%	10%
Right-of-use assets*	Various	Various

* Amortisation rates applied to leasehold improvements and right-of-use assets are based on the term of the lease or the useful life, whichever is lower. The amortisation rates applied to leasehold improvements in respect of make good are based on the estimated period in which the make good will occur.

** In prior year's the University's accounting policy was for the print collection to be depreciated at a rate of 10% with no residual value. From 1 January 2020, the library print collection will be depreciated at a rate of 10% with a 10% residual value.

15 Property, plant and equipment (continued)

Right-of-use assets

The leases that the University has entered into as lessee are represented in three broad categories being property, equipment and motor vehicles.

Economic entity (Consolidated)/Parent entity (University)

	Property \$'000	Motor Vehicles \$'000	Equipment \$'000	Total \$'000
2020				
At 1 January 2020	197,775	679	2,445	200,899
Restatement/retirement of right-of-use assets	(8,322)	15	2,774	(5,533)
Additions of right-of-use assets including WIP transfer	26,081	0	0	26,081
Make good provision movement	(363)	0	0	(363)
Depreciation charge	(21,211)	(405)	(2,302)	(23,918)
At 31 December 2020	193,960	289	2,917	197,166
2019				
At 1 January 2019	150,238	1,445	5,804	157,487
Additions of right-of-use assets including WIP transfer	104,131	(360)	660	104,431
Disposals of right-of-use assets	(22,049)	0	0	(22,049)
Make good provision movement	(4,163)	0	0	(4,163)
Depreciation charge	(20,513)	(406)	(4,019)	(24,938)
Recategorisation	(9,869)	0	0	(9,869)
At 31 December 2019	197,775	679	2,445	200,899

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payment made, or before the commencement date, less any incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the University is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assessment of whether a contract is, or contains, a lease

At inception of a contract, the University assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The University assesses whether:

- (a) The contract involves the use of an identified asset. The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset if the supplier has the substantive right to substitute the asset throughout the period of use.
- (b) The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- (c) The customer has the right to direct the use of the asset throughout the period of use. The customer is considered to have the right to direct the use of the asset only if either:
 - i) The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - ii) The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Accounting for leases - University as lessee

In contracts where the University is a lessee, the University recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

15 Property, plant and equipment (continued)

Right-of-use assets (continued)

Concessionary and peppercorn leases

The University has a limited number of concessionary leases (leased assets that arise from significantly below market leases) where an election has been made to measure the right-of-use assets at initial recognition at cost in accordance with AASB 16 Leases. The University does not have any dependence on these concessionary leases to operate the University and as such has not disclosed any further information in relation to them.

Accounting for leases - University as lessor

The University recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

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16 Intangible assets

2020

	Economic entity (Consolidated)				Parent entity (University)				
	Computer software \$'000	Other intangibles \$'000	Digitised library collections \$'000	Goodwill on consolidation \$'000	Total \$'000	Computer software \$'000	Other intangibles \$'000	Digitised library collections \$'000	Total \$'000
At 1 January 2020									
Cost	152,933	4,054	147,715	6,129	310,831	152,933	4,054	147,715	304,702
Accumulated amortisation and impairment	(106,791)	(1,510)	(12,346)	0	(120,647)	(106,791)	(1,510)	(12,346)	(120,647)
Net book amount	46,142	2,544	135,369	6,129	190,184	46,142	2,544	135,369	184,055
Year ended 31 December 2020									
Additions	(588)	0	19,517	0	18,929	(588)	0	19,517	18,929
Transfer from work in progress	1,530	0	0	0	1,530	1,530	0	0	1,530
Transfers and recategorisation	4,965	1	1	0	4,967	4,965	1	1	4,967
Asset retirements	(16,372)	0	0	0	(16,372)	(16,372)	0	0	(16,372)
Amortisation	(19,782)	(167)	(14,483)	0	(34,432)	(19,782)	(167)	(14,483)	(34,432)
Amortisation charge	(6)	(1)	(3)	0	(10)	(6)	(1)	(3)	(10)
Transfers and recategorisation	0	0	0	0	0	0	0	0	0
Writeback accum amortisation on retirements	16,185	0	0	0	16,185	16,185	0	0	16,185
Closing net book amount	32,074	2,377	140,401	6,129	180,981	32,074	2,377	140,401	174,852
At 31 December 2020									
Cost	142,468	4,055	167,233	6,129	319,885	142,468	4,055	167,233	313,756
Accumulated amortisation and impairment	(110,394)	(1,678)	(26,832)	0	(138,904)	(110,394)	(1,678)	(26,832)	(138,904)
Net book amount	32,074	2,377	140,401	6,129	180,981	32,074	2,377	140,401	174,852

2019

At 1 January 2019									
Cost	143,842	4,055	128,859	6,129	282,885	143,842	4,055	128,859	276,756
Accumulated amortisation and impairment	(88,820)	(1,343)	0	0	(90,163)	(88,820)	(1,343)	0	(90,163)
Net book amount	55,022	2,712	128,859	6,129	192,722	55,022	2,712	128,859	186,593
Year ended 31 December 2019									
Additions	0	0	18,856	0	18,856	0	0	18,856	18,856
Transfer from work in progress	9,091	0	0	0	9,091	9,091	0	0	9,091
Transfers and recategorisation	0	0	0	0	0	0	0	0	0
Asset retirements	0	0	0	0	0	0	0	0	0
Amortisation	(17,937)	(168)	(12,346)	0	(30,451)	(17,937)	(168)	(12,346)	(30,451)
Amortisation charge	(34)	0	0	0	(34)	(34)	0	0	(34)
Asset retirements/recategorisation	0	0	0	0	0	0	0	0	0
Closing net book amount	46,142	2,544	135,369	6,129	190,184	46,142	2,544	135,369	184,055
At 31 December 2019									
Cost	152,933	4,054	147,715	6,129	310,831	152,933	4,054	147,715	304,702
Accumulated amortisation and impairment	(106,791)	(1,510)	(12,346)	0	(120,647)	(106,791)	(1,510)	(12,346)	(120,647)
Net book amount	46,142	2,544	135,369	6,129	190,184	46,142	2,544	135,369	184,055

16 Intangible assets (continued)

Goodwill

Goodwill represents the excess of the fair value measurement of consideration transferred in an acquisition over the fair value of the University's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Computer software

Major computer software is recorded at historic cost less accumulated amortisation, and where applicable any impairment losses. Amortisation is provided on a straight-line basis at a rate of 14.29%.

Digitised library collections

The digitised library collections (items for which the University holds a perpetual licence and are not expected to be subject to technical obsolescence or incur maintenance costs) is amortised over 10 years with 10% residual value.

Other intangible assets

Other intangible assets include the right to use assets that have been purchased, developed and/or implemented.

Disposal

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from the use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

17 Other non-financial assets

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Prepaid expense	32,047	32,947	32,047	32,947
Inventories	66	54	66	54
Total current other non-financial assets	32,113	33,001	32,113	33,001
Non-current				
Livestock				
Balance 1 January	3,202	4,224	3,202	4,224
Purchases and natural increase/revaluation	4,726	120	4,726	120
Sales and natural decrease	(1,187)	(1,142)	(1,187)	(1,142)
Total livestock	6,741	3,202	6,741	3,202
Total non-current other non-financial assets	6,741	3,202	6,741	3,202
Total other non-financial assets	38,854	36,203	38,854	36,203

The University recognises a prepayment as an asset when payments for goods and services have been made in advance of the University obtaining a right to access those goods or services.

The University has made a number of contributions to secure access to properties for periods of up to 60 years. These contributions are amortised over the life of the access right.

The University values its livestock assets at fair value less the estimated costs to sell.

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18 Trade and other liabilities

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
		Restated		Restated
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables	51,843	26,703	51,843	26,703
OS-HELP liability to Australian Government	10,738	2,813	10,738	2,813
Prepaid income	131,150	137,332	131,150	137,332
Other financial liabilities	13,583	10,742	13,583	10,742
Contract liabilities	325,465	239,339	325,465	239,339
Accrued expenses	118,358	144,726	118,358	144,726
Total trade and other liabilities	651,137	561,655	651,137	561,655

Foreign currency risk

The total trade and other liabilities of the economic entity shown above includes \$1,986k (2019: \$400k) denominated in currencies other than Australian dollars.

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration from the customer. If a customer pays consideration before the University transfers the goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the University performs its obligations under the contract.

The unsatisfied performance obligations are expected to be satisfied within the next twelve months and therefore have been classified as current.

Revenue recognised in the reporting period that was included in the contract liability balance at start of the year was \$175,755k (2019: \$129,515k).

Transfers to enable acquisition or construction of a recognisable non-financial asset

A contract liability is also recognised where the University receives a transfer to enable the acquisition or construction of a recognisable non-financial asset. A transfer of a financial asset to enable the University to acquire or construct a recognisable non-financial asset for its own use is one that:

- a) *requires the University to use that financial asset to acquire or construct a non-financial asset to identified specifications*
- b) *it does not require the University to transfer the non-financial asset to the transferor or other parties; and*
- c) *it occurs under an enforceable agreement.*

The University recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income in the Income statement as it satisfies its obligations under the transfer. The income related to the construction of buildings is recognised over time as and when the building is acquired or constructed.

The University applies the requirements of AASB 9 when accounting for the financial asset (e.g. cash) received. The acquisition or construction of the non-financial asset is accounted for separately to the transfer of the financial asset, in accordance with other standards.

18 Trade and other liabilities (continued)

(a) Transfers to acquire or construct a non-financial asset

Contract liabilities above include transfers received to acquire or construct a recognisable non-financial asset to be controlled by the University. These contract liabilities were \$3,490k as at December 2020 (2019: \$20,742k).

During the reporting period, there were no additional receipts (2019: \$7,889k) and income was recognised of \$17,252k (2019: \$15,331k) as a result of acquiring or constructing non-financial assets.

There was no Australian Government unspent financial assistance in relation to transfers to acquire or construct a non-financial asset in the opening or closing balance for 2020.

Liabilities related to contracts with customers:

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contract liabilities				
Contract liabilities - Australian Government	211,477	131,240	211,477	131,240
Other contract liabilities	113,988	108,099	113,988	108,099
Total contract liabilities	325,465	239,339	325,465	239,339

19 Borrowings

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Bonds payable	200,000	0	200,000	0
Lease liabilities	16,961	13,351	16,961	13,351
Total current borrowings	216,961	13,351	216,961	13,351
Non-current				
Bonds payable	398,129	597,538	398,129	597,538
Lease liabilities	79,560	101,871	79,560	101,871
Total non-current borrowings	477,689	699,409	477,689	699,409
Total borrowings	694,650	712,760	694,650	712,760

The fair value of borrowings at balance sheet date was \$698,430k (2019: \$681,906k). Refer to Note 32 for fair value measurement. For an analysis of the sensitivity of borrowings to interest rate and foreign exchange risk refer to Note 31.

Bonds payable	Face value			
	\$'000	Term	Rate	Issue date
Tranche 1	200,000	7 years	4.75%	April 2014
Tranche 2	200,000	10 years	3.75%	August 2015
Tranche 3	200,000	25 years	4.5%	November 2018

It is expected that the April 2021 maturity will be repaid using operating cash on hand at the time.

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

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

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

Borrowing costs, including those incurred for the construction of any qualifying asset, are expensed as incurred.

19 Borrowings (continued)

University as lessee

Amounts recognised in the Income statement

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest on lease liabilities	5,246	4,916	5,246	4,916
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	4,090	5,009	4,090	5,009
Total	9,336	9,925	9,336	9,925

Maturity analysis - undiscounted contractual cash flows

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Less than one year	17,291	14,690	17,291	14,690
One to five years	39,685	52,814	39,685	52,814
More than five years	78,178	86,082	78,178	86,082
Total undiscounted contractual cash flows	135,154	153,586	135,154	153,586

Lease liability

A lease liability is initially measured as the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI);
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the University is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the Income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Extension and termination options are included in a number of property and equipment leases across the University. These are used to maximise operational flexibility in terms of managing the assets used in the University's operations. The majority of extension and termination options held are exercisable only by the University and not by the respective lessor.

Short-term leases and leases of low-value assets

The University has elected not to recognise right-of-use assets and lease liabilities for short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets (assets with an original cost less than \$10k). The University recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

19 Borrowings (continued)

University as lessee (continued)

Amounts recognised in Statement of cash flows

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net financing cash outflow for leases	17,834	20,421	17,834	20,421
Total net financing cash outflow for leases	17,834	20,421	17,834	20,421

20 Provisions

(a) Provisions

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	121,705	86,346	121,705	86,346
Long service leave	43,405	40,695	43,405	40,695
Defined benefit obligation	94,624	99,234	94,624	99,234
Provision for termination payment	28,924	9,324	28,924	9,324
Provision for make good	6,443	68	6,443	68
Deferred payroll tax provisions	1,666	1,920	1,666	1,920
Building rectification provisions	56,885	0	56,885	0
Subtotal	353,652	237,587	353,652	237,587
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	2,999	2,922	2,999	2,922
Long service leave	168,084	156,577	168,084	156,577
Subtotal	171,083	159,499	171,083	159,499
Total current provisions	524,735	397,086	524,735	397,086
Non-current provisions				
Employee benefits				
Long service leave	48,948	41,893	48,948	41,893
Defined benefit obligation	1,446,717	1,537,709	1,446,717	1,537,709
Provision for make good	26,464	27,523	26,464	27,523
Deferred payroll tax provisions	28,827	29,751	28,827	29,751
Total non-current provisions	1,550,956	1,636,876	1,550,956	1,636,876
Total provisions	2,075,691	2,033,962	2,075,691	2,033,962

The University of Sydney
Notes to the financial statements
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(continued)

20 Provisions (continued)

(b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Economic entity (Consolidated)				Parent entity (University)			
	Deferred lease	Make good provisions	Deferred payroll tax	Building rectification	Deferred lease	Make good provisions	Deferred payroll tax	Building rectification
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019								
Carrying amount at 1 January	1,965	24,789	29,201	0	1,965	24,789	29,201	0
Additional provisions recognised	0	2,802	4,043	0	0	2,802	4,043	0
Amount used	(1,965)	0	(1,573)	0	(1,965)	0	(1,573)	0
Carrying amount at 31 December	0	27,591	31,671	0	0	27,591	31,671	0
2020								
Carrying amount at 1 January	0	27,591	31,671	0	0	27,591	31,671	0
Additional provisions recognised	0	5,316	0	56,885	0	5,316	0	56,885
Amount used	0	0	(1,178)	0	0	0	(1,178)	0
Carrying amount at 31 December	0	32,907	30,493	56,885	0	32,907	30,493	56,885

(c) Employee benefits

Current provisions

Liabilities for short-term employee benefits, including wages and salaries and non-monetary benefits, are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period.

The liability for other long-term benefits is recognised in current provisions for employee benefits if they are expected to be settled wholly before twelve months after the end of the reporting period. Other long-term employee benefits include such entitlements as annual leave, accumulating sick leave and long service leave liabilities.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates payable.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as current liabilities, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current provision.

Non-current provisions

Other long-term employee benefits are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Termination benefits

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

(d) Other provisions

Provisions are recognised when the economic entity has a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

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

Make good provisions

The University leases a number of properties which include make good requirements at the expiry of the lease. On initial recognition of the make good provision a leasehold improvement asset is recognised to record the future economic outflows required to perform the restoration. Changes to the estimated future costs of the restoration are recognised in the Statement of financial position by adjusting the cost of the related asset.

21 Reserves

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 Restated \$'000	2020 \$'000	2019 Restated \$'000
Property, plant and equipment revaluation reserve	553,993	495,545	553,992	495,544
Associates reserves	1,312	1,312	0	0
Balance at 31 December	555,305	496,857	553,992	495,544
Movements:				
Property, plant and equipment revaluation reserve				
Balance at 1 January	495,545	480,687	495,544	480,686
Prior period correction	0	(14,930)	0	(14,930)
Gain on revaluation of property, plant and equipment	58,448	29,788	58,448	29,788
Balance at 31 December	553,993	495,545	553,992	495,544
Associates reserve				
Balance at 1 January	1,312	1,312	0	0
Less: transfers from reserves	0	0	0	0
Balance at 31 December	1,312	1,312	0	0

The University has the following reserves:

(i) Property, plant and equipment revaluation reserve

This reserve is used to account for the increases or decreases in the value of assets as a result of revaluations. Increases in the value of reserves are in accordance with the valuation of assets policies stated in Note 15. Decrements in reserves are either on revaluation of assets, or on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 Impairment of Assets, where a revaluation reserve had existed for that asset class.

(ii) Associates reserve

This represents the reserves held by associated entities and is recognised in the consolidated financial statements using the equity method of accounting (see Note 29).

22 Key management personnel disclosures

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

The Senate of the University oversees all major decisions concerning the conduct of the University, including staff appointments and welfare, student welfare and discipline, financial matters and the physical and academic development of the University. Apart from members of staff serving on Senate receiving remuneration as per their employment conditions, the Fellows of Senate received no remuneration in their capacity as Fellows of Senate. A list of the Fellows of Senate is included in the University's Annual Report.

The following persons were principal officers of The University of Sydney during the financial year:

Dr M Spence AC (to December 2020)	Ms R Murray
Professor S Garton	Professor P Pattison AO
Professor Lisa Jackson-Pulver AM	Mr S Phillips
Ms T Rhodes Taylor	Professor B Messerle (to September 2020)
Mr R Fisher AM	Ms R Ogilvie
Professor D Ivison	

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22 Key management personnel disclosures (continued)

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

	Economic entity (Consolidated)		Parent entity (University)	
	2020 Number	2019 Number	2020 Number	2019 Number
Remuneration of principal officers				
\$45,000 to \$59,999	0	1	0	1
\$195,000 to \$209,999	0	1	0	1
\$465,000 to \$479,999	0	1	0	1
\$480,000 to \$494,999	0	1	0	1
\$525,000 to \$539,999	2	1	2	1
\$540,000 to \$554,999	0	1	0	1
\$555,000 to \$569,999	1	0	1	0
\$585,000 to \$599,999	1	0	1	0
\$600,000 to \$614,999	0	1	0	1
\$630,000 to \$644,999	1	0	1	0
\$705,000 to \$719,999	1	2	1	2
\$750,000 to \$764,999	1	0	1	0
\$810,000 to \$824,999	0	1	0	1
\$825,000 to \$839,999	1	0	1	0
\$885,000 to \$899,999	1	0	1	0
\$930,000 to \$944,999	0	1	0	1
\$945,000 to \$959,999	1	0	1	0
\$1,530,000 to \$1,544,999	1	0	1	0
\$1,620,000 to \$1,634,999	0	1	0	1
	11	12	11	12

In September 2020, the University announced that members of the University Executive had agreed to a 20% reduction in their 2020 salary as a part of the University's response to the COVID-19 pandemic. In addition to the Vice-Chancellor, this applies to the Senior Deputy Vice-Chancellor, Deputy Vice-Chancellors, Vice-Principals and the Executive Dean and Deans of faculties. The reduction is to take effect through a combination of the annual salary increase for 2020 not being awarded, and reduction of the assessed bonuses accrued in respect of 2019 performance payable in 2020, and 2020 performance which would be otherwise payable in 2021.

During 2020, the Vice-Chancellors remuneration comprised the following components:

Short-term employee benefits:

- Base - including the base salary, allowances and leave entitlements paid and provided for in the reporting year.
- Non-monetary benefits - A housing allowance was paid throughout 2020. Other benefits, including provision of a motor vehicle, are costed in the remuneration package together with the fringe benefits tax applicable to all those benefits.

Performance bonuses may be paid annually depending on the achievement of pre-determined individual performance targets, as agreed by the Chancellor in consultation with the Chair of the Senate's People and Culture Committee, and approved by the Senate. The performance bonus paid in September 2020 relates to the 2019 performance period.

Long-term employee benefits represent long service leave balance movements arising from both accruing and taking long service leave entitlements.

Post-employment benefits comprise superannuation contributions.

	Short-term employee benefits					Long-term employee benefits	Post- employment benefits	Total remuneration
	Base	Allowances	Annual leave entitlement	Non- monetary benefits	Performance payments			
	\$	\$	\$	\$	\$	\$	\$	\$
Vice-Chancellor (2020)	424,589	275,544	(3,059)	463,300	203,107	20,863	146,513	1,530,857
Vice-Chancellor (2019)	508,064	195,942	(7,667)	490,610	232,671	67,914	133,244	1,620,778

22 Key management personnel disclosures (continued)

(b) Key management personnel compensation

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	5,953	6,554	5,953	6,554
Post-employment benefits	1,028	920	1,028	920
Other long-term benefits	226	186	226	186
Termination benefits	312	40	312	40
Total key management personnel compensation	7,519	7,700	7,519	7,700

(c) Loans to key management personnel

The University has not made any loans to key management personnel.

(d) Other transactions with key management personnel

There are no other transactions between the University and key management personnel.

23 Remuneration of auditors

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
(a) Audit services				
Fees related to services from the Audit Office of NSW				
Audit and review of financial statements and other audit work	573	593	573	593
Audit fees for subsidiaries paid by parent entity	0	17	0	17
Audit fees paid by subsidiaries	70	74	0	0
Audit services by private sector contractors	77	71	27	24
Total remuneration for audit services	720	755	600	634
(b) Other audit and assurance services				
Fees related to services from the Audit Office of NSW				
Audit of regulatory returns	183	34	183	34
Fees paid to other audit firms	26	43	26	43
Total remuneration paid for other audit related services	209	77	209	77
Total remuneration of auditors	929	832	809	711

24 Commitments

Capital commitments

Capital expenditure contracted for at the reporting date, but not recognised as a liability, is as follows:

	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (PP&E) commitments				
Within one year	51,010	144,156	51,010	144,156
Between one year and five years	0	7,896	0	7,896
Total PP&E commitments	51,010	152,052	51,010	152,052
Intangibles asset commitments				
Within one year	9,273	18,839	9,273	18,839
Total intangible asset commitments	9,273	18,839	9,273	18,839

25 Contingencies

(i) Bank guarantee facility

The University has a bank guarantee facility in place with a facility limit of \$20,000k of which \$7,837k was utilised at 31 December 2020. The bank guarantees are primarily provided as security for the workers compensation insurance program and rental agreements.

(ii) Letters of comfort to subsidiaries

The University has provided certain controlled entities (A14 Holdings Pty Limited and Suzhou Xi Su Commercial Consulting Co., Limited) with letters of comfort guaranteeing the liabilities of these controlled entities.

As at the date of this report the letters of comfort issued to controlled entities cover net assets of \$2,092k (2019: net assets of \$2,088k).

26 Defined benefit plans

(a) Fund specific disclosure

State Authorities Superannuation Trustee Corporation

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

These schemes are all defined benefit schemes. Each member's final benefit in relation to these schemes is derived from a multiple of their salary and years of membership. All three schemes are closed to new members.

Professorial Superannuation System (PSS)

The Professorial Superannuation System is closed to new members. Pensioner members receive pension payments from the system. These benefits are funded by contributions from system members and, if necessary, the University.

26 Defined benefit plans (continued)

(a) Fund specific disclosure (continued)

Liability

A net unfunded liability for retirement benefits of \$1,535,663k (2019: \$1,631,825k) is included in the Statement of financial position as \$5,678k (2019: \$5,118k) within non-current receivables, \$1,446,717k (2019: \$1,537,709k) within non-current provisions and \$94,624k (2019: \$99,234k) within current provisions, \$1,536,593k (2019: \$1,631,645k) of this is payable by the Commonwealth and New South Wales governments. Details of the receivable from the Commonwealth and New South Wales governments is set out in Note 13.

The valuation methodology and principal actuarial assumptions as at 31 December 2020 are as follows:

(i) Valuation method

The projected unit credit valuation method is used to determine the present value of the defined benefit obligations and the related current service costs.

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

(ii) Economic assumptions

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

	2020	2019
	%	%
Discount rate(s)*	0.97%	1.37%
Expected rate(s) of salary increase**	3.20%	3.20%

* The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2020 used 0.80% (2019: 1.30%) as the discount rate assumption.

** The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2020 used 2.50% (2019: 2.50%) as the salary increase assumption. The actuarial calculation for SASS, SANCS and SSS funds in 2020 used 3.20% (2019: 3.20%) as the salary increase assumption.

The University expects to make a contribution of \$97,059k (2019: \$101,985k) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation is 10.3 years (2019: 10.2 years). The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligations - 31 December 2020	102,329	99,671	279,475	1,230,909	1,712,384
Defined benefit obligations - 31 December 2019	103,940	100,563	285,059	1,321,200	1,810,762

(b) Categories of plan assets

The analysis of the plan assets at the reporting date is as follows:

	2020 \$'000		2019 \$'000	
	Active Market	No Active Market	Active Market	No Active Market
Cash and cash equivalents	11,171	8,804	13,299	7,583
Equity instruments	101,585	1,991	90,585	9,585
Debt instruments	5,743	10,534	6,251	13,641
Property	2,821	10,838	2,915	11,455
Other	3,397	38,687	3,661	38,733
Total	124,717	70,854	116,711	80,997

26 Defined benefit plans (continued)

(c) Actuarial assumptions and sensitivity

The sensitivity of the defined benefit obligation to change in the significant assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	+/-1.0%	Decrease by 5.1%	Increase by 5.6%
Salary growth rate	+/-0.05%	Increase by 0.2%	Decrease by 0.2%

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the Statement of financial position.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

26 Defined benefit plans (continued)

(d) Statement of financial position amounts

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations - 2020					
Opening defined benefit obligation	116,597	17,748	1,667,770	27,419	1,829,534
Current service cost	1,638	520	0	51	2,209
Taxes, premiums and expenses paid	(334)	4,779	(11,009)	(51)	(6,615)
Interest expense/(income)	1,458	218	22,212	339	24,227
	<u>119,359</u>	<u>23,265</u>	<u>1,678,973</u>	<u>27,758</u>	<u>1,849,355</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in financial assumptions	(1,051)	(294)	13,061	938	12,654
Experience losses/(gains)	(1,556)	(6,502)	(29,704)	(772)	(38,534)
	<u>(2,607)</u>	<u>(6,796)</u>	<u>(16,643)</u>	<u>166</u>	<u>(25,880)</u>
Contributions					
Plan participants	1,113	0	220	0	1,333
	<u>1,113</u>	<u>0</u>	<u>220</u>	<u>0</u>	<u>1,333</u>
Payments from plan					
Benefits paid	(11,933)	(1,713)	(77,327)	(2,602)	(93,575)
	<u>(11,933)</u>	<u>(1,713)</u>	<u>(77,327)</u>	<u>(2,602)</u>	<u>(93,575)</u>
Closing defined benefit obligation	<u>105,932</u>	<u>14,756</u>	<u>1,585,223</u>	<u>25,322</u>	<u>1,731,233</u>
Present value of plan assets - 2020					
Opening fair value of plan assets	103,598	3,075	58,499	32,537	197,709
	<u>103,598</u>	<u>3,075</u>	<u>58,499</u>	<u>32,537</u>	<u>197,709</u>
Remeasurements					
Interest expense/(income)	1,281	41	783	406	2,511
Actuarial losses/(gains) arising from changes in financial assumptions	(20)	(27)	(447)	710	216
	<u>1,261</u>	<u>14</u>	<u>336</u>	<u>1,116</u>	<u>2,727</u>
Contributions					
Employers	61	3,465	90,466	0	93,992
Plan participants	1,113	0	220	0	1,333
	<u>1,174</u>	<u>3,465</u>	<u>90,686</u>	<u>0</u>	<u>95,325</u>
Payments from plan					
Benefits paid	(11,933)	(1,713)	(77,327)	(2,602)	(93,575)
Taxes, premiums and expenses paid	(335)	4,779	(11,009)	(51)	(6,616)
	<u>(12,268)</u>	<u>3,066</u>	<u>(88,336)</u>	<u>(2,653)</u>	<u>(100,191)</u>
Closing fair value of plan assets	<u>93,765</u>	<u>9,620</u>	<u>61,185</u>	<u>31,000</u>	<u>195,570</u>
Reimbursement rights - 2020					
Opening value of reimbursement right	9,495	13,955	1,608,196	0	1,631,646
Expected return on reimbursement rights	1,755	(2,768)	(69,039)	0	(70,052)
Actuarial remeasurements	(2,587)	(6,769)	(16,195)	0	(25,551)
Remeasurement through profit or loss	164	(18)	(180)	0	(34)
Remeasurement through other comprehensive income	503	94	(13)	0	584
Closing value of reimbursement right	<u>9,330</u>	<u>4,494</u>	<u>1,522,769</u>	<u>0</u>	<u>1,536,593</u>
Net liability reconciliation - 2020					
Defined benefit obligation	105,932	14,756	1,585,223	25,322	1,731,233
Fair value of plan assets	(93,765)	(9,620)	(61,185)	(31,000)	(195,570)
Net liability	<u>12,167</u>	<u>5,136</u>	<u>1,524,038</u>	<u>(5,678)</u>	<u>1,535,663</u>
Reimbursement right	9,330	4,494	1,522,769	0	1,536,593
Total net liability/(asset) in statement of financial position	<u>2,837</u>	<u>642</u>	<u>1,269</u>	<u>(5,678)</u>	<u>(930)</u>

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26 Defined benefit plans (continued)

(d) Statement of financial position amounts (continued)

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSS	Total
Present value obligations - 2019					
Opening defined benefit obligation	114,247	18,745	1,596,786	27,535	1,757,313
Current service cost	2,074	570	0	117	2,761
Taxes, premiums and expenses paid	(214)	(197)	(2,308)	(117)	(2,836)
Interest expense/(income)	2,472	392	36,623	597	40,084
	<u>118,579</u>	<u>19,510</u>	<u>1,631,101</u>	<u>28,132</u>	<u>1,797,322</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in financial assumptions	3,935	715	132,761	1,939	139,350
Experience losses/(gains)	7,295	(96)	(16,413)	488	(8,726)
	<u>11,230</u>	<u>619</u>	<u>116,348</u>	<u>2,427</u>	<u>130,624</u>
Contributions					
Plan participants	1,209	0	346	0	1,555
	<u>1,209</u>	<u>0</u>	<u>346</u>	<u>0</u>	<u>1,555</u>
Payments from plan					
Benefits paid	(14,421)	(2,381)	(80,025)	(3,140)	(99,967)
	<u>(14,421)</u>	<u>(2,381)</u>	<u>(80,025)</u>	<u>(3,140)</u>	<u>(99,967)</u>
Closing defined benefit obligation	<u>116,597</u>	<u>17,748</u>	<u>1,667,770</u>	<u>27,419</u>	<u>1,829,534</u>
Present value of plan assets - 2019					
Opening fair value of plan assets	110,103	2,040	55,510	31,201	198,854
	<u>110,103</u>	<u>2,040</u>	<u>55,510</u>	<u>31,201</u>	<u>198,854</u>
Remeasurements					
Interest expense/(income)	2,381	45	1,680	681	4,787
Actuarial losses/(gains) arising from changes in financial assumptions	4,018	(12)	204	3,912	8,122
	<u>6,399</u>	<u>33</u>	<u>1,884</u>	<u>4,593</u>	<u>12,909</u>
Contributions					
Employers	522	3,581	83,092	0	87,195
Plan participants	1,209	0	346	0	1,555
	<u>1,731</u>	<u>3,581</u>	<u>83,438</u>	<u>0</u>	<u>88,750</u>
Payments from plan					
Benefits paid	(14,421)	(2,381)	(80,025)	(3,140)	(99,967)
Taxes, premiums and expenses paid	(214)	(198)	(2,308)	(117)	(2,837)
	<u>(14,635)</u>	<u>(2,579)</u>	<u>(82,333)</u>	<u>(3,257)</u>	<u>(102,804)</u>
Closing fair value of plan assets	<u>103,598</u>	<u>3,075</u>	<u>58,499</u>	<u>32,537</u>	<u>197,709</u>
Reimbursement rights - 2019					
Opening value of reimbursement right	993	16,020	1,539,979	0	1,556,992
Expected return on reimbursement rights	1,643	(2,664)	(48,149)	0	(49,170)
Actuarial remeasurements	7,212	631	116,144	(1,452)	122,535
Remeasurement through profit or loss	(115)	(7)	(27)	(33)	(182)
Remeasurement through other comprehensive income	(238)	(25)	248	1,485	1,470
Closing value of reimbursement right	<u>9,495</u>	<u>13,955</u>	<u>1,608,195</u>	<u>0</u>	<u>1,631,645</u>
Net liability reconciliation - 2019					
Defined benefit obligation	116,597	17,748	1,667,770	27,419	1,829,534
Fair value of plan assets	(103,598)	(3,075)	(58,499)	(32,537)	(197,709)
Net liability	<u>12,999</u>	<u>14,673</u>	<u>1,609,271</u>	<u>(5,118)</u>	<u>1,631,825</u>
Reimbursement right	9,495	13,955	1,608,195	0	1,631,645
Total net liability/(asset) in statement of financial position	<u>3,504</u>	<u>718</u>	<u>1,076</u>	<u>(5,118)</u>	<u>180</u>

26 Defined benefit plans (continued)

(e) UniSuper defined benefit division (UniSuper)

The superannuation scheme used by the University is the UniSuper defined benefit division (UniSuper), formerly known as the Superannuation Scheme for Australian Universities (SSAU).

Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the Trustee to be insufficient to provide benefits payable under the deed. In these circumstances, at least four years notice is required. If such a request was agreed to by all employers then members would have to contribute additional funds. If all the employers did not agree to increase contributions, the Trustee would have to reduce benefits payable to members on a fair and equitable basis.

Should the balance of UniSuper become a deficit, the universities are not liable to make any payments to UniSuper unless all the universities (including the University of Sydney) who are members of UniSuper unanimously agree to make additional contributions to the fund. It is only on this basis that the universities would be liable for the agreed additional contribution. Management believes it is unlikely that any additional contribution will be required in the foreseeable future.

Historically, surpluses in UniSuper were used to improve members' benefits and have not affected the amount of participating employers' contributions.

As at 30 June 2020, the assets of UniSuper in aggregate, were estimated to be \$3,276,000k above vested benefits, after allowing for various reserves. As at 30 June 2019 the total assets of UniSuper were estimated to be \$5,643,000k above vested benefits. The vested benefits are benefits that are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the Defined Benefit Division.

As at 30 June 2020, the assets of UniSuper in aggregate were estimated to be \$5,267,000k above accrued benefits, after allowing for various reserves. As at 30 June 2019 the assets of the fund were estimated to be \$7,301,000k above accrued benefits. The accrued benefits have been calculated as the present value of expected future benefits payments to members and indexed pensioners that arise from membership of UniSuper up to the reporting date.

(f) Retirement benefit obligations

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

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the Statement of financial position.

Past service costs are recognised in profit or loss at the earlier of the following dates:

- a) when the plan amendments or curtailment occurs; and*
- b) when the entity recognises related restructuring costs or termination benefits*

Contributions to the defined contribution section of the University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

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

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27 Related parties

(a) Parent entity

The ultimate parent entity within the economic entity is The University of Sydney.

(b) Controlled entities

The following entities are controlled entities of the University.

Name of Entity	Principal place of business	Ownership interest	
		2020	2019
		%	%
A14 Holdings Pty Limited	Camperdown, NSW	100	100
Suzhou Xi Su Commercial Consulting Co., Limited	Suzhou, China	100	100
The Warren Centre for Advanced Engineering Limited*	Camperdown, NSW	0	100
Westmead IVF Pty Limited	Westmead, NSW	100	100

* Deregistered on 4 November 2020.

(c) Transactions with related parties

The following transactions occurred during the reporting period with related parties:

	2020	2019
	\$'000	\$'000
Controlled entities		
Sale of goods and services	90	178
Interest income	48	46
Purchase of goods and services	1,789	2,497
Grants and funding expense	0	165
Distribution from controlled entity	141	0
Associates and joint venture		
Sales of goods and services	9,257	8,561
Purchase of goods and services	21,348	18,050
Investment in associate	1,675	1,000

(d) Outstanding balances

	2020	2019
	\$'000	\$'000
Controlled entities		
Trade and other receivables	116	264
Loans receivables	1,297	1,288
Investment in controlled entity	325	325
Trade and other payables	633	1,065
Associates and joint venture		
Trade and other receivables	621	1,203
Trade and other payables	279	163

In the current and previous year, no expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(e) Terms and conditions of outstanding balances

During the financial year, all transactions between the University and its related parties were in the ordinary course of business and on normal arm's length commercial terms and conditions.

28 Joint operations

Name of joint operations	Nature of relationship	Principle place of business	Ownership interest/ voting rights held	
			2020	2019
			%	%
United States Studies Centre*	Australian public company, limited by guarantee	Camperdown, NSW	50	50

* The United States Studies Centre constitution prohibits distribution to members.

The University's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings, except where the company is prohibited from making distributions to members.

29 Investments accounted for using the equity method

(a) Associates

Name of Entity	Place of business	Measurement method	Ownership Interest	
			2020	2019
			%	%
Abercrombie Street Childcare Limited*	Darlington, NSW	Equity method	1	1
Ab initio Pharma Pty Ltd	Camperdown, NSW	Equity method	25	25
Agerris Pty Ltd	Sydney, NSW	Equity method	26	26
ANZAC Health and Medical Research Foundation*	Concord, NSW	Equity method	14	18
Cicada Innovations Pty Limited	Eveleigh, NSW	Equity method	25	25
Detected-X Pty Ltd	Sydney, NSW	Equity method	20	20
Glycemic Index Foundation*	St Leonards, NSW	Equity method	50	50
Gradient Institute Ltd*	Sydney, NSW	Equity method	20	20
ImmuneSignatures Pty Ltd	Sydney, NSW	Equity method	33	35
Kinoxis Therapeutics Pty Ltd	Camberwell, VIC	Equity method	16	25
Nexcan Laboratories Limited	Sydney, NSW	Equity method	0	35
Nuflora International Pty Limited	Sydney, NSW	Equity method	38	38
Praxis Australia Limited*	Eastwood, SA	Equity method	33	33
Sydney Institute of Marine Science*	Mosman, NSW	Equity method	25	25
The Transport Research Association for New South Wales (TRANSW)	Sydney, NSW	Equity method	25	25
UIIT Pty Ltd	St. Lucia, QLD	Equity method	17	20
UIIT Trust No 7**	St. Lucia, QLD	Equity method	100	100
UIIT Trust No 9	St Lucia, QLD	Equity method	25	25
Uniseed Management Pty Ltd	St. Lucia, QLD	Equity method	20	20
Westmead Millennium Institute for Medical Research*	Westmead, NSW	Equity method	33	33
Zeta Therapeutics Pty Ltd***	North Curl Curl, NSW	Equity method	40	0

* These companies are public companies limited by guarantee. The constitutions of these companies prohibit distribution of funds to the members. Accordingly, interests in these companies are measured at cost and the University's share of net profit and other comprehensive income have not been recognised.

** The University holds 100% of the units in UIIT Trust No.7; however by virtue of the Unitholders Deed in relation to the UIIT's and Uniseed Management Shareholders Agreement, the trust is subject to significant influence and is therefore considered an associate.

*** This company became an associate of the University during 2020.

Associates are entities over which the University has significant influence but not control. Investments in associates are accounted for in the parent entity using the cost method and the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The University's share of an associate's post-acquisition profits or losses is recognised in the Income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the parent entity's Income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

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

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29 Investments accounted for using the equity method (continued)

(b) Joint ventures

Name of Entity	Place of business	Measurement method	Ownership Interest %	
			2020	2019
Innowell Pty Limited	Southbank, Vic	Share of net assets	45	45
University of Sydney Foundation Program Pty Limited	Waterloo, NSW	Share of net assets	50	50

Joint ventures are those joint arrangements which provide the venturer with rights to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method by the consolidated entity and are measured at cost by the parent entity.

Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

The venturer's share in the joint venture's gain or losses arising from transactions between a venturer and its joint venture partner are eliminated. Adjustments are made to the joint venture's accounting policies where they are different from those of the venturer for the purpose of the consolidated financial statements.

30 Reconciliation of net result after income tax from continuing operations to net cash provided by/(used in) operating activities

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net result after income tax from continuing operations	108,980	178,637	106,563	177,856
Depreciation and amortisation	222,476	284,747	222,476	284,747
Loss on disposal of property, plant and equipment	1,864	725	1,864	725
Non-cash investment (income)/loss	24,584	(72,272)	27,001	(71,491)
Non-cash impairment expense	48,253	8,043	48,253	8,043
Interest costs on lease liabilities	(5,246)	(4,915)	(5,246)	(4,915)
Non-cash other expenses	38,936	1,872	38,936	1,872
(Increase)/decrease in inventories	0	5	0	5
(Increase)/decrease in receivables	128,378	(89,563)	128,378	(89,563)
(Increase)/decrease in other assets	1,491	1,021	1,491	1,021
(Increase)/decrease in current non-financial assets	(3,551)	(5,745)	(3,551)	(5,745)
Increase/(decrease) in payables	20,377	52,514	20,377	52,514
Increase/(decrease) in other liabilities	85,983	46,605	85,983	46,605
Increase/(decrease) in provisions	(14,801)	115,870	(14,801)	115,870
Net cash provided by operating activities	657,724	517,544	657,724	517,544

Reconciliation of liabilities arising from financing activities

1 January 2020	Cash flow payment	Disposal/retirement	Non-cash changes			31 December 2020
			Foreign exchange movement	Fair value changes	Other	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Short and long-term borrowings	0	0	0	0	591	598,129
Lease liabilities	(17,834)	(6,113)	0	5,246	0	96,521

31 Financial risk management

Objectives and Policies

The University is exposed to a variety of financial risks including market risk, credit risk and liquidity risk. A risk management program is maintained that focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the University's financial performance.

A variety of risk mitigation measures are used to manage the different types of risk to which the University is exposed.

The University has adopted a Treasury Management Policy approved by the Finance Committee (FC), a Committee of Senate. Investment risk and policy is overseen by the Investment Sub-Committee (ISC) of FC. Interest rate risk is overseen by the Asset and Liability Committee.

The Treasury Management Policy establishes the policy framework for the management of interest rates, liquidity and operational funding management, foreign exchange, counterparty credit, operational risk and the investment of excess liquidity.

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

In managing interest rate risk the University makes use of derivative financial instruments such as interest rate swaps to hedge cash flow risk exposures. Derivatives, in relation to the University's debt, are only used for hedging purposes, not as trading or other speculative instruments.

The Aa1 stable credit rating assigned to the University by Moody's was reaffirmed in September 2020.

(a) Market risk

(i) Foreign exchange risk

The University has exposure to foreign exchange risk. This arises from holding investments denominated in foreign currencies and balances in bank accounts used to pay overseas suppliers.

(ii) Price risk

The University has exposure to equity security price risk. This arises from investments held by the University and classified on the Statement of financial position at fair value through profit or loss. The impact of a change in value of the securities would be reflected as either an increase or decrease in the fair value of the security through the net result.

The University is not materially exposed to commodity price risk.

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

The University's listed equity investments are all managed by external fund managers. Listed equity exposure is split between domestic and overseas shares. The hedging of offshore currency exposures is managed at a whole of portfolio level.

(iii) Interest rate risk

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

When appropriate, the University maintains floating to fixed interest rate profiles according to the Treasury Management Policy.

When appropriate, the University uses interest rate swaps to hedge the interest rate risk on a portion of its borrowings drawn on its floating rate bank debt facility. These interest rate swaps are designated as cash flow hedge accounting relationships; see Note 31(e).

The University's short-term cash and deposit portfolio consists of short-term deposits held with investment grade Australian banks together with cash held in an interest bearing bank account held with an investment grade Australian bank. The short-term cash and deposit portfolio is fully invested in Australian dollars. This portfolio is classified at fair value through profit or loss and as such, the impact of an interest rate change would be reflected as either an increase or decrease in the net result.

31 Financial risk management (continued)

(a) Market risk (continued)

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the University's financial assets and liabilities to interest rate risk, foreign exchange risk and other price risk.

Economic entity (Consolidated)

31 December 2020

	2020 Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	817,739	0	0	0	0	3,018	0	(2,469)	0	0	0	0	0
Other financial assets	1,769,527	(4)	0	5	0	48,175	0	(39,416)	0	(167,458)	0	167,459	0
Sub total		(4)	0	5	0	51,193	0	(41,885)	0	(167,458)	0	167,459	0
Financial liabilities													
Borrowings	600,000	0	0	0	0	0	0	0	0	0	0	0	0
Total increase/(decrease)		(4)	0	5	0	51,193	0	(41,885)	0	(167,458)	0	167,459	0

31 December 2019

	2019 Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	565,169	0	0	0	0	1,354	0	(1,139)	0	0	0	0	0
Other financial assets	1,694,911	906	0	(827)	0	38,127	0	(31,195)	0	(156,892)	0	155,808	0
Sub total		906	0	(827)	0	39,481	0	(32,334)	0	(156,892)	0	155,808	0
Financial liabilities													
Borrowings	600,000	0	0	0	0	0	0	0	0	0	0	0	0
Derivative financial instruments	601	0	0	0	0	0	0	0	0	0	0	0	0
Total increase/(decrease)		906	0	(827)	0	39,481	0	(32,334)	0	(156,892)	0	155,808	0

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

Credit exposure of the debt portfolio is controlled by counterparty limits that are reviewed and approved by the ISC. Credit risks in respect to the deferred government contribution for superannuation are discussed at Note 13. The University does not have any other significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because counterparties are banks with investment grade long term credit ratings assigned by international credit rating agencies.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Therefore the carrying amount of financial assets recorded in the Statement of financial position represents the University's maximum exposure to credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as and when they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risk damage to the University's reputation.

The University receives regular payments from the Commonwealth Government, which constitute a significant proportion of the University's income, which are known as to the date and amount in advance of their receipt. Similarly, the majority of expenses of the University are known in quantum and date in advance of their due date for payment. The short-term cash and deposit portfolio is used as a liquidity buffer for any timing mismatch of revenue inflows and expense outflows.

In addition, the University maintains lines of credit as disclosed below in Note 31(d).

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

31 Financial risk management (continued)

(c) Liquidity risk (continued)

The following tables detail the University's maturity profile as at 31 December 2020 and as at 31 December 2019:

Economic entity (Consolidated) and Parent entity (University)

31 December 2020

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial liabilities					
Other current liabilities	131,941	0	0	131,941	131,941
Creditors	62,581	0	0	62,581	62,581
Borrowings	200,000	200,000	200,000	600,000	598,129
Lease liabilities	17,291	39,685	78,155	135,131	96,521
Total financial liabilities	411,813	239,685	278,155	929,653	889,172

31 December 2019

Financial liabilities

Other current liabilities	155,468	0	0	155,468	155,468
Creditors	29,516	0	0	29,516	29,516
Borrowings	0	200,000	400,000	600,000	597,538
Derivative financial instruments	601	0	0	601	601
Lease liabilities	14,690	52,814	86,082	153,586	115,222
Restated total financial liabilities	200,275	252,814	486,082	939,171	898,345

(d) Financial facilities and balances

The University has access to a \$400,000k (2019: \$200,000k) unsecured line of credit facility which is undrawn as at 31 December 2020 (2019: undrawn). The following table outlines details of the facilities as at 31 December 2020.

Bank	Amount (\$'000)	Maturity Date
NAB	100,000	30 March 2022
Westpac	100,000	9 April 2023
HSBC	100,000	1 June 2023
ANZ	100,000	30 June 2023

Upon expiry it is expected that each of the \$100,000k revolving bank facilities will be refinanced for a further three years.

The University has access to an unsecured overdraft facility of \$25,000k (2019: \$25,000k) which is unutilised as at 31 December 2020. Interest would be payable at the National Australia Bank's Base Lending Indicator Rate.

There is also a \$18,035k credit card facility of which \$2,001k was utilised at 31 December 2020, and a letter of credit facility of up to \$100k which was unutilised during 2020. The University also has access to a \$20,000k bank guarantee facility of which \$7,837k was utilised at 31 December 2020.

(e) Derivatives

At the balance date the University had not drawn any of its variable rate unsecured lines of credit and therefore, has no exposure to variable interest rates. The University had no variable fixed interest rate swap contracts in place at 31 December 2020.

It remains the University policy to protect total borrowings from interest rate risk. Accordingly, when or if the University draws down on its variable rate line of credit, it may enter into interest rate swap contracts to receive interest at variable rates and pay at fixed rates.

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

31 Financial risk management (continued)

(e) Derivatives (continued)

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

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

Derivatives that do not qualify for hedge accounting

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

32 Fair value measurement

(a) Fair value measurements

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

Due to the short-term nature of current receivables, the carrying value approximates the fair value and is based on credit history. It is expected that the receivables that are neither past due nor impaired will be received when due. Similarly, due to the short-term nature of current payables, the carrying value is assumed to approximate the fair value.

The only balance where the carrying amount and aggregate fair values of financial liabilities differ at balance date is borrowings, as disclosed in Note 19.

The University measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Commercial properties and infrastructure
- Heritage assets
- Livestock
- Borrowings
- Derivative financial instruments

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32 Fair value measurement (continued)

(b) Fair value hierarchy (continued)

(i) Recognised fair value measurements

Fair value measurements are categorised into the following levels at 31 December 2020.

	Notes	2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets at fair value through profit or loss					
Listed securities	14	257,965	257,965	0	0
Convertible notes	14	5,096	4,913	0	183
Managed funds	14	1,406,455	0	1,406,402	53
Unlisted securities	14	52,888	0	0	52,888
Floating rate notes	14	45,846	0	36,952	8,894
Derivative financial instruments	14	1,277	0	1,277	0
Total financial assets at fair value through profit or loss		1,769,527	262,878	1,444,631	62,018
Non-financial assets					
Land and building	15	706,787	0	332,234	374,553
Heritage assets	15	262,243	0	245,559	16,684
Livestock	15	6,741	0	6,741	0
Total non-financial assets		975,771	0	584,534	391,237
Financial liabilities					
Borrowings	19	698,430	0	698,430	0
Total financial liabilities		698,430	0	698,430	0
<hr/>					
	Notes	2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets at fair value through profit or loss					
Listed securities	14	287,038	287,038	0	0
Convertible notes	14	4,782	4,600	0	182
Managed funds	14	1,285,234	0	1,285,234	0
Unlisted securities	14	42,348	0	0	42,348
Floating rate notes	14	75,509	0	73,506	2,003
Total financial assets at fair value through profit or loss		1,694,911	291,638	1,358,740	44,533
Non-financial assets					
Land and buildings	15	656,836	0	260,030	396,806
Heritage assets	15	260,215	0	240,488	19,727
Livestock	17	3,202	0	3,202	0
Restated non-financial assets		920,253	0	503,720	416,533
Financial liabilities					
Borrowings	19	681,906	0	681,906	0
Derivative financial instruments		601	0	601	0
Total financial liabilities		682,507	0	682,507	0

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements, see (d) below. The University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives and traded securities) is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). The quoted market price used for assets held by the University is the most representative of fair value in the circumstances.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the University for similar financial instruments (level 3).

Where applicable, the fair value of non-current borrowings disclosed in Note 19 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the University for similar financial instruments.

32 Fair value measurement (continued)

(b) Fair value hierarchy (continued)

Derivative contracts classified as held for trading are adjusted to fair value by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts determined using forward exchange rates at the balance sheet date
- other techniques, such as discounted cash flow analysis, used to determine fair value for the remaining financial instruments.

The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

In assessing the fair value, the University considers market participant's ability to use the asset in a manner that would be the highest and best use.

All of the resulting fair value estimates are included in level 2, except for unlisted securities, heritage assets, commercial buildings and commercial infrastructure (see Note 32(d)).

Heritage assets and commercial land and buildings (classified as property, plant and equipment) are valued independently at least every three years. At the end of each reporting period, the University updates its assessment of the fair value of each asset, taking into account the most recent independent valuations. The University determines the asset's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar assets. Where such information is not available the University considers information from a variety of sources, including:

- current prices in an active market for assets of different nature or recent prices of similar assets in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for commercial land are included in level 2, while heritage assets and commercial buildings and infrastructure are split between both level 2 and level 3.

(ii) Non-recurring fair value measurements

Land and non-current assets (or disposal groups) classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the land was also determined using the sales comparison approach as described under (i) above.

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2020 and 2019.

	Commercial properties	Unlisted securities	Heritage assets	Total
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair Value Measurement 2020				
Balance at 1 January 2020	396,806	42,348	19,727	458,881
Transfers from WIP	1,380	0	0	1,380
Recognised in profit or loss	0	10,540	0	10,540
Recognised in other comprehensive income	(23,633)	0	(3,043)	(26,676)
Balance 31 December 2020	<u>374,553</u>	<u>52,888</u>	<u>16,684</u>	<u>444,125</u>

32 Fair value measurement (continued)

(d) Fair value measurements using significant unobservable inputs (level 3) (continued)

Level 3 Fair Value Measurement 2019	Commercial properties \$'000	Unlisted securities \$'000	Heritage assets \$'000	Total \$'000
Balance at 1 January 2019	328,138	25,290	14,296	367,724
Transfers from WIP	67,040	0	0	67,040
Recognised in profit or loss*	0	17,058	5,431	22,489
Recognised in other comprehensive income	1,628	0	0	1,628
Balance 31 December 2019	<u>396,806</u>	<u>42,348</u>	<u>19,727</u>	<u>458,881</u>

The following table summarises the quantitative information in respect to significant unobservable inputs used in level 3 fair value measurements. See Note 32(c) above for the valuation techniques adopted.

Description	Fair value at 31 December 2020 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Shares - unlisted	52,888	Discount rate	15%	The higher the discount rate, the lower the fair value.
Commercial buildings and infrastructure	374,553	Remaining useful life	1-100 years	A one year increase/(decrease) in the remaining life of the asset would cause a 5.34%/(6.23%) increase/(decrease) in the total FV.
Heritage assets	16,684	Average value per item	5%	A 5% increase in average cost would increase fair value by \$834k.
Total	<u>444,125</u>			

* There were no significant inter-relationships between unobservable inputs that materially affects fair value.

33 Events occurring after the balance sheet date

There are no matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position or the state of affairs of the University or its subsidiaries.

34 Other accounting policies

(a) New Accounting Standards and AASB interpretations not yet issued

The following standards have been issued but are not mandatory for 31 December 2020 reporting periods. The University has elected not to early adopt any of these standards. Each standard listed below is not expected to have a material impact on the financial position or performance of the University.

(i) AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128

This Standard defers the mandatory effective date of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments require the full gain or loss to be recognised when assets are transferred.

This standard applies to annual reporting periods beginning or after 1 January 2022.

(ii) AASB 2020-1 Amendments to Australian Accounting Standards - Classifications of Liabilities as Current or non-Current and 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date

This standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current and non-current.

This standard applies to annual reporting periods beginning or after 1 January 2023.

(iii) AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvement of 2018-2020 and Other Amendments

This standard amends a number of standards as follows;

- **AASB 1:** To simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent, in relation to the measurement of cumulative translation differences;
- **AASB 3:** To update a reference to the Conceptual Framework for Financial Reporting without changing the accounting

34 Other accounting policies (continued)

(a) New Accounting Standards and AASB interpretations not yet issued (continued)

requirements for business combination;

- *AASB 9*: To clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- *AASB 116*: To require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- *AASB 137*: To specify the costs that an entity includes when assessing whether a contract will be loss-making; and
- *AASB 141*: To remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in *AASB 141* with those in other Australian Accounting Standards.

This standard applies to annual reporting periods beginning or after 1 January 2022.

(iv) *AASB 2020 – 4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions*

This Standard amends *AASB 16* to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

This standard applies to annual reporting periods beginning or after 1 January 2021.

(v) *AASB 2020 – 8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*

This standard amends *AASB 4*, *AASB 7*, *AASB 9*, *AASB 16* and *AASB 139* to help entities provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities' financial statements. The amendments give exemptions from regular hedge accounting rules and introduce additional disclosures.

This standard applies to annual reporting periods beginning or after 1 January 2022.

(b) Initial application of Australian Accounting Standards

The following standards apply to annual reporting periods beginning on or after 1 January 2020. The application of all of the following standards had no impact on the financial position and performance of the University.

(i) *AASB 1059 - Service Concession Arrangements: Grantors*

This standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. *AASB 1059* sets out the accounting for the grantor of such arrangements, in relation to its principles for recognising service concession assets.

(ii) *AASB 2018-6 Amendments to Australian Accounting Standards - Definition of Business*

The Standard amends *AASB 3 Business Combinations* to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

(iii) *AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material*

The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information.

(iv) *AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform*

The standard amends *AASB 7*, *AASB 9* and *AASB 139* to modify some specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by the interest rate benchmark reform.

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

The University of Sydney has entered into an arrangement where, under a long-term lease of its land in Carillon Avenue, Newtown, a student accommodation facility has been constructed and is being operated in partnership with a private sector party. This 650 bed facility was opened in January 2003. Under the terms of the project deed, ownership in the accommodation complex reverts to the University in 2043.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)

35 **Acquittal of Australian Government financial assistance**

(a) **Education - CGS and Other Education Grants**

	Commonwealth Grant Scheme ¹		Indigenous Student Success Program		Higher Education Partnership and Participation Program		Disability Performance Funding ²		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only										
Financial assistance received/(returned) in cash during the reporting period	313,252	306,937	2,018	2,089	2,574	2,574	486	361	318,312	311,961
Net accrual adjustments	3,972	(1,239)	(337)	0	0	0	0	0	3,635	(1,239)
Revenue for the period	317,224	305,698	1,681	2,089	2,574	2,574	486	361	321,947	310,722
Surplus/(deficit) from the previous year	0	0	106	85	3,027	3,036	(1,265)	(610)	1,868	2,511
Total revenue including accrued revenue	317,224	305,698	1,787	2,174	5,583	5,610	(779)	(249)	323,815	313,233
Less expenses including accrued expenses	(317,224)	(305,698)	(1,787)	(2,068)	(2,556)	(2,583)	(855)	(1,016)	(322,422)	(311,365)
Surplus/(deficit) for the reporting period	0	0	0	106	3,027	3,027	(1,634)	(1,265)	1,393	1,868

¹ Includes the basic CGS grant amount, CGS - Enabling Loading, CGS - Medical Student Loading, Allocated Places and Non Designated Courses.

² Disability Performance Funding includes Additional Support for Students with Disabilities.

35 Acquittal of Australian Government financial assistance (continued)

(b) Higher education loan programs (excluding OS-HELP)

	HECS-HELP (Australian Government payments)		FEE-HELP		SA-HELP		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Parent entity (University) only								
Cash payable/(receivable) at beginning of year								
Financial assistance received in cash during the reporting period	2,118	1,487	(633)	234	85	34	1,570	1,755
Cash available for the period	188,685	184,169	69,068	68,963	3,920	4,080	261,673	257,212
Revenue earned	190,803	185,656	68,435	69,197	4,005	4,114	263,243	258,967
Cash payable/(receivable) at the end of the year	(189,363)	(183,538)	(71,835)	(69,830)	(4,089)	(4,029)	(265,287)	(257,397)
	1,440	2,118	(3,400)	(633)	(84)	85	(2,044)	1,570

4(b)

(c) Department of Education and Research

	Research Training Program		Research Support Program		Total	
	2020	2019	2020	2019	2020	2019
Parent entity (University) only						
Financial assistance received in cash during the reporting period	93,517	95,921	84,958	84,049	178,475	179,970
Revenue for the period	93,517	95,921	84,958	84,049	178,475	179,970
Total revenue including accrued revenue	93,517	95,921	84,958	84,049	178,475	179,970
Less expenses including accrued expenses	(93,517)	(95,921)	(84,958)	(84,049)	(178,475)	(179,970)
Surplus for the reporting period	0	0	0	0	0	0

4(a)

**The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)**

35 Acquittal of Australian Government financial assistance (continued)

(d) Total Higher Education Provider Research Training Program expenditure

	Parent Entity (University) Only		Total domestic students		Total overseas students	
	2020	2019	2020	2019	2020	2019
Research Training Program Fees offsets			\$'000	\$'000	\$'000	\$'000
Research Training Program Stipends			68,358	2,266	2,266	813
Research Training Program Allowances			22,022	813	813	34
Total for all types of support			90,404	3,113	3,113	34

(e) Australian Research Council Grants

	Discovery		Linkages		Linkage Infrastructure		ARC Other Scheme		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Parent entity (University) only										
Financial assistance received in cash during the reporting period	40,728	38,233	7,571	6,683	1,543	233	358	233	50,646	46,692
Net accrual adjustments	(8,134)	(6,521)	(2,445)	(772)	(1,411)	(233)	(346)	(233)	(11,990)	(8,937)
Revenue for the period	32,594	31,712	5,126	5,911	132	0	12	0	38,656	37,755
Surplus/(deficit) from the previous year	(26,230)	(15,107)	9,604	9,596	(474)	0	0	0	(18,430)	(5,985)
Total revenue including accrued revenue	6,364	16,605	14,730	15,507	(342)	0	12	0	20,226	31,770
Less expenses including accrued expenses	(36,928)	(42,835)	(6,076)	(5,903)	(1,462)	0	(12)	0	(43,953)	(50,200)
Surplus/(deficit) for reporting period	(30,464)	(26,230)	8,654	9,604	(1,804)	0	0	0	(23,727)	(18,430)

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2020
(continued)

35 Acquittal of Australian Government financial assistance (continued)

(f) OS-HELP

	2020	2019
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	8,572	5,037
Cash spent during the reporting period	(646)	(5,154)
Net cash received/(returned)	7,926	(117)
Cash surplus from the previous period	2,812	2,929
Cash surplus for the reporting period	10,738	2,812

(g) Higher Education Superannuation Program

	2020	2019
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	89,669	82,734
University contribution in respect of current employees	4,323	4,461
Cash available	93,992	87,195
Cash surplus / (deficit) from the previous period	0	0
Cash available for current period	93,992	87,195
Contributions to specified defined benefit funds	26 (93,992)	(87,195)
Cash surplus/(deficit) for this period	0	0

(h) Student Services and Amenities Fee

	2020	2019
	\$'000	\$'000
Parent entity (University) only		
Unspent/(overspent) revenue from previous period	(86)	34
SA-HELP revenue earned	4(b) 4,089	4,028
Student services fees direct from students and amenities fees	6 13,650	13,215
Total revenue expendable in period	17,653	17,277
Student services expenses during period	(17,790)	(17,363)
Unspent/(overspent) student services revenue	(137)	(86)

Wayne Andrews

Chief Financial Officer

END OF AUDITED FINANCIAL STATEMENTS

AUDITED BY THE AUDIT OFFICE OF NEW SOUTH WALES



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