



THE UNIVERSITY OF
SYDNEY

Annual Report 2017

The University of Sydney
NSW 2006

April 2018

The Hon. Rob Stokes, MP
Minister for Education

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* and its subsequent amendments, the report of the proceedings and financial statements of the University of Sydney for the year ended 31 December 2017.

A handwritten signature in black ink, reading "Belinda Hutchinson". The script is fluid and cursive, with the first name "Belinda" written in a larger, more prominent hand than the surname "Hutchinson".

Belinda Hutchinson AM
Chancellor

A handwritten signature in black ink, reading "Michael Spence". The signature is highly stylized and cursive, with the first name "Michael" written in a large, flowing script and the surname "Spence" written in a smaller, more compact hand.

Dr Michael Spence AC
Vice-Chancellor and Principal

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In 2017 we taught almost **60,000** students, including **26,000** international students from more than **130** countries, and transformed our undergraduate curriculum to benefit **thousands** of future students. We boosted our global engagement, establishing **15** priority partnerships with universities worldwide.

The University rolled out **\$17 million** in funding for multidisciplinary research through the Sydney Research Excellence Initiative, invested **\$20 million** in core research facilities and honoured **5** of our exceptional professors with Payne-Scott Professorial Distinctions.

We embarked on a whole new chapter in western Sydney, with **\$20 million** approved in principle for the new Westmead Innovation Centre.

Four global organisations ranked us in the **top 100** universities worldwide, we received more than **\$700 million** in Australian Government grants and connected with **320,000** alumni around the world.

Finally, we celebrated a new era for the Quadrangle, planting **1** new jacaranda tree and **1** new flame tree to replace the much-loved jacaranda that died in 2016.

Year in review

In this annual report, you will read about the substantial progress made in 2017, the second year of our 2016–20 Strategic Plan. The breadth and scale are foundational to our plan to position our university as the best in Australia and a leading institution globally.

Our performance in world rankings remained strong, and for the second year in a row we were first in Australia and fourth in the world in the QS Graduate Employability Rankings, which ranks universities according to employers' views of them in the global graduate jobs market, how well-connected they are to the professional world, and the quality of graduate employment outcomes.

Every part of the University was asked to contribute to making our strategic plan a reality, and all responded with energy and enthusiasm. More detail is contained in these pages, but some major achievements should be highlighted.

Notably, we transformed our undergraduate curriculum ready for implementation in 2018 with the aim of ensuring our graduates are equipped with the knowledge, skills, values and purpose to serve society at every level and to lead the way in improving people's lives. Enrolment numbers indicate that prospective students have responded enthusiastically to the changes, taking advantage of a curriculum that builds on the academic rigour for which the University is known, embeds global perspectives and real-world interdisciplinary projects, and offers new online short courses.

In research we performed well in both Australian Research Council and National Health and Medical Research Council grant rounds, built on successful programs introduced in 2016 to support research, recruited a number of exceptional academics and provided seed funding for research collaborations with eight international universities.

The year was notable not just for these highlights, but also for the strong growth in organisational capability and the incremental improvements and efficiencies the strategic plan has brought to so many aspects of the University's work. A major organisational design program reduced the number of faculties from 16 to six, with three University schools. Five of these six faculties are now in place, with consistent leadership structures, policies and procedures.

We also launched, for internal discussion, a strategy to develop a second major multidisciplinary campus in western Sydney. Responding to changing demographics and the Greater Sydney Commission work in planning for Sydney's future, this strategy was warmly received and work is proceeding on what will be the University's most significant investment for many decades.



The University has had an extraordinary year. There is, of course, more to be done. Crucial pieces of work in 2018 will include a focus on the student experience as we deliver the first year of the new undergraduate curriculum, continued growth in research excellence, further work on ensuring our values are lived out in our day-to-day interactions, and our development of plans for a Parramatta/Westmead campus.

We would like to thank our staff, students and alumni for their commitment to the University and for their support as we implement the University's 2016-20 Strategic Plan.

A handwritten signature in black ink, reading "Belinda Hutchinson".

Belinda Hutchinson AM
Chancellor

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Dr Michael Spence AC
Vice-Chancellor and Principal

The University of Sydney 2017 Annual Report

Statutory Report

The University of Sydney

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

We have been producing the next generation of leaders in diverse fields since we were established in 1850. Through learning, critical analysis and active contribution to public debate, we help to shape Australia's national and international agenda.

This Annual Report tells you about our University in 2017. To find out more about who we are and what we aspire to be, visit 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. Under the *University of Sydney Act 1989 (as amended)*, the University's principal functions include:

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

Our mission and vision

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, and to open our doors to women on the same basis as men.

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.

Learning and teaching

Transforming the undergraduate curriculum

Throughout 2017 hundreds of staff were involved in realising a key part of the University's strategic vision for 2016 to 2020.

The development and implementation of the new Sydney Undergraduate Experience continued, ready for first enrolments in 2018. The new Bachelor of Advanced Studies combined degrees, along with the restructured liberal studies degrees and the new, streamlined degree profile, will equip University of Sydney students with skills for the future; to become agile, inventive, digitally literate, effective across disciplines and culturally competent global leaders. The Dalyell Scholars stream provides, for the first time, a University-wide opportunity for high-achieving students to accelerate through their degree and develop their leadership potential.

Noteworthy achievements included:

- streamlining undergraduate degrees to ensure consistency across the University, and developing all updated first-year units that will be offered as part of the new curriculum in 2018
- approving 106 Open Learning Environment units
 - short, on-demand online courses supported by workshops and master classes – for offer in 2018, enabling students to broaden their knowledge and build skills in areas such as coding, data analysis, languages and culture
- developing an education, engagement and enterprise strategy that ensures all students have access to real-world experiences during their degree, including via industry and community partner-provided projects. Trials of these project units included a pilot with the NSW Department of Parliamentary Services that involved 20 students from five faculties. The University successfully developed briefs for projects in 2018 with more than 20 external-partner industry, government and community organisations to allow a larger-scale trial.
- Several projects to assure the integrity of the new curriculum, incorporate graduate qualities, and structure University-wide assessment provided a firm basis to deliver the curriculum.

Rethinking assessment

To support the implementation of our education vision, the University established a working group in February 2017 to examine our current approaches to student assessment and make recommendations on how we can improve.

The Academic Board approved the group's five recommendations in November 2017, which will result in a new University-wide approach to assessment by 2020. This will also ensure the University accomplishes the initiative outlined in the 2016-20 Strategic Plan to assess how well students have achieved the graduate qualities that are embedded as learning outcomes in all undergraduate degrees.

Transforming the learning experience

To optimise student learning under the new curriculum, the University continued to innovate in the use of new technologies, tools and resources throughout 2017.

- The University selected and implemented Canvas as its new Learning Management System. Ninety units of study were offered through the new system in Semester 2, 2017 and all first-year units for undergraduate and postgraduate students commencing in 2018 will be supported by Canvas.
- A second suite of learning analytics tools for teachers was trialled and a 'Know your student' dashboard was developed.
- To support excellence in learning and teaching, the Higher Education Academy granted accreditation for our internal professional courses for staff. The University also supported staff fellowship applications to the academy, resulting in more than 40 staff at various stages of their careers being recognised for teaching excellence.
- The University conducted a review of the education component of recruitment, promotion, retention and performance.

Reshaping the Sydney PhD

The University's Academic Board approved a set of PhD graduate qualities to ensure that outstanding research skills are complemented by the broader competencies necessary for successful post-PhD careers. The University also developed a curriculum framework for a standalone and vertically integrated, research-track master's degree.

A model for offering coursework within Higher Degree by Research programs was agreed, as well as a suite of proposals for increasing industry and community engagement and entrepreneurship opportunities within the PhD.

International PhD scholarships

In February 2017 the University announced 40 new fully funded PhD scholarships for international postgraduate research students, an investment that will equate to \$10 million per year. The new scholarships are available to all international postgraduate research students in any discipline, and students will be considered for the scholarships when they apply to study. Winners are selected on the basis of academic performance in qualifying degrees and any prior research experience.

Learning resources

The Learning Centre

In 2017 the Learning Centre provided free learning, English language, and communication support for all students through faculty-embedded programs, an extensive workshop program and individual consultations. More than 3000 students registered for the workshop program, 69.2 percent from non-English-speaking backgrounds.

The Mathematics Learning Centre

In 2017 the Mathematics Learning Centre assisted eligible undergraduate students to develop the mathematical knowledge, skills and confidence needed for studying mathematics or statistics at university. During the year more than 800 students attended the centre's programs.

Centre for English Teaching

The Centre for English Teaching, located on the Camperdown/Darlington Campus, is the University of Sydney's language centre. In 2017 more than 3000 international students and professionals participated in our academic and communication training programs.

Improving education access

Widening Participation and Outreach's program of activities for Educational Access Scheme schools in NSW focused on literacy, numeracy, science, teaching, the arts, engineering, mathematics and teacher enrichment through professional learning. In 2017 we engaged 12,792 students from 128 schools across 96 programs.

Underpinning the program was a reinvigorated focus on senior academic enrichment opportunities to encourage Years 10, 11 and 12 students' familiarity with and preparedness for tertiary study. The Year 12 O-Week experience was introduced, and students directly engaged with University student leaders, volunteers and specialist academics through new academic skills workshops. These provided guidance on essay writing, independent research skills, HSC exam preparation and critical thinking.

Student recruitment

In 2017 the University undertook a record number of recruitment events and school visits in Sydney and throughout Australia.

The University implemented a fixed ATAR for the majority of undergraduate courses, increasing the transparency of the University's domestic undergraduate admissions processes and allowing for more effective communications with prospective students.

The University responded to a substantial redesign of the UAC admissions calendar by undertaking a series of critical processes much earlier than usual. It also implemented a higher number of early offers to drive up acceptance and enrolment rates. Work continued to drive diversification of international student cohorts, with rapid growth of the study abroad cohort, particularly from the United States.

The University's total number of enrolled students, as of 31 March 2017, was 59,129, a 4.2 percent increase on the 2016 figure of 56,714. For more detail about student enrolments, see page 15.

Quality assurance

Quality assurance work in 2017 focused on the University's re-registration with the Tertiary Education Quality Standards Agency (TEQSA). This included sharpening the alignment with the new Higher Education Standards Framework (Threshold Standards) and initiatives underway in the Education Portfolio. A TEQSA and standards compliance framework was established to clarify responsibility for quality. Work with the Academic Board to strengthen quality assurance processes included a new course-review process and redesign of the faculty review process to facilitate collaboration on improvements across faculty and portfolio silos.

The University completed a self-audit of performance against our TEQSA and standards compliance framework, and an external audit of compliance with the *Educational Services for Overseas Students Act 2000* and the National Code of Practice for Providers of Education and Training to Overseas Students was also successfully concluded. Policies were updated relating to assessment benchmarking, teaching staff qualifications, equal opportunity in education, and the governance of transcripts to ensure alignment with the Threshold Standards and National Code.

The University improved student appeals and agent management processes to meet guidelines from the Ombudsman and strengthened agent monitoring processes to ensure we fulfil the representation requirements of the Threshold Standards.

Finalisation of the student administrative services program

The implementation phase of the student administrative services program was completed, with the final group of staff transitioning from roles within faculties to the student administrative services portfolio in May 2017. This completed a multi-year agenda to deliver end-to-end, University-wide student administrative services.

Continued policy development in a range of areas, including special consideration, examinations and progression, allowed enhancements to the student experience over the course of the year.

Enhancing student life and the student experience

A University taskforce conducted a detailed analysis of the experience of international students, inside and outside the classroom. International students are an important student cohort – they represent more than 130 nationalities and make a substantial contribution to the University's ethnic and cultural diversity.

The taskforce identified significant opportunities for improvement, including student arrival and 'onboarding', improving cultural competence in teaching staff, leveraging the alumni community to create an outstanding pre-arrival experience, and holding the University as a whole accountable through common key performance indicators.

The proportion of students undertaking an international mobility experience continued to grow, with activity at 29 percent as the University heads towards a target of 50 percent by 2020. Further policy initiatives were implemented, including changes to semester dates (effective 2019), the finalisation of a series of strategic exchange and study abroad partnerships and modifications to administrative provisions relating to eligibility for international placements.

The University Health Service clinic underwent a major refurbishment, creating a centre of excellence for students, staff and members of the community, with an greater capacity to meet increasing demand. The new layout provides improved reception and waiting areas for patients, new purpose-built treatment rooms, upgraded consultation rooms and improved facilities for staff.

Safer communities

In 2017 the University continued significant work to prevent and respond to sexual assault and harassment on campus.

Existing processes for reporting were improved with initiatives that included:

- establishment of a single point of contact for assistance
- updated student discipline rule and complaints policy
- a callback mechanism
- a more transparent complaints handling system
- specially trained case managers
- appointment of student liaison officers
- introduction of multiple reporting channels.

In developing the revised procedures, survivors' needs were paramount.

The University carried out a widespread program of education and outreach to ensure our entire community, including satellite campuses, was prepared to manage disclosures of sexual assault and harassment appropriately and safely. This program included a series of briefing sessions, staff training in responding with compassion and extensive distribution of an on-campus specialist advice guide.

The University also stepped up initiatives to prevent sexual violence, with the first-phase rollout of online

consent education. Preparation commenced to expand the consent module to be compulsory in 2018 for all newly commencing undergraduate and postgraduate students. Student leaders in University accommodation facilities took part in in-person training for understanding consent.

A particular focus in 2017 was the release of the *Respect. Now. Always* report by the Australian Human Rights Commission and Universities Australia on the nationwide prevalence of sexual harassment and assault experienced by university students. The University committed to implement all of the recommendations in the report and the Universities Australia 10-point action plan.

Improving college culture

The University has long been working with residential colleges associated with the University to bring change to aspects of their culture, particularly those involving hazing, excessive drinking, and sexual assault and harassment.

In 2016 the University asked former sex discrimination commissioner Elizabeth Broderick to undertake a review that would enable the colleges to pursue meaningful and substantial cultural change.

The Elizabeth Broderick Report on cultural renewal was completed and released in November 2017. The report concluded that the majority of students had a positive experience. All five participating residential colleges accepting all of the report's recommendations, which, over time, will bring about significant change.

Aboriginal and Torres Strait Islander students

In 2017, the University extended Widening Participation and Outreach initiatives and pre-tertiary engagements to encourage and enable higher education access, participation and achievement for Aboriginal and Torres Strait Islander students. More than 1500 students participated in our programs during the year.

The 2017 Wingara Mura – Bunga Barrabugu (Thinking path – to make tomorrow) Summer Program (15–20 January) hosted 206 students in years 9–12 from every Australian state and territory. This immersive experience explored and encouraged links between personal interests, higher education and careers and the unique University of Sydney student experience.

Seventy-four percent of Year 12 participants in the program indicated they were enrolled at a university, commencing in 2018. The equivalent winter program (2–7 July) hosted 28 Aboriginal and Torres Strait Islander students in Year 12 from NSW, Queensland and the Northern Territory for a five-day residential program. It promoted academic preparedness for final exams and provided critical information about opportunities and pathways to university.

Regional Hub Expansion and STEMx initiatives were launched in 2017, supported by shared funding through the Deputy Vice-Chancellor (Indigenous Strategy and Services). STEMx aims to encourage positive participation and engagement in science, technology, engineering and mathematics-related, subjects, degrees and professions. To maximise positive outcomes for the participants, faculties and professional service units collaborated to provide innovative learning experiences and opportunities, leverage knowledge, expertise and best practice.

The Regional Hub Expansion program was extended to students in Years 10–12 in the Central Coast, South Coast and Central West of NSW. A total of 2087 high school students were engaged across six program visits, with 362 of these students self identifying as Aboriginal and/or Torres Strait Islander.

A 2017 Transition to Uni program partnership with Dubbo-based Education and Training Out West provided additional mentoring and advice regarding alternative entry pathways, student support services and scholarships for Year 11 and 12 students. Through this partnership 35 Aboriginal and Torres Strait Islander students were supported to attend and participate in Life@Sydney and Open Day in 2017.

STEMx initiatives in 2017 included:

- supporting primary and high school participation in workshops for the Australian Museums Science Festival (8–11 August)
- supporting five student alumni of the Wingara Mura program to participate in the 2017 Indigenous Student Engineering Spring Workshop/ STEM Spring Workshop (24–29 September)
- supporting the individual and collective efficacy of school teachers through enabling the AMGEN Biotech Experience, Advancing Science and Engineering through Laboratory Learning and the STEM Teacher Enrichment Academy (15–17 February).

In 2017 more than 190 student volunteers and student leaders supported and facilitated pre-tertiary engagements through face-to-face workshops in schools, on campus and access to online tutoring. They were involved in more than 6700 engagements with Aboriginal and Torres Strait Islander students through Widening Participation and Outreach.

Outreach and engagement activities were significantly supported by academic resources and tools available online through a secondary student-focused A*STAR e-magazine, with 119,472 visitors in 2017. The *Career Finder* and *Subject Finder* digital applications were launched to support powerful links between student interests, passions and future careers and inform senior subject selection. More than 1000 Aboriginal and Torres Strait Islander students used the *Subject Finder* and *Career Finder* Apps in 2017.

The Aboriginal and Torres Strait Islander unit is now known as Mana Yura – a phrase from the Darug language of the greater Sydney region that means “gathering Aboriginal peoples to the Eora nation”. The team provides culturally appropriate assistance and support to all Aboriginal and Torres Strait Islander students throughout their University journey, from admission to graduation.

In 2017 we continued to build on the delivery of academic skills and cultural competence training implemented in 2016. Approximately 200 academic skills tutors were registered in 2017, and tutoring increased to 5000 hours, a rise of 24 percent on the 2016 total.

In 2017 MOBS (Mentoring Our Brothers and Sisters) – a peer mentoring initiative – was successfully piloted to increase the retention and success rates of Aboriginal and Torres Strait Islander students, and to allow them to feel connected and free to enjoy their cultural identities. The program was also designed to build leadership capabilities for the MOBS mentors.

In 2017 Mana Yura Student Support worked closely with the University of Sydney Business School to increase the participation of Aboriginal and Torres Strait Islander students in the Business School. This led to the creation of dedicated scholarships within the Inspired by Business Program. The scholarship will be called the ‘University of Sydney Business School Cadigal Scholarship’. Three of these scholarships will be available in 2018, valued at \$30,000 and each paid over the life of each student’s degree.

Mana Yura Student Support won the Deputy Vice-Chancellor (Indigenous Strategy and Services) Indigenous Education Strategic Award in 2017 for the creation of a financial aid guarantee for all Aboriginal and Torres Strait Islander school leavers. Commencing students will be guaranteed a place in University-owned accommodation. Awardees are not required to pay a bond and can choose between a range of accommodation options that are University owned and managed. An upfront bursary of \$1000 is also provided to each student to assist with relocation fees.

Student transition and retention

In 2017 the Student Transition and Retention team expanded its activities for all commencing students. In addition to on-campus orientation and transition activities, the team engaged with community partners including the City of Sydney and StudyNSW.

The University continued to build relationships with community stakeholders, including an expanding program of collaboration with the NSW Police Newtown Local Area Command.

Our flagship early-intervention retention initiative, Track and Connect, engaged with more than 11,000 first-year students across Semesters 1 and 2, offering key information and referral to support services to those facing particular academic and social challenges.

Supporting students with disabilities

In 2017 the University completed a number of initiatives and strategies to support our Disability Action Plan. They included:

- provision of disability awareness training to staff to develop their disability confidence when working with students with disability
- University-wide rollout of Academic Plans within faculty operating models. Faculty teams that manage these plans were established to oversee support of students with disability and to enable more effective engagement with their studies.
- building in-house training modules to expand inclusive teaching practice and quality improvement.

For more information about support for people with disability, see page 25.

Housing and access

The University won Accommodation Provider of the Year at the 2017 Professionals in International Education PIONEER Award for Excellence. This significant industry award recognises the University's high level of commitment to student services, provision of intercultural education and training modules to staff members who support international students, and incentives for residential staff to better service students by linking a portion of funding to student satisfaction scores.

Counselling and Psychological Services

In 2017 Counselling and Psychological Services supported student wellbeing and success with a realigned remit for service delivery. The service continued to provide its core business of individual counselling, with more than 8000 appointments servicing more than 12 percent of the student population. Additionally, it created a new flexible wellbeing/student success platform.

The University entered into a service agreement with Sydney Local Health District to provide an outreach sexual assault clinic to support impacted students. Throughout the year workshops were facilitated as part of the Student Empowerment and Life Skill Series. Ongoing development and improvements in clinical and business processes created a network of structures, policies and procedures for working with at-risk students and promoting a safe campus environment. The University rolled out 'Identifying and responding to students in distress' training in November and facilitated workshops for more than 100 academic and professional staff.

Careers Centre

In 2017, the Careers Centre continued to connect domestic and international students with hundreds of employers, both face-to-face and online. More than 200 employers visited campus to recruit via careers fairs and employer information sessions and 7750 job ads were posted on the online jobs database, Sydney CareerHub. The ads represented an estimated 35,462 jobs across all levels (casual, part time, intern, graduate and alumni).

The Careers Centre launched two new events in 2017 that expanded reach and connection between students and prospective employers – the Teach Abroad Fair, where 18 organisations visited campus to recruit students/graduates to work overseas and the StartUp Careers Fair, where entrepreneurial businesses came to campus and met students interested in working in a startup.

Student enrolments 2017

Data as at 31 March 2017

Undergraduate enrolments by attendance and gender

Attendance type	Gender	Enrolments (UG)
Full-time	Women	17,098
	Others	16
	Men	12,583
Invalid	Women	
	Men	
Part-time	Women	2,456
	Others	6
	Men	1,853
Grand total		34,012

Postgraduate enrolments by attendance and gender

Attendance type	Gender	Enrolments (PG)
Full-time	Women	10,107
	Others	3
	Men	7,039
Invalid	Women	8
	Men	8
Part-time	Women	4,592
	Others	5
	Men	3,355
Grand total		25,117

Undergraduate enrolments by course level

Course type	Enrolments (UG)
Bachelor (Graduate Entry)	637
Bachelor (Honours)	3,583
Bachelor (Pass)	28,355
Diploma (UG/Associate)	193
Non-Award (UG)	1,162
Cross-Inst (UG)	75
Enabling Course	7
Grand total	34,012

Postgraduate enrolments by course level

Course type	Enrolments (PG)
Higher Doctorate	1
Doctorate (Research)	3,913
Doctorate (Coursework)	44
Master (Res)	917
Master (Cw)	18,446
Graduate Diploma	824
Graduate Certificate	760
Non-Award (PG)	187
Cross-Institutional (PG)	25
Grand total	25,117

Enrolments by faculty of course registration and course level

Faculty of registration	Postgraduate	Undergraduate	Total
Architecture, Design and Planning	855	937	1,792
Arts and Social Sciences	3,652	9,213	12,865
Business (Business School)	6,536	4,188	10,724
Dentistry	448	126	574
Engineering and Information Technologies	2,634	4,987	7,621
Health Sciences	1,357	2,991	4,348
Law (Sydney Law School)	1,709	593	2,302
Sydney Medical School	4,598	46	4,644
Nursing and Midwifery	722	1,159	1,881
Pharmacy	361	991	1,352
Science	1,903	7,027	8,930
Sydney Conservatorium of Music	228	752	980
University Programs*	114	1,002	1,116

*'University Programs' include enrolments in the Exchange Program, Study Abroad Program and Summer School only.

Student enrolment, student load and human resource figures included in this publication are based on a reference date of 31 March 2017 for consistency. Source: Institutional Analytics and Planning

Research and innovation

Investing in and driving research excellence

In 2017 the University made considerable progress in implementing initiatives across our broad range of research disciplines, in support of our strategic ambition to be the leading comprehensive research-intensive university in Australia and consistently among the top 50 universities in the world.

Multidisciplinary excellence

Our commitment to multidisciplinary research – a signature feature of our research strategy since 2013 – remains at the heart of the 2016–20 Strategic Plan through our multidisciplinary initiatives.

In August 2017 we launched our latest multidisciplinary initiative – the Sydney Policy Lab – to harness our research strengths, address some of the most pressing policy challenges of our time and increase impact through collaboration. It is intended as an experimental space to bring together researchers, policymakers, community and industry to address policy challenges in innovative ways. A Director for the Policy Lab and support team was appointed in early 2018.

Sydney Research Excellence Initiative

The University is committed to increasing investment in research through the Sydney Research Excellence Initiative, which enables Sydney researchers to test new ideas, push disciplinary boundaries and identify ways to scale up their research. In 2017 we invested \$17 million in the ongoing compacts process, a key element of the research initiative that supports faculties and University schools to intersect their research strategies with multidisciplinary initiatives.

One important new scheme is a ‘collaboration voucher’ to leverage the disciplinary depth of faculties and University schools into our multidisciplinary focus. As a result, faculties and University schools across arts and social sciences, engineering and IT, medicine, pharmacy and law have all launched new collaborations with the multidisciplinary initiatives.

This research initiative builds on our drive for strategic recruitment to multidisciplinary initiatives through the Sydney Postdoctoral Fellowship program, which has attracted outstanding early-career researchers to Sydney.

In 2017 funding was rolled out for projects supported by the research initiatives’ 20:20 scheme – which seeds and supports disciplinary and cross-disciplinary projects from the bottom up – with all funded projects commencing.

The University also completed recruitment of key leadership and operational staff for core laboratories. We installed and commissioned \$20 million of new equipment, including the \$5.7 million Hybrid Theatre for Sydney Imaging in the Charles Perkins Centre and the \$4.8 million Aberration Corrected Transmission Electron Microscope in the Sydney Nano Hub.

Aspirational research performance

The University developed an aspirational research performance framework in consultation with faculties and University schools, for implementation from 2018 as an important part of realising our strategic plan ambitions for excellence.

Attracting and developing outstanding researchers

Strategic recruitment

The University completed a project to develop a new process for strategic hires in 2017 that enhances our ability to attract outstanding researchers in support of our strategic goals.

Some of the key achievements of 2017 include completing the onboarding of:

- Professor Glenda Halliday, Professor John Hodges and Professor Olivier Piguet, who brought a team of leading neuroscience researchers, PhD students and professional staff to the Brain and Mind Centre
- Professor Gregg Suaning, a new Professor of Biomedical Engineering
- Professor Ramon Shaban, the inaugural Clinical Chair and Professor of Infection Prevention and Control at the Sydney Nursing School and Western Sydney Local Health District.

Sydney Research Accelerator Scheme (SOAR)

The University successfully launched the first round of our flagship researcher development program, SOAR, which supports the next generation of research leaders to build their careers by increasing the scale and impact of their work. In its first year, the program funded 10 early-career and 10 mid-career researchers

to further their research in important areas such as preventing melanoma, preparing us for the next global pandemic, building more powerful batteries for electric cars and helping people from disadvantaged backgrounds to succeed in education.

In December 2017 the University awarded 22 new Fellowships for a second round of funding.

Robinson Fellowships

The University established a new retention pathway for exceptional early career researchers in all fields. The structured, four-year program includes salary support for the Fellows from the Research Portfolio, faculties and schools, as well as up to \$150,000 each year for research costs. Fellows will be identified on the basis of merit and academic potential, as well as their ability to contribute to the University achieving its strategic vision. We also committed to ensuring gender equity in the awarding of fellowships across the life of the scheme. Selection of the first cohort commenced in 2017.

Reshaping our support model

To improve our research performance, we enhanced support for researchers, with a focus on:

- providing expanded early-mid career development and networking opportunities
- offering drop-in sessions for access to research development advice
- an improved induction process for all new academic staff
- a cross-University strategic recruitment model and process
- six new business development managers embedded in faculties to support industry engagement
- improvements in contract turnaround times and transparency
- process improvements pre- and post-award, including smart forms and a triage function.

For detail about how the University is reshaping its PhD, see page 9. For more information about the University's Equity Fellowships, see page 24.

Partnerships

Commercial income

In 2017 the second round of the Sydney Industry and Community Engagement Seed fund opened, with funding to support projects ranging from 3D printing of the human heart and developing new drugs for osteoarthritis to creating affordable energy solutions for low-income households. This initiative aims to assist researchers to secure an ARC Linkage Grant, Cooperative Research Centre Grant or a direct industry research contract.

We are also investing significantly in improving the training and support we provide our researchers for industry and community engagement. Multiple training and educational sessions were delivered across each faculty and University school.

Global engagement strategy

The University made considerable progress in building a new approach to global engagement, and by the end of 2017 had established priority partnerships with 15 universities around the world to support joint research and education projects.

New partnerships were signed with:

- the University of Copenhagen
- the University of Utrecht
- the University of Edinburgh
- the University of California, Davis
- National Taiwan University
- the Chinese University of Hong Kong
- Shanghai Jiao Tong University.

Other partnerships continued to grow in 2017. For example, Harvard University committed to accept inbound collaborating academic staff and higher degree by research students. Thirty mobility awards were offered in November 2017. Partnership funding schemes with the University of Hong Kong, University of Glasgow, Harvard University, Zhejiang University, National Taiwan University, Yonsei University, Utrecht University, University of Edinburgh, University of Geneva and University of California, Davis, received a strong uptake of applications, with multiple successful applications announced. More than 80 research grants valued at more than \$700,000, were made, including matching funds from many of our partners.

Monitoring our performance

RANKINGS

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 perceive the quality of our research and teaching.

In 2017 four key rankings organisations rated the University of Sydney among the top 100 universities in the world.

ARWU (Academic Ranking of World Universities)

The University moved from the 101-150 range in 2015 to 82 in 2016 and 83 in 2017. We also rose from fifth to fourth in the 2017 domestic ranking. We had one subject in the top 10 (Transportation Science and Technology), two in the top 20 (Public Health and Nursing), and a further 10 in the top 50. Note that the ARWU does not measure performance in the humanities and creative arts.

Quacquarelli Symonds (QS) World University Rankings

The overall QS rankings for the University released in 2017 placed us in the top 50 in the world, but we dropped from 46th to 50th globally and from third to fifth in domestic rankings.

QS Graduate Employability and subject rankings

In 2017 University of Sydney graduates were named the most employable in Australia and ranked 4th in the world. Three University of Sydney subjects were in the top 10 globally, including Sports-related subjects (which was ranked number one in the world), Nursing, and Anatomy and Physiology. 31 more subjects were in the top 50 globally.

Times Higher Education World University Rankings

In the 2017 release of the Times Higher Education World University Rankings, the University moved from joint 60th to 61st and remained at number three domestically.

US News & World Report

(Best Global Universities Rankings)

In 2017 the University moved up 11 places to 34th in the world. The University retained the number two position in the region among a field of 42 Australian and New Zealand universities.

NATIONAL COMPETITIVE GRANTS SUCCESS

In 2017 the University's combined income for the Australian Research Council (ARC) and National Health and Medical Research Council (NHMRC) rose to \$151.6 million. Success rates across many of the ARC and NHMRC schemes remained stable compared to last year.

The total amount of ARC funding awarded in 2017 was \$54 million, compared to \$37 million in 2016, which placed the University third in Australia behind the University of NSW and University of Queensland.

Notably, the University's performance lifted due to three ARC Australian Laureate Fellowships (compared to one in 2016) worth a total of \$18.2 million, and two Industrial Transformation Research Program grants (none last year).

In 2017 the University was awarded a total of \$98 million in NHMRC funding, placing us second in Australia. Sydney outperformed other Group of Eight universities in securing the highest number of NHMRC Centres of Excellence grants, worth a total of \$7.48 million. Our research fellows achieved a success rate of 25 percent, an increase on 2016's average of 17.9 percent, and above the national average of 23.6 percent.

The number of commissioned research contracts rose from 181 in 2016 to 215 in 2017, and there were 10 percent more professional service contracts with 198.

Development and engagement

Philanthropy

In 2017, the University received an extraordinary level of support from its community of alumni and friends, raising \$115 million, including 129 gifts of more than \$100,000. INSPIRED – the campaign to support the University of Sydney – continued to occupy a leadership position among Australian universities in advancement as Australia’s largest philanthropic campaign.

The INSPIRED campaign has raised more philanthropic funds, from more donors, for more transformative initiatives than any other Australian university, and in June 2017 exceeded its goal of \$750 million in funds raised. By the end of 2017 it had raised more than \$843 million since launch, with a high proportion of funds coming from non-alumni – a testament to the importance of University-wide engagement with friends of the University, non-alumni audiences and external stakeholders.

Donor participation reached new heights in 2017, with more than 15,000 individuals contributing.

- More than 3000 members of the University community – including alumni, staff, students, parents and friends – donated as part of our fourth annual giving day, Pave the Way (with alumni donations increasing by 66 percent compared to the previous year). Bolstered by a series of on-campus and digital activities, Pave the Way has become a key event in the life of the University.
- Crowdfunding has also proved to be an important mechanism for growth in donor participation, yielding 1801 gifts in 2017. From student-led initiatives and research projects to celebrating marriages and honouring the memories of loved ones, the crowdfunding platform has kick-started more than 40 projects around campus.

In 2017 some of our most transformative gifts included:

- \$7.5 million from UBTECH through the University of Sydney Hong Kong Foundation, to establish the UBTECH Sydney Artificial Intelligence Centre to pursue cutting-edge research into artificial intelligence and humanoid robotics.
- \$7 million from the Estate of the late Isabel Mary Tangie (BSc '40 DipEd '41) for scholarships and research in the faculties of Science and Engineering and Information Technologies.
- \$4.75 million from FightMND to fund a nationwide clinical trial to investigate a drug which could help stop the progression of motor neurone disease.
- \$3 million from the Estate of the late John Rowe OAM for study and research in Australian literature, including scholarships, endowment of a lecture, and the purchase of library books.
- \$2.5 million from the Rosebrook Foundation to extend the term of the Chair of Lifespan Oral Health, to advance our understanding of the links between oral and systemic health.
- \$2 million from Dr John Chong (MBBS '59) and Anne Chong for research into stem cell therapy and genome editing through the establishment of the Dr John and Anne Chong Fellowships and the Dr John and Anne Chong Laboratory at the Charles Perkins Centre.
- \$1.6 million from the Estate of the late William Edward Frost for research into the causes and treatment of irritable bowel syndrome.
- \$1.4 million from ClubsNSW to support research programs undertaken by the Gambling Treatment and Research Clinic at the University of Sydney.
- \$1.4 million from Alek Safarian (BPharm '87 MBA '95) to endow the Alek Safarian MBA Scholarship at the University of Sydney Business School.
- \$1.2 million from the Estate of the late Ian Buchan Fell (BArch '29) for the promotion and encouragement of education in the University of Sydney School of Architecture, Design and Planning.
- \$1.1 million from the Estate of the late Elizabeth Burgoyne Hudson for research and education in the field of small animal medicine.
- \$1 million from Penelope Seidler AM (BArch '64) to endow a visiting professorship at the Sydney School of Architecture, Design and Planning to be called the Penelope Visiting Professor in Architectural History.

Engagement in western Sydney

In November 2017 Senate endorsed the University's plans to develop a campus in western Sydney, including support for further engagement with the NSW Government about securing land to expand our presence at Westmead.

The Senate decision followed a series of discussions and consultations over the preceding year as part of our commitment under the 2016–20 Strategic Plan to invest in and expand the University's footprint at Westmead. It opened the way for wider discussion among the University community about our role in western Sydney over the next 25 to 50 years.

Hundreds of people attended public events at Westmead, including Sydney Ideas and Sydney Science Forum public lectures. As a founding member of the Westmead Precinct, the University was also a signatory to the Memorandum of Understanding between Westmead and Sydney Science Park.

Several academics were appointed to support the new Applied Medical Science units and Design in Health and Innovation at Westmead, the Westmead Applied Research Centre was established, and the Brain and Mind Centre established a node at Westmead.

The University collaborated with a large number of stakeholders to establish the Westmead Alliance, which will drive investment and deliver on the Government's agenda by transforming Westmead into a globally competitive Innovation District by 2036.

See page 36 for additional information.

International promotion

Overseas visits made by the Vice-Chancellor and members of the senior executive team in 2017 for the purposes of promoting the University included:

By the Vice-Chancellor

10–15 January: Hong Kong

- University Grants Commission meeting

10–12 April: India

- Group of Eight delegation

9–13 May: Hong Kong

- University Grants Commission meeting

13–20 June: Europe

- Glion Colloquium, Switzerland

10–16 July: Europe

- Alumni and recruitment activities, UK

6–9 September: Hong Kong

- University Grants Commission meeting

5–9 November: Europe

- WebSummit, Portugal (with Vice-Principal External Relations)

10–13 November: China

- Graduations and alumni activities (with the Deputy Vice-Chancellor (Education) and Vice-Principal, External Relations)

By members of the senior executive team

19 February – 5 March: USA

Pro-Vice-Chancellor (Global Engagement)

- Association of International Education Administrators meeting, Washington
- Meetings at Harvard University and University of Toronto

10–14 April: Europe

Chair, Academic Board

- Erasmus+ exchange visit, Ca' Foscari University, Venice

17–29 April: Europe and Canada

Deputy Vice-Chancellor (Indigenous Strategy and Services)

- Meetings with Sami Parliament, Norway
- Meeting with University of Toronto

2–10 May: United States

Pro-Vice-Chancellor (Global Engagement)

- Worldwide Universities Network conference, New York
- Meetings with New York University and Harvard University

19–21 May: China

Deputy Vice-Chancellor (Research)

- Association of Pacific Rim Universities VPs Research meeting, Nanjing

30 May – 2 June: Europe

Deputy Vice-Chancellor (Education)

- Network for the Enhancement of Teaching and Learning in Research-intensive Universities conference, The Netherlands

2–5 June: Taiwan

Deputy Vice-Chancellor (Research)

- Times Higher Education research excellence summit

12–16 June: Europe

Pro-Vice-Chancellor (Global Engagement)

- Meetings with University of Copenhagen and University of Edinburgh

24 June – 7 July: Canada

Deputy Vice-Chancellor (Indigenous Strategy and Services)

- Speaker at Nelson Mandela Dialogues, Edmonton
- Meeting with Native Counselling Service, Alberta

16–22 July: China

Pro-Vice-Chancellor (Global Engagement)

- Meetings with Chinese partner universities and government bodies
- Meetings at University of Sydney Centre in China, Suzhou

24–28 July: Europe

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

- Global Conference of Economic Geography, Cologne

10–14 August: United States

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

- Academy of Management Conference, Chicago

22–26 August: Southeast Asia and Europe

Pro-Vice-Chancellor (Global Engagement)

- Meetings with National University of Singapore and Utrecht University

18–22 September: United States and Mexico

Pro-Vice-Chancellor (Global Engagement)

- Meeting with UC San Diego
- Association of Pacific Rim Universities senior leaders' meeting

26–28 September: Southeast Asia

Deputy Vice-Chancellor (Education)

- IBC Asia higher education summit, Singapore

3–8 October: Europe

Vice-Principal External Relations

- W100 Reputation Conference, Utrecht

12–13 November: China

Deputy Vice-Chancellor (Research)

- Global Confucius Institute conference, Xi'an

12–16 November: Europe

Pro-Vice-Chancellor (Global Engagement)

- Meetings with University of Cambridge, University of Glasgow and University College London

4–5 December: United States

Deputy Vice-Chancellor (Research)

- QS Reimagine Education conference, Philadelphia

9–15 December: China

Deputy Vice-Chancellor (Education)

- Institutional Quality Audit panel, Renmin University

11–15 December: China

Deputy Vice-Chancellor (Provost)

- Graduate School of Education meeting and Peking University anniversary

Aboriginal and Torres Strait Islander engagement

Service learning

The University's Indigenous Strategy and Services portfolio facilitated innovative service learning opportunities for 92 students in Aboriginal community hubs across Australia, including the Tiwi Islands, Kakadu and Weilmoringle, NSW. In 2017 an additional service learning project was established with the Warburton community in Western Australia, engaging 12 students from architecture, science and engineering faculties, and 10 students revisited Kakadu.

A review of service learning operations was requested by the Acting Deputy Vice-Chancellor (Indigenous Strategy and Services) and undertaken by the Deputy Vice-Chancellor (Education) in December 2017 to enhance the program's function and efficacy.

Increasing participation

See page 12 for information about University programs and initiatives for Aboriginal and Torres Strait Islander students.

Cultural competence

Cultural competence is a major priority in the University's 2016-20 Strategic Plan as we strive to make Sydney a truly inclusive, culturally diverse and distinctly Australian university where Aboriginal and Torres Strait Islander peoples are part of our identity.

- In 2017 a Cultural Competence Leadership Program was designed and implemented. Two leadership retreats were highly successful. Due to this success three programs will be run in 2018.
- A two-day Buduwa (culturally safe campus) student leadership program was held for identified student leaders.
- The National Centre for Cultural Competence released the *'Cultural Competence - Aboriginal Sydney'* massive open online course (MOOC). By the end of 2017, 2146 people had enrolled in the MOOC and 265 people had completed it.
- The NCCC also released three online cultural competence modules - *'Racism runs deep'*, *'Know your world, see my world'* and *'Sydney and Aboriginal self-determination'* - accompanied by face-to-face workshops, attended by more than 1000 people during the year.

Our staff

Enterprise Agreement 2018–21

In December 2017 University staff voted on the proposed Enterprise Agreement 2018–21 (EA). The agreement was endorsed by staff, who voted with a 96 percent approval rate. The final EA was signed by the University and representatives from the unions and lodged with the Fair Work Commission. The agreement was negotiated in a timely manner and achieved a key strategic goal of advertising education-focused roles to support our education strategy and the new curriculum.

HR-related policies and practices

- A substantive review of the Travel Policy and Procedures was completed, with new provisions coming into effect from 1 January 2018.
- The Resolution of Complaints suite of policies, including the Harassment and Discrimination Prevention Policy and Procedures, were amended to clarify the handling of student complaints.
- The Code of Conduct (Staff and Affiliates) was updated to increase the value of gifts that have to be declared from \$100 to \$300 and associated guidelines developed to increase the awareness of the potential conflict of interests in the receipt of gifts.
- The substantive review of the Recruitment and Selection suite of policies continued under the Talent Acquisition Program.
- The University began a substantive review of the Smoke-Free Environment policy, which was introduced in 2012.
- A review of the Working with Children Policy was also commenced, to align with legislative changes and completion of the phasing-in period for existing staff to the new Working with Children Check.

Staff engagement and culture

In November 2017 the University carried out a Culture Survey of staff, with the aim of exploring diversity, inclusion, organisational culture, and gender equity. An important part of the University's culture strategy, the survey received more than 4000 responses from staff. Results, including analysis and recommendations, will be delivered in 2018.

The University also implemented a new 'Employee Value Proposition' model in 2017 to support its efforts to attract and retain talented staff, resulting in new advertising and refreshed website content.

Supporting staff performance and development

In 2017 the University optimised its Academic Planning and Development system to enhance reporting, user ability and expanding the system within central portfolios. Work also commenced to develop leadership capability in managing performance.

The University also refreshed and successfully piloted in some areas its performance planning and development process for professional staff. In 2018, the Human Resources team will continue engaging with the University community to deliver improvements, aligned to Enterprise Agreement provisions. More than 900 professional staff accessed formal learning programs through the Professional Staff Development Fund, established as part of the current Enterprise Agreement to enable 'next step' career development.

As part of efforts to enhance leadership capability, the University established a community of practice for heads of school, and enhanced its induction program for senior leaders.

The University also revised its orientation for new staff, shortening the format and increasing participation from senior management. This was well received by new staff, and we have high demand to participate.

For more detail about initiatives to support excellence in learning, teaching and research, see pages 9 and 16.

Strategic talent acquisition

The Talent Acquisition Program commenced, with the commitment to deliver a people-oriented talent acquisition service to attract and appoint outstanding local and global talent in support of the education and research aspirations outlined in the 2016–20 Strategic Plan.

The program delivered against key milestones that will be embedded into recruitment operations. This included policy reformation, strengthened probity practices, a new organisational design, and enhanced approaches to sourcing talent.

The focus for 2018 is to stabilise recruitment operations and embed key strategic initiatives, including revisions to the suite of Recruitment and Selection policies.

Service Centre improvements

Several strategic initiatives commenced during 2017, including a review of the HR technology landscape to enable the University to procure a core Human Capital Management System in 2018. This will address current gaps and enable improved client experiences and greater efficiencies in servicing clients.

Operationally, processes to support internal change programs and large-scale transfers were streamlined. The processing of overtime, shift and on-call has also been streamlined and automated through leveraging existing technology.

Equity and diversity strategies

Equity Fellowships

In 2017 the University awarded 10 Equity Fellowships to support flexible career paths – four Brown Fellowships, five Thompson Fellowships and one Laffan Fellowship. Applicants and awardees were all female.

Brown Fellowships allow recipients to re-establish or enhance their academic careers after sustained primary caring duties, Thompson Fellowships recognise that women are under-represented at senior academic levels and assist women seeking academic promotion. The Laffan Fellowships are awarded to University researchers with disabilities or those who have experienced a significant disability in the past.

Gender equity

Key initiatives in 2017 included:

- The University supported the Chief Executive Women Leaders Program, with seven senior leaders participating.
- A total of 24 women participated in the Sydney Women's Mentoring Program.
- A 2017 Women at Sydney Symposium was held in November, and International Women's Day was celebrated, and two commissioned portraits of leading female academics were hung in MacLaurin Hall.
- Deans and professional service unit heads continued local action plans to support University-wide gender targets and local area targets.
- Unconscious bias and inclusive leadership training for leaders was successfully extended, with more than 350 leaders participating in the former and 76 the latter.

- The University received compliance status for its annual submission to the Workplace Gender Equality Agency in 2017.
- The University continued its association with the Founding Group of the Male Champions of Change, spearheaded by the Vice-Chancellor's involvement.
- The University participated in the 'Audit the Face of your Organisation Report'.

Science in Australia Gender Equity project

The University is a participant in the Athena SWAN/ Science in Australia Gender Equity (SAGE) Pilot Project, a national program promoting gender equity and diversity in science, technology, engineering, mathematics and medicine.

The University created a governance structure to oversee and manage its SAGE/Athena SWAN Bronze Award Application, in an advisory council and self-assessment team. A joint SAGE diversity census/ culture survey was completed in December 2017. During the year the SAGE team began work on the University's Self-Assessment exercise.

LGBTIQ inclusion initiatives

In 2017 the University's Ally Network continued to grow in membership and contribute to addressing a number of key LGBTIQ issues on campus. These include:

- ensuring transgender students have access to their preferred names across all student administrative systems
- contributing to the work of the University's Gender Neutral Bathroom Strategy.

The University celebrated key LGBTIQ calendar events through the Ally Network, including entering a float accompanied by 100 staff and students in the Sydney Gay and Lesbian Mardi Gras Parade in March. We also hosted our first stall at Fair Day, a signature LGBTIQ community event that attracts more than 80,000 people a year as part of Mardi Gras. The University was awarded 'Best General Stall'.

During 2017 newly revised Sexual and Gender Diversity training sessions and Ally training sessions were offered to all staff and students.

The University was awarded Bronze 'Employer of Choice' in the Australian Equality Index, after only its second submission.

Disability inclusion

Over 2017 – the fifth year of our 2013–18 Disability Action Plan – the University delivered a range of programs and activities to promote these aspirations and contribute to a culture of inclusion and diversity.

- The University enhanced its funding and provision of staff workplace adjustments and career development, including the introduction of the Career Development Program for Staff with Disability in 2017, which provides enhanced access to professional development opportunities.
- The University's Disability at Work Network and the Ally Network hosted a combined event called 'Don't Dis My Sexuality'. This event explored the intersecting themes of disability and sexuality.
- Disability Inclusion Week activities on campus included a flashmob that brought together members of the University community and the wider community for a choreographed and inclusive dance routine on campus.
- The Disability at Work Staff Network continued to grow, with more than 160 members and a core group of active and engaged staff.

Parents and carers

In 2017 the staff parent network was expanded to include carers, and became the Parents and Carers Network. By year's end, it had more than 400 members. During the year there were six events held to support our parents and carers, which included practical strategies for managing problem child behaviour, flexible working arrangements and parental leave, return-to-work seminars, baby and child CPR and first aid classes, and raising responsible digital citizens.

There are 11 parents' rooms across campus.

Culturally and linguistically diverse inclusion

In 2017 the Vice-Chancellor's Sponsorship Program for women from culturally and linguistically diverse (CALD) backgrounds continued to grow, with 15 senior CALD leaders participating. Four participants from previous cohorts were promoted to more senior roles. In 2018 we will complete a discussion paper to examine what action would be needed to address issues of diversity and inclusion, with a particular focus on linguistic diversity for non-European women.

Aboriginal and Torres Strait Islander employment

The number of staff at the University who identify as Aboriginal or Torres Strait Islander as of 31 December 2017 grew to 98, with 88 fixed-term and continuing positions.

Twenty-three faculties or professional service units within the University employ Aboriginal and Torres Strait Islander staff.

The University's Merit Appointment Scheme supports the appointment of new Aboriginal and Torres Strait Islander staff to ongoing and/or five-year fixed-term positions. A total of 41 positions have come through this scheme.

For more detail about Aboriginal and Torres Strait Islander students, see page 12.

Community engagement

The Aboriginal and Torres Strait Islander Staff network meets four times per year and provides a professional development and information service to staff members. The Men's Initiative enables different community-led groups from across the Greater Sydney Region to know more about the employment opportunities available across the University.

Celebrating our staff

As part of our strategic initiatives to celebrate exceptional performance by our staff, the University held its second annual Vice-Chancellor's Awards for Excellence, recognising 56 winners for excellence in 13 research, teaching, professional service and Indigenous strategy categories, after a peer-nomination process. As well as traditional research and teaching excellence, awards were given for engagement and innovation in these areas.

The University also awarded its inaugural Payne-Scott Professorial Distinctions, a key component of the culture element of the University's 2016–20 Strategic Plan. They celebrate outstanding leadership and mentorship at the University and acknowledge leaders who truly live the University's values.

In 2017, five distinguished professors were honoured for their contributions to the University across all areas of leadership, teaching and research.

Combined totals of academic and general staff positions 2013-2017 by appointment term and gender

	2013			2014			2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing	1922	1706	3628	2015	1742	3757	2063	1782	3845	2192	1884	4076	2262	1976	4238
Fixed Term	1913	1426	3339	1907	1340	3247	1853	1256	3109	1814	1204	3018	1945	1287	3232
Total	3835	3132	6967	3922	3082	7004	3916	3038	6954	4006	3088	7094	4207	3263	7470

Academic staff positions 2013-2017 by appointment term, level and gender

	2013			2014			2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
Level E & above	72	226	298	74	226	300	88	247	335	107	226	373	125	283	408
Level D	102	185	287	119	208	327	120	223	343	132	250	382	150	257	407
Level C	215	252	467	204	254	458	217	247	464	225	239	464	230	253	483
Level B	165	138	303	165	145	310	173	145	318	175	152	327	189	174	363
Level A	15	14	29	22	22	44	25	19	44	31	21	52	36	33	69
Subtotal	569	815	1384	584	855	1439	623	881	1504	670	928	1598	730	1000	1730
Fixed Term															
Level E & above	57	196	253	61	182	243	71	169	240	78	166	244	80	175	255
Level D	76	96	172	76	94	170	77	82	159	64	75	139	62	83	145
Level C	130	126	256	134	126	260	133	123	256	131	107	238	132	95	227
Level B	246	197	443	255	195	450	238	191	429	230	187	417	237	184	421
Level A	316	334	650	325	294	619	318	270	588	316	262	578	329	316	645
Subtotal	825	949	1774	851	891	1742	837	835	1672	819	797	1616	840	853	1693
Total Academic	1394	1764	3158	1435	1746	3181	1460	1716	3176	1489	1725	3214	1570	1853	3423

General staff positions 2013–2017 by appointment term, level and gender

	2013			2014			2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
HEO 10 & above	94	84	178	118	92	210	128	96	224	138	110	248	145	117	262
HEO 9	75	78	153	86	90	176	92	93	185	97	101	198	105	106	211
HEO 8	189	154	343	205	161	366	208	161	369	234	171	405	212	167	379
HEO 7	247	173	420	267	168	435	273	176	449	268	193	461	278	186	464
HEO 6	347	156	503	378	158	536	359	156	515	415	180	595	433	189	622
HEO 5	245	113	358	224	94	318	221	93	314	215	94	309	204	107	311
HEO 4	83	46	129	77	44	121	89	46	135	89	49	138	88	49	137
HEO 3	46	64	110	49	60	109	42	61	103	41	48	89	38	47	85
HEO 2	22	23	45	23	20	43	22	19	41	18	10	28	22	8	30
HEO 1 & below	5	0	5	4	0	4	6	0	6	7	0	7	7	0	7
Subtotal	1353	891	2244	1431	887	2318	1440	901	2341	1522	956	2478	1532	976	2508
Fixed Term															
HEO 10 & above	48	73	121	48	70	118	55	71	126	57	67	124	68	59	127
HEO 9	42	34	76	46	37	83	41	35	76	48	32	80	63	36	99
HEO 8	134	69	203	138	53	191	121	53	174	109	46	155	120	49	169
HEO 7	184	96	280	186	90	276	167	89	256	169	95	264	184	107	291
HEO 6	263	80	343	256	79	335	256	66	322	261	67	328	264	78	342
HEO 5	271	79	350	245	68	313	223	58	281	217	58	275	268	77	345
HEO 4	82	17	99	79	21	100	80	18	98	66	19	85	62	5	67
HEO 3	53	18	71	51	21	72	64	21	85	59	15	74	67	14	81
HEO 2	7	2	9	6	2	8	6	5	11	7	6	13	6	6	12
HEO 1 & below	4	9	13	1	8	9	3	5	8	2	2	4	3	3	6
Subtotal	1088	477	1565	1056	449	1505	1016	421	1437	995	407	1402	1105	434	1539
Total	2441	1368	3809	2487	1336	3823	2456	1322	3778	2517	1363	3880	2637	1410	4047

Staff level and salary ranges

As at 31 March 2017

Academic staff

Level E and above	\$188,354
Level D	\$146,222 – \$161,087
Level C	\$121,439 – \$140,028
Level B	\$99,138 – \$117,724
Level A	\$69,397 – \$94,174

General staff (35 hour week)

HEO 10 and above	\$121,574+
HEO 9	\$113,733 – \$120,006
HEO 8	\$98,071 – \$110,602
HEO 7	\$87,619 – \$95,456
HEO 6	\$79,785 – \$86,050
HEO 5	\$69,338 – \$77,694
HEO 4	\$64,113 – \$67,770
HEO 3	\$56,278 – \$62,546
HEO 2	\$53,664 – \$55,234
HEO 1 and below	<= \$52,098

Governance and leadership

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's primary responsibilities are:

- appointing the Vice-Chancellor as the principal executive officer of the University, and monitoring his or her performance
- approving the mission and strategic direction of the University, as well as the annual budget and business plan
- overseeing and reviewing the management of the University and its performance
- establishing policy and procedural principles, consistent with legal requirements and community expectations
- approving and monitoring systems of control and accountability, including general overview of any controlled entities
- overseeing and monitoring the assessment and management of risk across the University, including commercial undertakings
- overseeing and monitoring the academic activities of the University.

Composed of 15 Fellows as of 1 December 2017 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 to promote, within the limits of the University's resources, scholarship, research, free enquiry, the interaction of research and teaching, and academic excellence.

The University has seven principal functions for the promotion of this object (see page 8). 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
- may develop and provide cultural, sporting, professional, technical and vocational services to the community.
- 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.
- has such other functions as are conferred or imposed on it by or under this or any other Act.

The University's functions may be exercised within or outside the state, including outside Australia.

University officers as at 31 December 2017

CHANCELLOR

Belinda Hutchinson AM
BEc *Sydney*, FCA

DEPUTY CHANCELLOR

Richard Freudenstein
BEc LLB(Hons) *Sydney*

VICE-CHANCELLOR

Dr Michael Spence AC
BA LLB *Sydney* DPhil DipTheol *Oxf*

DEPUTY VICE-CHANCELLORS

Provost and Deputy Vice-Chancellor

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

Deputy Vice-Chancellor (Education)

Professor Philippa Pattison AO
PhD *Melbourne*, FASSA

Deputy Vice-Chancellor

(Indigenous Strategy and Services)

Professor Juanita Sherwood (Acting)
PhD *UNSW*

Deputy Vice-Chancellor (Research)

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

Deputy Vice-Chancellor (Registrar)

Professor Tyrone Carlin (until 23 December 2017)
LLB(Hons) LLM *Sydney* MCom *UNSW* PhD *Macquarie*
GradDip Fin SIA CA FCPA FFin

PRO-VICE-CHANCELLORS

Pro-Vice-Chancellor

(Education – Enterprise and Engagement)

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

Pro-Vice-Chancellor (Global Engagement)

Professor Kathy Belov
BSc (Hons) PhD *Macquarie*

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

Associate Professor Eric Knight
BA *Sydney* LLB(Hons) *Sydney* DPhil *Oxf*, GAICD

Pro-Vice-Chancellor

(Strategic Collaborations and Partnerships)

Professor Laurent Rivory
BVSc PhD *Queensland*

VICE-PRINCIPALS

Vice-Principal (Advancement)

Tim Dolan
BA *UCLA*

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 2017

FACULTY DEANS

Faculty of Arts and Social Sciences

Professor Annamarie Jagose
PhD *Wellington*, FAHA

Faculty of Dentistry

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

Faculty of Engineering and Information Technologies

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

Faculty of Health Sciences

Professor Kathryn Refshauge
MBSMedE PhD *UNSW*
DipPhy GradDipManipTher *Cumb*

The University of Sydney Medical School

Professor Arthur Conigrave (Acting)
BSc(Med) MBBS MSc PhD MD *Sydney*, FRACP

The University of Sydney Nursing School

Professor Donna Waters
BA *Macquarie* MPH PhD *Sydney*, FACN RN

Faculty of Pharmacy

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

Faculty of Science

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

The University of Sydney Business School

Professor Gregory Whitwell
BEc(Hons) *Monash* PhD *Melbourne*

Heads of school and deans of University schools

The University of Sydney School of Architecture, Design and Planning

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

The University of Sydney Law School

Professor Joellen Riley
MA LLB PhD *Sydney* BCL *Oxf* DipMgt *MGSM*

Sydney Conservatorium of Music

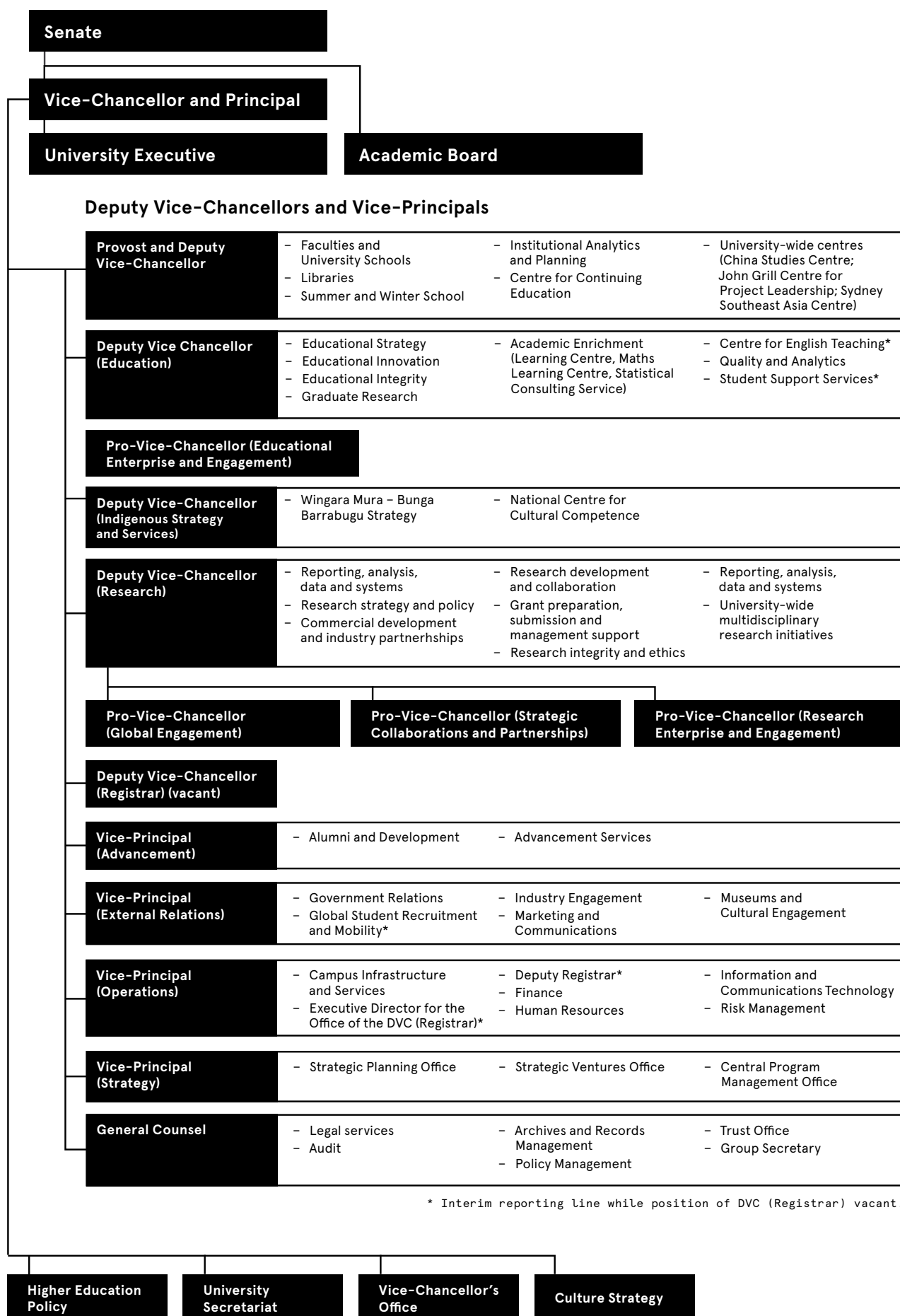
Professor Anna Reid
BMus *Sydney* MEd *UNE* PhD *UTS*

Organisational design

In 2017, work to create simpler structures, systems and processes for staff, students and visitors progressed significantly. The University's 16-faculty model was refreshed to comprise just six faculties and three University schools. Five of these six faculties (Arts and Social Sciences; Business; Engineering and Information Technologies; Health Sciences; Science) finalised a consistent leadership group structure, associated updates to delegations of authority and updated IT systems to reflect the changes.

A formal change proposal was initiated in 2017 to establish the leadership framework for the sixth faculty, the new Faculty of Medicine and Health (which upon launch will include the current faculties of Dentistry, Medicine, Nursing and Pharmacy). Extensive consultation was undertaken with internal and external stakeholders and a Final Change Proposal and Implementation Plan was issued in November 2017, reflecting responses to the consultation and engagement process and giving the University an agreed structure. The new faculty is due to launch in April 2018. It is intended that in the future the current Faculty of Health Sciences will become the Sydney School of Health Sciences within the new Faculty of Medicine and Health.

The University appointed a number of key senior faculty leaders throughout 2017, with the most crucial being the new Executive Dean for Medicine and Health (due to commence mid-2018). This appointment will be pivotal for the final faculty transition as well as for the University's future involvement with western Sydney.



University of Sydney Senate 2017

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 2017.

The role of the Senate

The Senate is the governing authority of the University of Sydney with functions conferred on it by the *University of Sydney Act 1989* (as amended).

Composed of 15 Fellows as of 31 December 2017 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.

In 2017, Senate:

- reviewed the progress of implementing the 2016–20 University Strategic Plan
- monitored the health and safety of the University community through the Safety and Risk Management Committee (until December 2017, when the Strategy and Risk Management Committee took over that responsibility)
- oversaw the development of the new undergraduate curriculum, ready for launch in 2018
- monitored and supported the improvement in research excellence, noting that 2017 was an outstanding year for research initiatives, activities and outcomes such as the new faculty compacts, Sydney Research Accelerator (SOAR) fellows and Sydney Research Excellence Initiative (SREI) 2020
- encouraged work on improvement of the educational experience, including the work being undertaken by Elizabeth Broderick & Co with the residential colleges
- discussed the *Respect. Now. Always.* campaign and noted the University will be implementing the Consent Matters module
- monitored the implementation of Senate's December 2015 decision to refresh the faculty model to comprise of six faculties and three University schools
- made a landmark decision to create a major second campus, and endorsed and encouraged the University to develop a strategy for western Sydney
- oversaw the ongoing progress of the Campus Improvement Plan, which continues to flourish, with significant construction progress achieved across campus
- endorsed and took reports on the implementation of a culture strategy, which identifies the values of respect and integrity, courage and creativity, openness and engagement, diversity and inclusion as core to the University
- continued to support the progress of the University of Sydney's Wingara Mura – Bunga Barrabugu strategy, which commits the University to Aboriginal and Torres Strait Islander participation, engagement, education and research
- noted progress on engagement with external partners, including the formation of the External Relations portfolio and the commencement of the new Vice-Principal (External Relations)
- undertook a renewal of Senate membership, including a significant campaign to encourage nominees to fill a number of positions vacated by the retirement of long-serving Fellows (four new Fellows – all alumni of the University – commenced in December 2017)
- conducted a comprehensive internal review of Senate committees to align with the changes to Senate's composition from 1 December 2017 (resulting in changes to committee composition and terms of reference, including adopting uniform composition requirements for the number of internal Fellow and external expert members, based on the skills and experience required by each committee to execute its duties)
- monitored the University's financial performance and reviewed and approved the annual budget and financial statements
- oversaw the University's internal audit program and the University's regulatory and legal compliance
- implemented the new Senate Governance Review Framework (approved in 2016), which incorporates a range of documents designed to assist Fellows with executing their duties (including a Role Statement, Position Description for Fellows, Code of Conduct and Skills and Attributes Matrix), and which captures the elements of individual and whole-body reviews required under the Act and Senate's earlier resolutions and maps the reviews over a 10-year forecast to ensure they are conducted in an appropriate sequence
- as part of activities under the Senate Governance Review Framework, conducted the annual compliance assessment against the *Voluntary Code of Best Practice for the Governance of Australian Universities* (the Voluntary Code). The Senate can report that the University is compliant with the Voluntary Code.

Fellows of Senate As at 31 December 2017

Chancellor

Belinda Hutchinson AM
BEC *Sydney*, FCA
Current term as Chancellor:
4 February 2017 to 3 February 2021

Deputy Chancellor

Richard Freudenstein
BEC LLB(Hons) *Sydney*
Current term as Deputy Chancellor:
14 December 2017 – 31 March 2020

Vice-Chancellor

Dr Michael Spence AC
BA LLB *Sydney* DPhil PGDipTheol *Oxf*
Current term as Vice-Chancellor:
1 July 2013 – 31 December 2020

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 2018 – 31 December 2019

Two external persons appointed by the Minister

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

Dr Lisa McIntyre

BSc(Hons) *Sydney*
Current term as Fellow of Senate:
16 August 2017 – 30 November 2019

Five external persons appointed by the Senate

Ilana Atlas
LLB LLM *Sydney* BJuris(Hons) *UWA*
Current term as Fellow of Senate:
1 December 2017 – 30 November 2019

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 2017 – 30 November 2019

Karen Moses

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

Peter Scott

BE(Hons) *Monash* MEngSc *UNSW* HonFIEAust MICE
Current term as Fellow of Senate:
15 August 2016 – 30 November 2019

Two persons elected by and from the academic staff

Professor Marian Baird AO
BEC(Hons) DipEd PhD *Sydney*
Current term as Fellow of Senate:
1 June 2017 – 31 May 2019

Professor Christopher Murphy

BSc(Hons) *Adelaide* PhD *Flinders* DSc *Sydney*
Current term as Fellow of Senate:
1 June 2017 – 31 May 2019

One person elected by and from the non-academic staff

Jordi Austin
BA(Hons) MPsyCh(Clin) *UNSW*, MAPS GAICD
Current term as Fellow of Senate:
1 June 2017 – 31 May 2019

One person elected by and from the undergraduate students

Colin Whitchurch
BEC *Sydney*
Current term as Fellow of Senate:
22 September 2016 to 30 November 2018

One person elected by and from the postgraduate students

David Jordan
BSc LLB *Sydney* LLM *UNSW*
Current term as Fellow of Senate:
1 December 2016 to 30 November 2018

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/secretariat/senate-committees/senate/fellow-site.shtml

Senate committees

In December 2017 Senate resolved to establish the following committees to assist it with the exercise of its functions, effective from 1 January 2018.

- Buildings and Estates Committee Chair: Peter Scott
- Finance and Audit Committee Chair: Karen Moses
- People and Culture Committee Chair: Ilana Atlas
- Strategy and Risk Committee Chair: Richard Freudenstein

The table below records attendance for committees that operated in 2017.

For more information about the University of Sydney Senate committees, visit sydney.edu.au/secretariat/senate-committees

Attendance by Fellows at Senate and its committees in 2017

Position	Name	Senate			BEC			E&R			FAC			HR			ICC			NAC			SRMC		
		A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C			
Chancellor	Ms B Hutchinson AM	6	6	6	6	6	6	3	3	3	6	6	5	6	6	6	4	4	2	6	6	6	4	4	3
Deputy Chancellor	Mr A Brennan AM (^)	6	5	4	6	6	6	3	3	2	6	6	6	6	6	6	4	4	1	6	6	6	4	4	2
Vice-Chancellor	Dr M Spence AC	6	6	6	6	6	4	3	3	1	6	6	5				4	4	4	6	6	5	4	4	4
Pro-Chancellors	Dr Barry Catchlove AM (^)	6	5	5																6	5	5			
	Mr P FitzSimons AM (^)	6	5	4																					
	Mrs D Hoddinott AO (^)	6	5	5				3	3	3	6	6	5	6	6	5									
	Mr K McCann AM (^)	6	5	4													4	4	3	6	6	6	4	4	4
	Mr D Mortimer AO (^)	6	5	5													4	4	4						
Chair of Academic Board	Associate Professor T Masters	6	6	6				3	3	2	6	6	6							6	6	5			
Fellows	Ms A Atlas	6	6	5							6	6	2	6	6	6									
	Ms J Austin	6	6	5	6	6	4																4	4	3
	Professor M Baird AO	6	6	4																					
	Mr R Freudenstein (#)	6	1	0																					
	Mr D Jordan	6	6	6																			4	4	2
	Mr P King (^ **)	6	5	5																					
	Mr Y-s Li (#)	6	1	1																					
	Ms K McClymont	6	6	6																6	5	4			
	Dr L McIntyre (+)	6	2	2																					
	Dr C Menzie-Pike	6	5	5				3	3	1															
	Ms K Moses (#)	6	1	1																					
	Professor C Murphy	6	6	6	6	6	5																		
	Professor S Naismith (*)	6	2	2				3	1	1															
	Mr P Scott	6	6	6	6	6	6													6	5	5			
	Mr Colin Whitchurch	6	6	6																					
	Professor J White AM (*)	6	2	1													4	1	1	6	1	1			

A No. of meetings held, B No. of meetings eligible to attend, C No. of meetings attended
 BEC Buildings and Estates, E&R Education and Research, FAC Finance and Audit, HR Human Resources, ICC Investment and Commercialisation, NAC Nominations and Appointments, SRMC Safety and Risk Management
 (*) Term as Fellow of Senate ended 1 June 2017, (**) New Fellow of Senate commenced 1 January 2017, (^) Term as Fellow of Senate ended 30 November 2017, (#) New Fellow of Senate commenced 1 December 2017, (+) New Fellow of Senate commenced 16 August 2017

New and ceased activities

CENTRES AND INSTITUTES OF THE UNIVERSITY

Closed centres

- Centre for Carbon, Water and Food was closed with approval of the Provost and Deputy Vice-Chancellor, effective 28 August 2017

New centres

- The Westmead Applied Research Centre was approved by the Provost and Deputy Vice-Chancellor, effective 19 September 2017.
- The Centre for Advanced Food Enginomics was approved by the Provost and Deputy Vice-Chancellor, effective from 1 September 2017.
- The University of Sydney Institute of Agriculture was approved by the Provost and Deputy Vice-Chancellor, effective from 4 May 2017.
- The UBTech Sydney Artificial Intelligence Institute was approved by the Provost and Deputy Vice-Chancellor, effective from 1 February 2017.

Foundations of the University

Closed foundations

- The Chemical and Biomolecular Engineering Foundation was closed with approval of the Vice-Chancellor effective 20 December 2017
- The Faculty of Pharmacy Foundation was closed with approval of the Vice-Chancellor effective 13 December 2017
- The Civil Engineering Foundation was closed with approval of the Vice-Chancellor effective 10 February 2017

Insurance of officers

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

Resources and investment

Campus Improvement Program 2014–20

2017 saw substantial progress in advancing our Campus Improvement Program, with construction commencing on Stage 1 of the Life, Earth and Environmental Sciences building, new Faculty of Arts and Social Sciences and administration buildings, Westmead projects, and the Regiment project.

Planning and design got underway for the Engineering Precinct, the Susan Wakil Health Building and the Chau Chak Wing Museum, with construction commencing in 2018. In addition to this, planning got underway for the refurbishment of the Old Teachers' College to accommodate the Sydney College of the Arts on Camperdown Campus when it relocates from Rozelle.

These projects will significantly transform the Camperdown, Darlington and Westmead campuses, with the co-location of health sciences, nursing and creative arts students back onto the Camperdown campuses.

With the original Campus Improvement Program well into implementation, the University's attention turned to developing the University's infrastructure program for the period of 2021–25.

Western Sydney

The future for the University of Sydney in western Sydney

In collaboration with government, local health districts, hospital networks and local business, the University is planning to leverage its existing assets in western Sydney to realise their full economic potential. Campus Infrastructure and Services progressed with lodging a Stage One Gateway Application to government and seeking support to prepare a rezoning application for the University-owned land at Badgerys Creek. Rezoning the land will realise its potential value and allow the University to hold the land in the long term as a source of future funding.

Further to this, through our discussions with the Greater Sydney Commission (GSC), it is apparent that the NSW Government is looking to proceed with the compulsory acquisition of the road and rail corridors that run through the University's Badgerys Creek land. The University will work collaboratively with Government throughout this acquisition process.

Defining our future at Westmead in conjunction with the Westmead Precinct Partners

In 2017 the University worked closely with the Westmead Alliance and our precinct partners to develop a vision for Westmead and expand our presence within the precinct into the future.

The University opened the Westmead Education and Conference Centre, the first major infrastructure collaboration between the University, western Sydney Local Health District, Sydney Children's Hospitals Network and the \$1 billion Westmead Redevelopment project, and \$20 million in funding was approved in principle toward the Westmead Innovation Centre.

The University also worked with Health Infrastructure and the western Sydney Local Health District on an \$85 million investment into upgrading existing teaching and learning facilities, which includes ensuring the successful delivery of the University's one and a half floors in the Central Acute Services Building, space within the innovation centre and other enabling projects. Some enabling projects include facilities that will be jointly operated with the precinct partners, such as the EPIC 3D Printing Laboratory expansion (with the Children's Hospital at Westmead).

These investments will provide the University with the necessary innovative spaces and facilities on the Westmead Precinct to support and enable substantial growth of our educational, research and engagement initiatives.

For more information about the University's future in western Sydney, see page 19.

Operations

Safety health and wellbeing strategy

The University's Safety and Wellbeing strategy 2017–20 was endorsed by Senate in 2017. Its stated aim is to create a positive safety culture that enables staff and students to thrive and realise their full potential while "safely exploring dangerous ideas".

A key piece of the strategy – the Mentally Healthy Workplace initiative – has been implemented to mitigate workplace psychosocial risk and optimise the psychological health and safety of the University.

Work health and safety governance

The Safety and Risk Management Committee of Senate met throughout 2017 to oversee governance of WHS risk. Governance of safety was due to be transitioned to the People and Culture Committee in 2018.

Work health and safety management

The University Executive (UE) Work Health and Safety Committee, chaired by the Provost, met five times throughout 2017 to monitor University-wide WHS performance and optimise the committee's decision-making processes for University-wide WHS issues.

Safety Management System Audit

Another round of the three-year rolling Safety Management System (SMS) audit program was completed in 2017. Final audit reports were released to participating organisational units. Overall, there was improved understanding across the University of the requirements of the Safety Management System. A refreshed approach, called 'Safety Differently', is at the forefront of future improvements across the SMS.

WHS training

During 2017, 3729 workers completed the online WHS induction. This included 2434 employees and 1295 other workers (affiliates, contractors and volunteers). Online WHS induction for Higher Degree by Research (HDR) students was successfully launched to certain cohorts of HDR students and achieved a 76 percent completion rate (1779 HDR students).

In 2017, 701 workers attended face-to-face safety training, inclusive of WHS for Managers and Supervisors, warden, chief warden, radiation and first attack firefighting and safe handling of gas cylinders and cryogenics.

A total of 480 workers completed online biosafety

training and 416 workers completed online chemical safety respectively in 2017.

Operational risks

The University participated in a SafeWork NSW initiative to assess exposure and monitoring methods of formaldehyde and respirable dust. Web-based tools were developed for the Faculty of Science to assess risk presented by the use of storage of flammable and toxic gases.

The Australian Nuclear Science and Technology Organisation (ANSTO) was engaged to address long-term storage of legacy radioactive waste. The HISTORION dose management system was implemented in 2017 following a successful pilot. The University radiation safety officer was approved as a trainer by EPA for the radiation safety.

The University took part in the review of the *Gene Technology Act*, providing feedback aimed at creating a less bureaucratic and more risk-based approach to managing compliance with this legislation. In 2017 the University submitted the Annual Report to the Office of Gene Technology Regulator (OGTR), detailing 11 new OGTR facility certifications.

Work health and safety incidents

In 2017, there were a total of 1652 incidents and hazards reported via RiskWare. This represents a 13 percent increase in overall reporting from the previous year, with the entire increase being reports of hazards or near misses. Fifty percent of total reports were hazards and near misses. An increase in hazard and near miss reporting is considered an indicator of improving safety culture. Of these reports, 71 percent involved employees, 21 percent involved students and 8 percent involved contractors, affiliates and visitors.

Cut, puncture or graze (25 percent) was the most frequent mechanism of injury reported during 2017, followed by slip or trip and fall (15 percent), acute illness (6 percent), body stress from repetitive movement (6 percent) and body stress from ergonomics factors (6 percent).

The most frequent reported injury differed between staff and students: the most frequent staff injury was due to slip or trip and fall on slippery or uneven surface while students' injuries were the result of cut puncture and graze involving glassware, hypodermic syringes and use of scalpels and cutting tools. None of these most frequent injuries were serious.

Staff		
Mechanism	Number	% of total
Slip or trip and fall	74	19
Cut puncture or graze	58	14
Body stress from repetitive movement	38	9
Students		
Mechanism	Number	% of total
Cut puncture or graze	102	43
Acute illness	29	12
Slip trip and fall	16	6

Wellbeing

Health and wellbeing is an organisational priority. The sustainability and effectiveness of wellbeing program targeting physical and psychological health is supported by a network of Wellbeing Champions.

Physical wellbeing at work was promoted via free flu vaccinations, with 2600 staff taking advantage of this key health-promoting service. The Global Challenge 100-day team-based walking challenge had 87 participating teams. Musculoskeletal injuries remain common and are a key risk focus related to sedentary work. A total of 170 face-to-face workstation assessments were completed in 2017. Online self-help tools were launched in 2017 to assist staff to look after their ergonomic wellbeing at work.

Psychological wellbeing is being addressed through provision of mindfulness practice and training opportunities. In 2017, 405 staff attended the positive psychology courses. The University continued to provide an Employee Assistance Program (EAP) for staff. A more integrated approach to managing psychological safety risk is forthcoming through the Mentally Healthy Workplace program.

Workers' compensation

In 2017 the University's performance in workers' compensation was sustained at optimal levels. A total of 441 incidents reported via RiskWare involved injury or illness involving staff. Of these 441 incidents only 91 of those resulted in workers' compensation claims.

	2017	2016	2015	2014	2013
Total cost of claims	\$453,300	\$114,564	\$111,536	\$440,481	\$224,301
Average cost of claim	\$5,596	\$4,270	\$2,613	\$5,302	\$2,080
Average (days) lost per claim	7.36*	4.69*	3.24*	1.1	1.54
Injuries reported (WC claims)	91	71	84	103	86
Premium payable (\$million)	\$1.43	\$1.38	\$1.33	\$1.37	\$1.62

* change to calculation method to include sick leave days taken

Psychological injury claims account for seven percent of all workers' compensation claims, demonstrating the importance of early intervention practices. In 2017, 195 staff were supported to remain at work with personal ill-health issues.

Use of the Employee Assistance Program (EAP) increased to 6.2 percent, a large increase on 2016 rates, but still low total numbers overall. Use of EAP services at this rate is a positive indicator of staff taking help-seeking steps to access support services.

Insurance arrangements

The University has completed its sixth successive year in the NSW Workers' Compensation Scheme. Cost of claims and premium costs for 2017 was maintained at the minimum premium payable. Despite major changes to the icare workers insurance model, the University will remain in the scheme in 2018.

Legal affairs

Risk management

The University has developed a Risk Management Framework under a revised Risk Management Policy, which commenced on 7 June 2017. This framework enhances the University's ability to capitalise on opportunities while reducing impacts of risk to the

lowest practicable level. The policy and related framework establishes the principles by which the University identifies, assesses and manages risks and provides for the appropriate allocation of responsibilities for managing risks.

An institutional risk register outlining the risks that may affect the University at large is under regular review. Each risk is linked to the strategic plan. Departmental risk registers are also under regular review and reflect the unique risks for each department, and the systemic risks, as described in the institutional risk register, that are relevant to every department.

The relevant University Executive Committee or Project Control Board for strategic projects, and ultimately the University Executive and the Strategy Governance Board, are responsible for reviewing and accepting each risk on the institutional risk register, with its associated mitigation plan that relates to that committee. In the same way the Senate committees, and ultimately Senate, also review and accept risks at least annually.

The Senate Safety and Risk Management Committee was responsible for overseeing this process on behalf of the Senate until November 2017. From December 2017 the Senate Strategy and Risk Management Committee took over that responsibility.

In that role the committee receives assurances from the other Senate committees in respect to their management of risk.

LEGISLATION AFFECTING THE UNIVERSITY

Copyright Amendment (Disability Access and Other Measures) Act 2017

This Act introduced a range of amendments to the *Copyright Act 1968 (Cth)* that have far-reaching impacts for the University. The majority of amendments implemented by this Act took effect on 22 December 2017, with some key changes briefly overviewed as follows.

Disability access: Provisions in the Act were simplified to improve access to copyright material by persons with a disability or a person acting on their behalf. This should result in greater flexibility to convert copyright material into accessible formats. These changes include a new broader definition of 'person with a disability', a new fair-dealing exception relating to access by a person with a disability and replacement

of the print disability statutory licence in Part VB of the Act.

Statutory licensing for educational institutions:

These provisions are intended to provide greater flexibility for educational institutions and the collecting societies to negotiate a new statutory licence, which allows educational institutions to copy copyright material subject to conditions including that (a) the educational institution and the copyright collecting society agree to an equitable remuneration, and (b) a remuneration notice is issued between the educational institution and a declared collecting society. Similar conditions exist for broadcasts and online broadcasts. The current licence with the Copyright Agency does not expire until December 2018.

New rights for libraries (including University Libraries) are as follows.

- Library Preservation rights. The Act streamlines exceptions allowing Libraries and archives to make multiple preservation copies of copyright material, and to make electronic preservation copies available to the public without infringing copyright, provided that the material being copied is held in the Library's collection and is not available in a version consistent with best practice conservation practices.
- Library Research exception. A research exception allows libraries and archives to use copyright material held by the Library or archive in original form, to carry out research at the Library, subject to any overriding terms of use for the material and provided reasonable steps are taken to ensure use does not otherwise infringe copyright.
- Library Administrative purposes. Libraries and archives may use copyright material for administrative purposes such as backup copies, record keeping and training (such training should directly relate to the collection), without infringing copyright.

Unpublished works (commencing 1 January 2019):

The copyright term for unpublished works is now 70 years and it is no longer possible for unpublished works to remain in copyright for an indefinite period. The Act also takes into account unpublished works where the author is unknown.

Migration law changes

In April 2017 the Australian Government announced that the Temporary Work (Skilled) visa (subclass 457 visa) would be abolished and replaced with a new visa framework, the Subclass 482 – Temporary Skill Shortage (TSS) visa.

With the new visa two new occupation lists came into operation, the *Short-term Skilled Occupations List (STSOL)* and the *Medium and Long-term Strategic Skills List (MLTSSL)*. The occupations under the STSOL are only eligible for a two-year visa with no pathway to an employer-sponsored permanent resident visa. The occupations on the MLTSSL are eligible for a four-year visa that can be renewed multiple times as long as the occupation remains on the list and include a pathway to an employer-sponsored permanent resident visa. The MLTSSL contains occupations that have been assessed as being “of high value” to the Australian economy.

Initially, the University Lecturer occupation was only present in the STSOL and there was a restriction imposed which meant that visa applicants had to be able to demonstrate at least two years of employment experience. As a result of lobbying, the University Lecturer occupation was moved to the MLTSSL and the restriction was relaxed to recognise full-time research and teaching activities undertaken by a postgraduate student during their PhD program, as part of the two-year requirement. A number of other occupations that the University sponsors were also proposed to be removed altogether, but after lobbying they were reinstated to the STSOL. Those include Research and Development Manager and the Life Scientist and engineering-related positions.

Further changes are likely to be implemented in March 2018, subject to the passing of the *Migration (Skilling Australians Fund) Charges Bill 2017 (Cth)*. The main change will require employers to contribute to the Skilling Australians Fund to train Australian citizens and permanent residents for each TSS visa they sponsor. The contribution amount will be dependent on the duration of the visa term and the business’s annual turnover. Businesses with annual turnover of \$10 million or more will be required to make an upfront payment of \$1800 per each TSS visa year. In addition, a one-off levy of \$5000 will be required when sponsoring a visa holder for permanent residency.

Foreign influence bills and academic freedom

In 2017 the University worked closely with Universities Australia and the Group of Eight to raise awareness

about the impacts of two new national security bills. The University understands and supports the policy intent of the Electoral Funding and Disclosure and Foreign Influence Transparency Scheme bills. They seek to minimise foreign influence in Australian politics and improve transparency for political donations. Our key concern, however, is the likelihood of unintended consequences for the routine activities of our academics when engaging publicly about their areas of expertise and for their ability to collaborate with international colleagues. This concern will be the focus of our ongoing lobbying.

State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017 (NSW)

The State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017 (“SEPP”) commenced on 1 September 2017. The new SEPP is a stand-alone environmental planning instrument that applies to universities, schools, TAFEs and child care facilities. It replaced some of the planning pathways previously contained in the State Environmental Planning Policy (Infrastructure) 2007.

The introduction of the new SEPP represents a significant milestone in NSW planning reform. It streamlines planning approval pathways for universities. Universities now have access to planning pathways for certain categories of development that are specific to them; ‘Exempt Development’ (being development that requires no third party assessment), ‘Complying Development’ (where a principal certifying authority can assess and issue Complying Development Certificates for categories of low-impact development) and ‘Development Permitted without Consent’ (where universities can “self-assess” the environmental impacts of a raft of low-scale and low-impact building works on university land). Since its commencement, the University utilised the provisions of the new SEPP, which has greatly reduced the number of development applications the University would previously have had to lodge with local councils.

On 15 December 2017, clause 277 of the Environmental Planning and Assessment Regulation 2000 was amended such that Development Permitted without Consent can also be undertaken on land that is leased by or otherwise under the control and management of universities, in addition to land owned by them. This enables such development to be undertaken on the Cumberland Campus, the Sydney College of the Arts campus at Rozelle, parts of the Sydney Conservatorium of Music building and the many properties leased by the University.

The Privacy Amendment (Notifiable Data Breaches) Act 2017 (Cth)

The Privacy Amendment (Notifiable Data Breaches) Act 2017 (Cth) took effect on 22 February 2018. The Act imposes mandatory investigation and notification obligations on organisations currently subject to the *Privacy Act 1988 (Cth)*: Australian Government agencies, not for profits, businesses with an annual turnover exceeding \$3 million (with some exceptions), tax file number (TFN) recipients and health service providers, among others.

The University may have to comply with the legislation in a number of ways: as a TFN recipient, if it provides a health service and if it agrees by way of contract, as it has, to comply with the *Privacy Act* as if it were an Australian Government agency.

The General Data Protection Regulation (European Union)

The General Data Protection Regulation (GDPR) was enacted by the European Parliament in 2017 and commences on 25 May 2018. This regulation will likely apply to the University when the University collects and 'processes' in Australia data from individuals located in the European Union (citizens and non-citizens). It is not necessary to have an establishment in the European Union, it is enough that the University engages in data processing activities by monitoring the behaviour of individuals in the EU or providing goods or services to individuals located in the EU. Provision of access to data analyses created using personal information of individuals in the EU may be deemed to fall into this category. 'Data processing' is not a concept embodied in Australian privacy laws, but is most likely to equate with the collection, use and transfer of personal information, such as may be the case with a clinical trial.

Sustainability

The University's sustainability report includes all campuses and entities under the University's operational control, from our main urban campus to our rural farms and marine stations.

The University continues to implement a range of programs aimed at increasing energy efficiency and reducing greenhouse gas emissions. Reported energy, water and waste data is for the financial year.

Energy management and GHG emissions

The University of Sydney reports its energy consumption under the *National Greenhouse and Energy Reporting (NGER) Act 2007*. Reporting annual greenhouse gas emissions and energy consumption for all facilities includes energy and greenhouse gas emissions from electricity use, gas use, liquid fuels and wastewater treatment plants.

In 2017¹ the University's greenhouse emissions (GHG) increased marginally by 0.2 percent in comparison to 2016². The University consumed a net total of 529,945 GJ of energy, a net decrease of 2.5 percent.

Table 1 – University of Sydney GHG Emissions, NGERs FY 2016-17

Total energy consumed	529,945 GJ
Total energy generated	2,539 GJ
Net energy consumed	527,406 GJ
Total GHG emissions	99,435 t CO ₂ -e

Renewable energy

The Campus Solar PV project was completed in December 2016. The project increased solar capacity at the main campus by an additional 548kW. In 2017 the University generated approximately 705.5 MWh of solar electricity, an increase of 151 percent compared to 2016.

Water management

The University consumed approximately 624,540 kL in 2017, a decrease of 11 percent compared to 2016.²

Table 2 – University of Sydney water consumption, 2017

2016 Water Consumption	624,540 kL
2016 Rainwater Capture Capacity	60,825 kL
2016 Water Conservation %	10%

Resource recovery and waste management

General waste from the University of Sydney main campus is diverted to an Advanced Resource Recovery Facility, which uses modern mechanical separation technologies to gather recyclable materials from mixed general waste streams. Dry-waste components like plastics, glass, cans and other metals are separated from wet organic food-based waste components. Organic waste is aerobically composted in enclosed tunnels to produce compost; a limited amount of residual waste is sent to landfill. The facility diverts approximately 44 percent of incoming material away from landfill.

¹ 2016-17 reporting period; 01 July 2016 to 30 June 2017

² 2015-16 reporting period; 01 July 2015 to 30 June 2016

Paper and cardboard waste is sent to a recycling facility and processed into marketable paper products and cardboard packaging. Electronic waste is sent to a specialist e-waste recycler where items are dismantled to recover useful marketable material such as steel metal. Approximately 95 percent by weight of electronic waste is recovered.

The table below summarises the University's recycling and waste data for 2017. This includes waste generation from student accommodation.

Table 3 – Resource recovery and waste data, 2017

Landfill (general) waste	1258 tonnes
Comingled (mixed) recycling	470 tonnes
Paper and cardboard recycling	507 tonnes
Electronic waste	8.9 tonnes
Total waste	2243 tonnes
Recycling rate	44%

More information

For more information about the University's sustainability strategies, visit <https://sydney.edu.au/about-us/vision-and-values/sustainability.html>

Consumer response

The University of Sydney is a high-profile, multifaceted research and teaching organisation. Our commitment to freedom of speech remains staunch, and we always welcome feedback from our community and the wider public.

The range of issues on which we received comment in 2017 was broad and, as ever, we endeavoured to investigate and respond as fully and quickly as possible. Our stakeholders include our students, staff and alumni, other universities, government, business, industry, media and private individuals.

As in previous years, communication ranges from individual letters and telephone calls to large-volume petitions.

We receive many letters of appreciation: for events; for the actions of individual staff members; and for public engagement programs.

We also receive representations from and on behalf of students, which are referred to our Deputy Vice-Chancellor (Registrar) for action, and occasionally to more formal processes for resolution.

We always endeavour to respond quickly to all our stakeholders and to achieve resolutions that are amenable to all.

Privacy and personal information

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

The strategic actions we took to promote privacy in 2017 included:

- incorporating the online privacy training module in mandatory orientation for new staff. The module was completed by 551 staff during the year.
- an appointment to the new position of Privacy Compliance Officer focused on enhancing privacy awareness and privacy governance within the University
- endorsement by the University Executive of a new University Privacy Policy incorporating a new Privacy Management Plan for release in 2018 with the associated privacy procedures
- approval of a revised University Recordkeeping Policy
- development of a procedure in response to the Notifiable Data Breaches under Part IIIC of the *Commonwealth Privacy Act 1988*
- liaison with the University's Information Security team in the development of a revised University data classification scheme.

At an operational level we continued to promote privacy through liaison and communication by:

- facilitating the establishment or revision of privacy notices on electronic and hardcopy forms used to collect personal information
- providing advice on privacy issues in the development or enhancement of systems, policies, procedures and guidelines, with particular emphasis on the collection of personal information through web interfaces
- providing accurate and timely advice on privacy matters raised by the University community
- advising individuals of their rights under the privacy acts
- enquiring into privacy matters and issues.

Five reviews were conducted under Part 5 of the Act during 2017. Two matters concerning accidental disclosure of information were voluntarily notified to the NSW Privacy Commissioner in accordance with the University's *Privacy Policy 2013*. The University received one request for amendment of records and four requests for access to personal information under section 14 of the Act. No privacy matters were decided by the NSW Civil and Administrative Tribunal. No matters were investigated by the NSW Privacy Commissioner.

Government Information (Public Access) Act

Program for the release of information

The *Government Information (Public Access) Act 2009 (GIPA Act)* requires us to review, at least annually, our program for the release of information that is in the public interest to be made publicly available without imposing unreasonable additional costs on the agency. The Government Information (Public Access) Regulation 2010 requires that details of this review be included in our Annual Report.

During 2017, we reviewed our program for the release of information. As in the previous reporting year, we assessed access applications received for the previous reporting period, and the University's Contracts Register to confirm the adequacy of the program of proactive release. No patterns regarding information sought were identified and the types of requests received were not generated by gaps in the program of proactive release. We also reviewed the information made available under the Open Access requirements of the *GIPA Act*. Minor changes were made to enhance accuracy, readability and ease of access.

Our website is an important avenue for the proactive release (free of charge) of as much information as practicable where there is no overriding public interest against disclosure of the information. We continued to promulgate policy and procedures and accompany initiatives or changes, such as new buildings, units, staff appointments or events, with webpages, updated media releases and contact details for further information.

Total number of access applications

We received 44 new access applications under the *GIPA Act* in 2017. One was invalid. Nine were requests for the personal information of the applicant, 31 were for information other than personal information, and three were for a combination of personal information and

information other than personal. No applications were withdrawn. Seven internal reviews were conducted.

The volume of applications received and processed in 2017 was consistent with the previous reporting year. Information requested was wide ranging, with at least 13 applications known to be from either mainstream or student media. As in previous years, applications included requests for information that wasn't held by the University. Although not required to be reported, an additional 11 matters were able to be dealt with as informal releases of information.

Applications refused under Schedule 1 of the Act

We are required to report the total number of access applications we refused during the reporting year, either wholly or partly, because the applications were for the disclosure of information referred to in Schedule 1 of the *GIPA Act* (information for which there is conclusive presumption of overriding public interest against disclosure). There were five such applications in 2017.

Total number of access applications

We received 44 new access applications under the *GIPA Act* in 2017. One was invalid. Nine were requests for the personal information of the applicant, 31 were for information other than personal information, and three were for a combination of personal information and information other than personal. No applications were withdrawn. 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	4	0	3	0	1	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector businesses	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	4	1	0	3	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	9	15	1	6	1	0	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	3	6	0	1	0	0	0	0
Access applications (other than personal information applications)	10	9	1	10	1	1	0	0
Access applications that are partly personal information applications and partly other	1	5	0	1	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)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	5
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

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

	Number of occasions when application not successful
Responsible and effective government	17
Law enforcement and security	0
Individual rights, judicial processes and natural justice	20
Business interests of agencies and other persons	6
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)	30
Decided after 35 days (by agreement with applicant)	13
Not decided within time (deemed refusal)	0
Total	43

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	0	5	5
Review by Information Commissioner*	2	0	2
Internal review following recommendation under section 93 of the Act	0	2	2
Review by NCAT	0	0	0
Total	2	7	9

* 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	7
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

Financial review of 2017

The University of Sydney's financial statements for the year ended 31 December 2017 show a modest underlying margin of \$17.8 million (2016: \$12.4 million). This operating surplus 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 2017 operating result of \$193.1 million (2016: \$137.4 million).

While an operating result of \$193.1 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:

	2017 \$M	2016 \$M	Change \$M	Change %
Operating revenue ¹	2,345.8	2,173.2	172.6	7.9
Operating expenses ²	2,152.7	2,035.8	116.9	5.7
Operating result per financial statements	193.1	137.4	55.7	40.5
Adjusted for:				
Philanthropic funds ³	(118.3)	(98.3)	(20.0)	(20.3)
Investment funds ³	(25.2)	(15.6)	(9.6)	(61.5)
Specific purpose grants	(31.8)	(11.1)	(20.7)	(186.5)
Underlying margin	17.8	12.4	5.4	43.5

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

² For further information, see Section 2 on operating expenses (page 51)

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

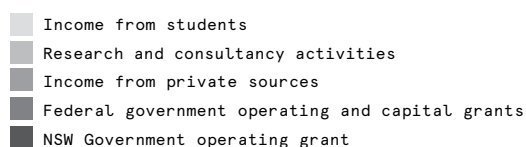
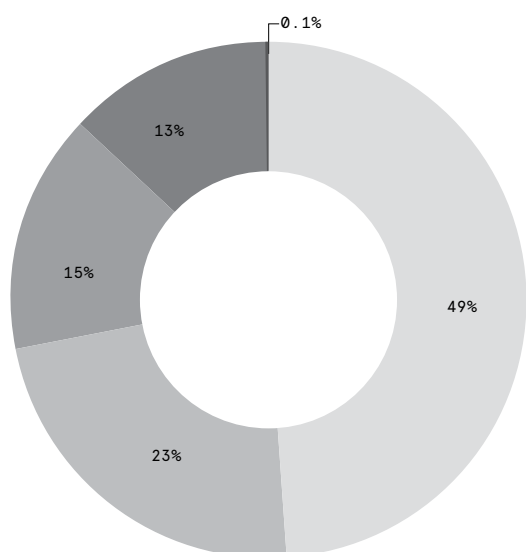
The positive operating result disclosed in the financial statements was achieved through contributions generated by quarantined items that include the following:

- **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:** Includes a range of unspent but committed research and education grants, including National Health and Medical Research Council, Australian Research Council grants and student scholarship funds.

1. Operating revenue

The 2017 operating revenue of \$2,345.8 million was \$172.6 million greater than 2016. The following table and chart show the major components of this increased revenue.

	2017 \$M	2016 \$M	Change \$M	Change %
Income from students (incl HECS-HELP and FEE-HELP)	1,144.9	1,008.9	136.0	13.5
Federal government operating and capital grants	309.1	317.1	(8.0)	(2.5)
Research and consultancy activities	535.6	513.7	21.9	4.3
NSW Government operating grants	3.3	4.2	(0.9)	(21.4)
Income from private sources	352.9	329.3	23.6	7.2
Total	2,345.8	2,173.2	172.6	7.9



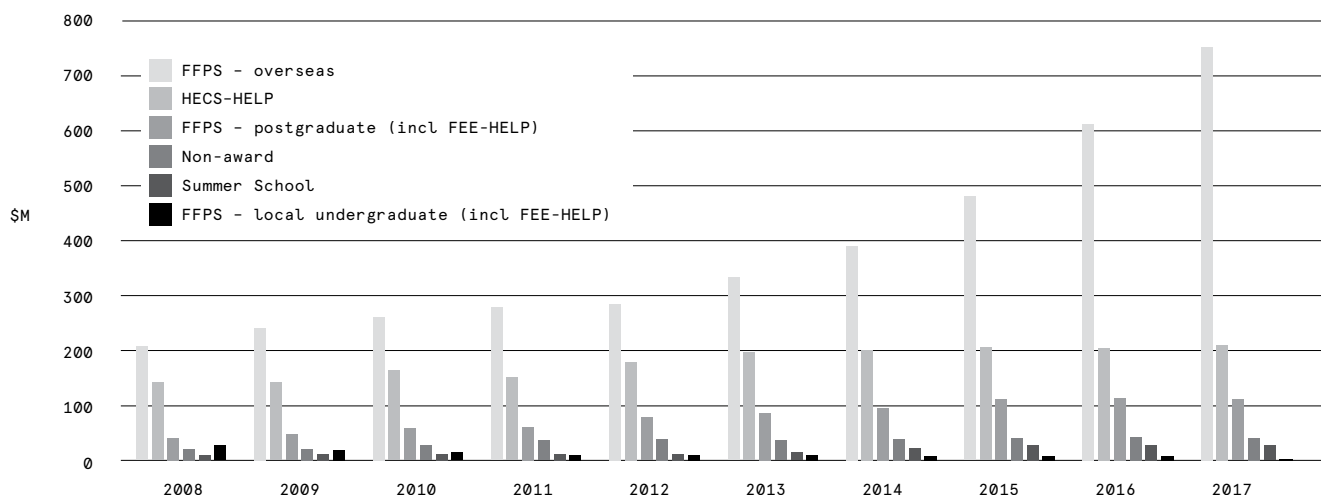
1.1 Income from students

The growth of overseas full fee-paying students (FFPS) in 2017 continues to provide significant income to the University. Once again, income from overseas FFPS accounted for the largest proportion of student income, contributing 66 percent of total income from students.

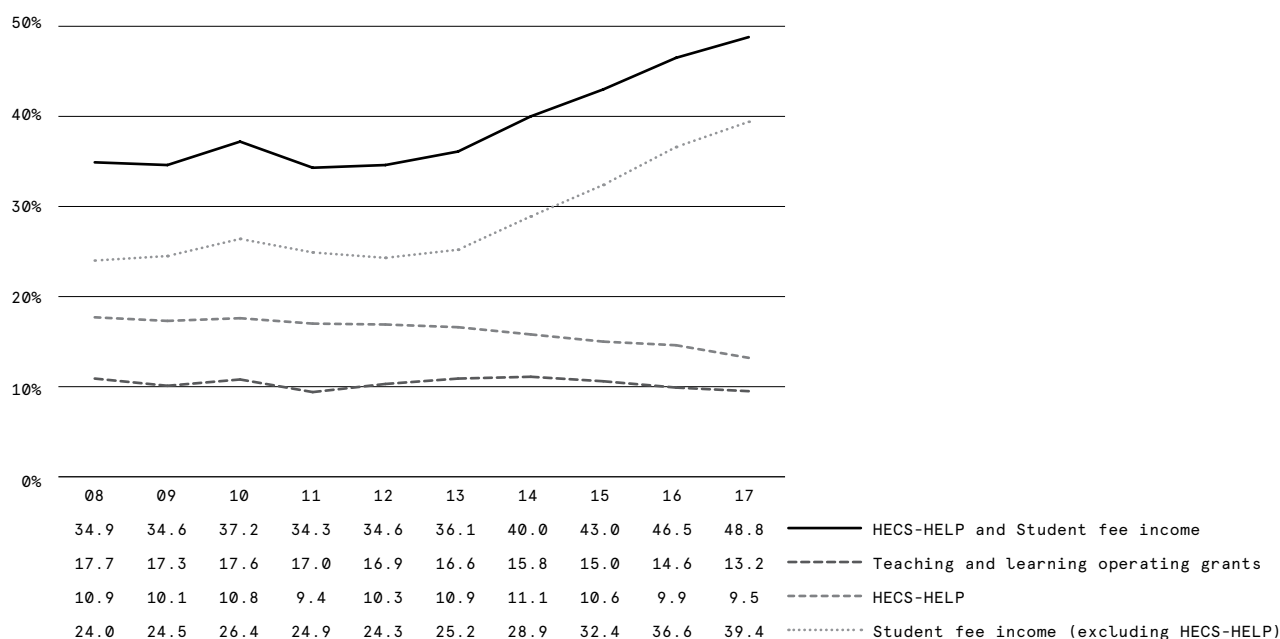
The 2017 growth in income from students of \$136.0 million was mainly attributable to additional course fees generated from full fee-paying overseas students of \$141.3 million, an increase of 23.1 percent.

	2017 \$M	2016 \$M	Change \$M	Change %
FFPS - overseas	752.2	610.9	141.3	23.1
HECS - HELP	210.4	204.6	5.8	2.8
FFPS - postgraduate (incl FEE-HELP)	110.3	113.6	(3.2)	(2.9)
Non-award	40.8	44.1	(3.3)	(7.5)
Summer School	27.0	28.4	(1.4)	(5.0)
FFPS - local undergraduate (incl FEE-HELP)	4.2	7.3	(3.1)	(42.2)
Total income from students	1,144.9	1,008.9	136.0	13.5

Income from students



University education revenue sources as a percentage of total revenue



The continued growth in income from student fees, together with the relative decline of funding received from federal teaching and learning operating grants, means the proportion of University revenue received from HECS and student income has grown considerably since 2008 (2017: 48.8 percent; 2008: 34.9 percent). The majority of this increase is attributable to increases in income from students, particularly from overseas students.

1.2 Federal government funding

The continuing pressure resulting from declining federal financial support has intensified pressure on the University and increased the University's reliance on fee-paying students. Federal funding decreased in 2017, with operating and capital support decreasing by \$8 million and with research funding increasing by \$1.4 million. The decrease in operating grants is mainly attributable to a \$6 million decrease in Commonwealth Grant Scheme funding.

	2017 \$M	2016 \$M	Change \$M	Change %
Teaching and learning operating grants	309.1	316.1	(7.0)	(2.2)
Capital funding	0.0	1.0	(1.0)	(100.0)
Federal government operating and capital	309.1	317.1	(8.0)	(2.5)
Research program funding	184.5	180.8	3.7	2.0
Australian Research Council	55.1	56.1	(1.0)	(1.8)
National health and medical research	92.2	93.5	(1.3)	(1.4)
Other federal agencies - research	24.9	25.4	(0.5)	(2.0)
Other federal agencies - non research	37.6	37.1	0.5	1.3
Federal research funding	394.3	392.9	1.4	0.4
Total federal funding	703.4	710.0	(6.6)	(0.9)

1.3 Research and consultancy activities

Income received by the University for research and consultancy activities increased by \$21.9 million in 2017, or 4.3 percent, to \$535.6 million. Federal research funding of \$394.3 million represented 74 percent of the total funding in this category and contributions from other sources accounted for \$20.5 million of the \$21.9 million total increase. In 2017 overseas collaborations contributed an additional \$9.8 million increase, with \$4.6 million coming from an increase in overseas clinical trial funding.

	2017 \$M	2016 \$M	Change \$M	Change %
Federal research funding	394.3	392.9	1.4	0.4
Industry research grants	16.7	10.9	5.8	53.2
Foundations and individual research	57.4	50.9	6.5	12.8
NSW Government research grants	28.9	23.4	5.5	23.5
Local collaborative research funds	2.9	9.3	(6.4)	(68.8)
Overseas collaborative research funds	28.7	18.9	9.8	51.9
Consultancies	6.7	7.4	(0.7)	(9.5)
Non-federal research and consultancy funding	141.3	120.8	20.5	17.0
Total research and consultancy income	535.6	513.7	21.9	4.3

1.4 NSW Government grants

Grants provided by the NSW Government increased by \$4.6 million, or 16.7 percent, to \$32.2 million in 2017. The majority of this increase is from medical research grants, including substantial funding for onshore medical clinical trials.

	2017 \$M	2016 \$M	Change \$M	Change %
NSW Government research grants	28.9	23.4	5.5	23.5
NSW Government operating grants	3.3	4.2	(0.9)	(21.4)
Total NSW Government grants	32.2	27.6	4.6	16.7

1.5 Income from private sources

The major components of this income group were as follows:

	2017 \$M	2016 \$M	Change \$M	Change %
Investment income	141.8	122.5	19.3	15.8
Philanthropic income	74.0	65.7	8.3	12.6
Commercial and other activities	54.6	60.3	(5.7)	(9.5)
Contributions from external organisations	34.3	37.2	(2.9)	(7.8)
Other fees and charges	41.8	39.4	2.4	6.1
Sponsorship income	6.4	4.2	2.2	52.4
Total income from private sources	352.9	329.3	23.6	7.2

Investment income increased in 2017 by \$19.3 million, mainly due to increased returns in the global markets.

The long-term portfolio returned 9.5 percent, with the medium-term fund returning 6.6 percent. As at 31 December, of the total investment income of \$141.8 million (2016: \$122.5 million), \$9.9 million (2016: \$19.4 million) represented non-cash unrealised gains on investments held by the University at balance date.

Philanthropic income increased by \$8.3 million as a result of a continued increase in donor participation.

1.6 Philanthropic income pledged

The INSPIRED campaign continues to lead higher education fundraising in Australia. In June of 2017 the INSPIRED campaign exceeded its goal of \$750 million in funds raised and by the end of 2017 had raised more than \$843 million toward its goal of \$1 billion.

In 2017 the University received an extraordinary level of support from its community of alumni and friends, raising \$115 million, including 129 gifts over \$100,000. Donor participation reached new heights in 2017, with more than 15,000 individuals contributing, representing the eighth consecutive year of growth.

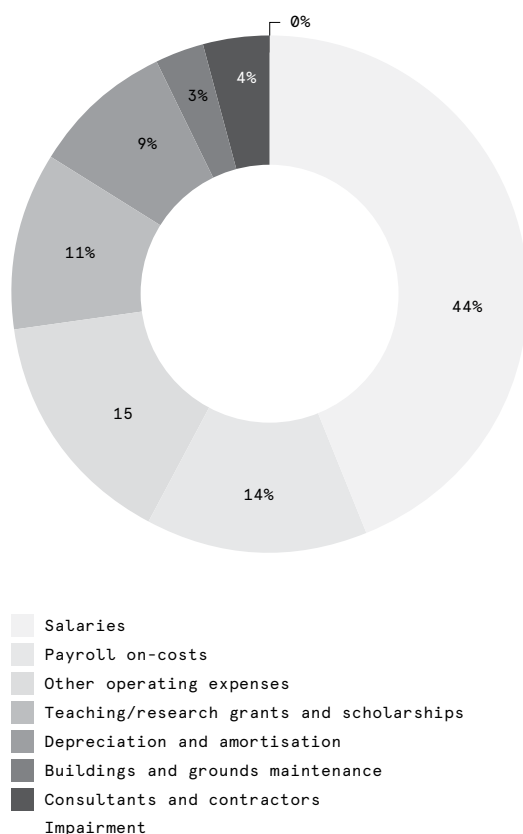
2. Operating expenses

The 2017 operating expenditure of \$2,152.7 million was \$117.0 million, or 5.7 percent, higher than in 2016.

	2017 \$M	2016 \$M	Change \$M	Change %
Salaries	943.3	851.7	91.6	10.7
Payroll on-costs	293.3	279.9	13.4	4.8
Total employee benefits	1,236.6	1,131.6	105.0	9.3
Other operating expenses	308.1	321.8	(13.6)	(4.2)
Teaching/research grants and scholarships	229.6	253.0	(23.4)	(9.2)
Depreciation and amortisation	200.0	188.1	11.9	6.3
Repairs and maintenance	62.9	50.1	12.8	25.5
Consultants and contractors	92.6	66.0	26.6	40.3
Borrowing costs	22.5	22.3	(0.2)	(0.9)
Impairment	0.4	3.0	(2.6)	(86.7)
Total non salary expenses	916.1	904.3	11.9	1.3
Total expenses	2,152.7	2,035.8	116.9	5.7

Total operating expenses were \$116.9 million higher in 2017, with the major contributing items being:

- \$105 million increase in salaries and payroll on-costs. The University's enterprise agreement drove increased expenditure of \$27.5 million (2.9 percent increase). Increased staffing levels and associated on-costs drove the remaining increase to support the growth of international full fee paying students and the University's investment in strategic initiatives.
- \$26.6 million increase in consultants and contractors' expenses, driven from a transfer between expense categories from teaching and research grants and scholarships to contractors and consulting of \$11 million for the Student Services and Amenities fee (SSAF), an increase in \$9.1 million in strategic projects and a \$4.4 million increase from contractor costs to support IT projects.
- \$23.4 million decrease in teaching and research grants and scholarships resulted from the transfer of \$11 million in SSAF fees to contractors and consultants and the transfer of research grant funds relating to the departure of the George Institute.



3. Expenditure on assets

In accordance with its Strategic Plan, the University has committed to a long-term capital expenditure plan to ensure its 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 2017 the University incurred capital expenditure of \$273.4 million, which is a \$70.3 million increase. The increase in capital expenditure in 2017 largely represents the ongoing implementation of the Campus Improvement Plan, involving major building projects such as the new Faculty of Arts and Social Sciences Building; the Life, Earth and Environmental Sciences Building; the new Administration Building on City Road; and the Health and Medical Research Precinct.

	2017 \$M	2016 \$M	Change \$M	Change %
Land and buildings	2.7	2.0	0.7	34.3
Equipment	37.5	20.6	16.9	81.7
Capital works – software	21.2	22.0	(0.7)	(3.3)
Capital works – buildings	209.7	137.0	72.7	53.1
Other	2.2	21.4	(19.2)	(89.5)
Total capital expenditure	273.4	203.0	70.3	34.6

4. Equity

The total equity of the University at 31 December 2017 was \$4,543.0 million, \$185.1 million higher than at 31 December 2016.

	2017 \$M	2016 \$M	Change \$M	Change %
Restricted funds	575.3	536.0	39.3	7.3
Reserves	434.1	442.9	(8.8)	-2.0
Retained earnings	3,533.6	3,379.0	154.6	4.6
Total equity	4,543.0	4,357.9	185.1	4.2

The three major components of total equity were as follows.

- **Restricted funds**, which total \$575.3 million at 31 December 2017 (2016: \$536.0 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 buildings. In 2017, there was a net decrease of \$8.8 million in the reserves, which largely arose from the revaluation of heritage assets through an independent external valuer. The Entomology and Historic Photography Collections within Heritage Assets contributed \$42 million of the decrease, resulting from a change in valuer and valuation methodology. Commercial properties largely offset this decrease, with a combined increase of \$31.9 million, \$17.8 million of which came from a revaluation of the Student Housing properties.
- **Retained earnings** of the University have increased to \$3,533.6 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 2017.

5. Operating statement

	2017 Budget \$'000	2017 Forecast \$'000	2017 Actual \$'000	2018 Budget \$'000
Revenue and income from continuing operations				
Australian Government financial assistance:				
Australian Government grants	699.0	696.6	703.4	681.6
HELP - Australian Government payments	266.3	260.4	261.0	271.1
State and local government financial assistance	30.8	29.7	32.2	28.4
Fees and charges	876.0	897.3	890.7	999.2
HECS-HELP - student payments	34.0	34.1	34.2	35.5
Investment revenue	47.1	98.3	103.2	46.3
Consultancy and contracts	109.5	105.6	112.5	102.5
Royalties, trademarks and licences	5.6	4.6	4.7	7.2
Other revenue	209.7	195.4	203.6	205.5
Gains/(losses) on disposal of assets	-	-	0.3*	-
Total income from continuing operations	2,278.0	2,322.0	2,345.8	2,377.4
Expenses from continuing operations				
Employee-related expenses	1,231.8	1,227.4	1,236.5	1,288.7
Depreciation and amortisation	191.0	197.3	200.0	197.0
Repairs and maintenance	50.0	66.1	62.9	72.2
Borrowing costs	23.5	23.5	22.5**	23.0
Impairment of assets	0.5	0.5	0.4**	0.7
Grant and scholarship expenses	110.7	112.7	111.7	126.7
Consultants and contractors	86.7	95.4	92.6	100.9
Teaching and research grants	134.3	122.1	117.9	99.1
Other expenses	303.16	310.30	308.2	332.0
Total expenses from continuing operations	2,131.7	2,155.3	2,152.7	2,240.3
Net result attributable to members of the University of Sydney	146.3	166.7	193.1	137.1

Notes:

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

** The approved budget/forecast, where possible, has been adjusted above to take account of the year-end presentation of accounting adjustments, including fixed asset purchases and depreciation, to provide a meaningful comparison.

6. Investments and investment performance

The Long Term Fund (LTF) finished the calendar year with a 9.5 percent return, marking six years in a row exceeding its absolute return objective. Risk assets continued to increase in value in most parts of the world, with global equities outperforming Australian stocks. The LTF has significant exposure to unlisted assets which are conservatively valued and tend not to keep up in the latter stages of an equity bull market, but continue to contribute positively to fund returns. The five-year annualised returns for the LTF are 10.9 percent.

Long Term Fund (LTF)

Value as at 31 December 2017:
\$1,360.7 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

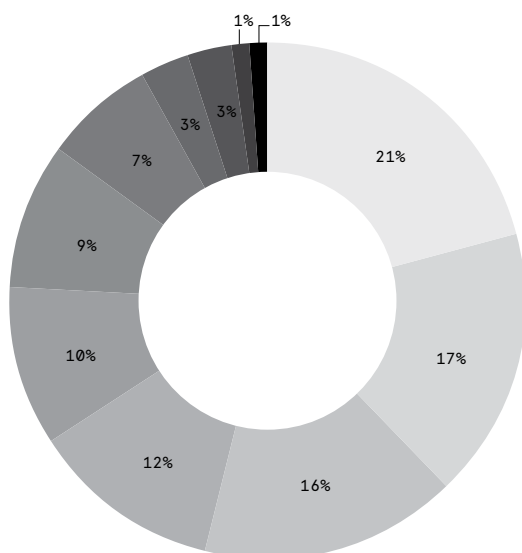
The Medium Term Fund (MTF) produced strong returns in 2017, increasing to 6.6 percent despite holding well over 50 percent in fixed and floating interest investments. Continuing robust listed equity returns boosted the fund's returns in the year. The five-year annualised returns for the MTF are 6 percent.

Medium Term Fund (MTF)

Value as at 31 December 2017:
\$86.8 million

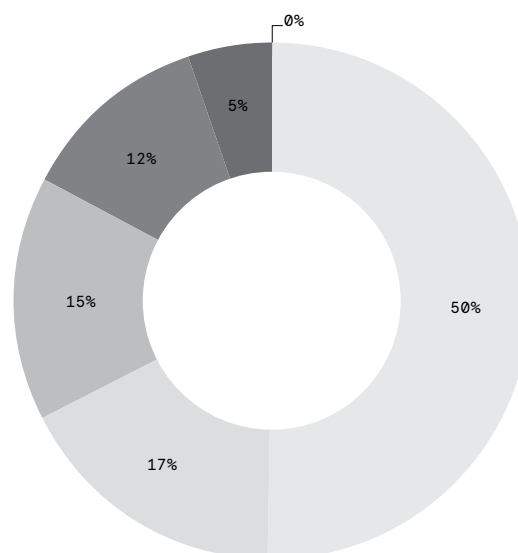
Total return objective:
Bloomberg AusBond Bank Bill + 1.5% after all fees

LTF Asset Allocation as at end December 2017



- Australian shares
- Private equity
- Overseas shares
- Investment grade debt
- Non investment grade debt
- Multi-asset investments
- Infrastructure
- Cash
- Managed derivatives
- Property
- Tail risk protection

MTF Asset Allocation as at end December 2017



- Investment grade debt
- Australian shares
- Overseas shares
- Managed derivatives
- Non investment grade debt
- Cash

7. Creditors' payment performance

Quarter 2017	March		June		September		December	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of accounts paid on time:								
By number of invoices	88%	80%	87%	80%	84%	80%	86%	80%
By value of invoices	84%	80%	84%	80%	89%	80%	84%	80%
Amount of accounts paid on time (Excluding investments)	\$165.7M		\$178.0M		\$134.3M		\$244.5M	
Total amount of accounts paid (Excluding investments)	\$197.4M		\$212.9M		\$1950.3M		\$290.5M	

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

8. Summary of land owned by the University

	2017 \$M	2016 \$M	Change \$M	Change %
Teaching and research land	182.6	182.6	0.0	0.0
Student accommodation	109.1	98.4	10.7	10.9
Commercial land	15.0	14.4	0.6	4.2
Investment land	135.4	125.6	9.8	7.8
Total land	442.1	421.0	21.1	5.0

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 for entities including:

- Sydney College of the Arts (SCA) at Rozelle
- Sydney Conservatorium of Music in central Sydney

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

Commercial farms

The University operates two commercial farms that support teaching and research activities. The farms, which are located in the Liverpool plains and Southern Highlands 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 and Camden 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 \$22.1 million for staff overseas travel in 2017 (2016: \$22.3 million). These payments supported a wide range of activities, including attendance and presentation of research papers at international conferences, staff development and research and teaching at affiliated institutions.

10. Financial statements for subsidiaries

Please refer to note 24 of the financial statements for details of the University's subsidiaries (listed as controlled entities in this Annual Report).



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 statement of financial position as at 31 December 2017, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement of appointed officers of the University. 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 its consolidated entities, as at 31 December 2017, 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
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2017 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

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' (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.

University Senate's Responsibilities for the Financial Statements

The University's 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 Guidelines 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 except where the University will be dissolved by an Act of Parliament or otherwise cease operations.

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/ar3.pdf

The description forms part of my auditor's report.

My opinion does *not* 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 of NSW

27 March 2018

SYDNEY



Dr Michael Spence, AC
Vice-Chancellor and Principal

26 March 2018

STATEMENT BY APPOINTED OFFICERS

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

1. The financial statements present a true and fair view of the financial position of the University at 31 December 2017 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* and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2017 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.

Dr Michael Spence
Vice-Chancellor and Principal

Belinda Hutchinson
Chancellor



THE UNIVERSITY OF
SYDNEY

2017 **Annual Financial Statements**

**The University of Sydney
Income statement
for the year ended 31 December 2017**

		2017	2016
	Note	\$'000	\$'000
Income from continuing operations			
Australian Government financial assistance			
Australian Government grants	2(a)	703,421	710,013
HELP - Australian Government payments	2(b)	261,040	261,013
State and local government financial assistance		32,228	27,674
Fees and charges	3	890,673	752,455
HECS-HELP - student payments		34,191	34,773
Investment revenue	4	103,205	91,078
Consultancy and contracts	5	112,509	97,227
Royalties, trademarks and licences		4,698	5,525
Other revenue	6	164,582	165,824
Total revenue from continuing operations		2,306,547	2,145,582
Gain/(loss) on disposal of assets		297	918
Share of profit/(loss) on investments accounted for using the equity method		594	(3,796)
Other investment income	4	38,338	30,545
Total income from continuing operations		2,345,776	2,173,249
Expenses from continuing operations			
Employee-related expenses	7	1,236,593	1,142,228
Depreciation and amortisation	12/13	200,009	188,086
Repairs and maintenance		62,908	77,480
Borrowing costs		22,462	22,307
Impairment of assets		426	3,037
Grant and scholarship expenses		111,701	105,645
Consultants and contractors		92,591	76,882
Teaching and research grants		117,882	136,494
Other expenses	8	308,162	283,478
Total expenses from continuing operations		2,152,734	2,035,637
Net result before income tax		193,042	137,612
Less: income tax (benefit)/expense		0	226
Net result after income tax		193,042	137,386
Net result attributable to members of The University of Sydney		193,042	137,386

The University of Sydney
Statement of comprehensive income
for the year ended 31 December 2017

	2017	2016
Notes	\$'000	\$'000
Net result after income tax	193,042	137,386
Items that may be reclassified to profit or loss		
Valuation movement on hedge reserve	18 1,134	1,171
Exchange differences on translation of foreign operations	18 0	(65)
Total	1,134	1,106
Items that will not be reclassified to profit or loss		
Gains/(Loss) on revaluation of property, plant and equipment	18 (9,880)	35,354
Distributions from subsidiary	1,249	0
Net actuarial gains/(losses) recognised in respect of defined benefit plans	(380)	2,975
Reserve transfer relating to associates and joint ventures, net of tax	0	(156)
Transfers from reserves to retained earnings	18 (31)	0
Total	(9,042)	38,173
Total other comprehensive income	(7,908)	39,279
Total comprehensive income	185,134	176,665
Total comprehensive income attributable to members of The University of Sydney	185,134	176,665

The University of Sydney
Statement of financial position
as at 31 December 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	483,630	411,496
Receivables	10	176,846	159,794
Other financial assets	11	277	18,276
Other non-financial assets	14	36,680	35,266
Total current assets		697,433	624,832
Non-current assets			
Receivables	10	1,448,215	1,491,236
Other financial assets	11	1,384,311	1,311,104
Property, plant and equipment	12	3,338,918	3,300,363
Intangible assets	13	187,172	186,179
Deferred tax assets		0	294
Other non-financial assets	14	40,707	30,037
Investments accounted for using the equity method		7,634	3,046
Total non-current assets		6,406,957	6,322,259
Total assets		7,104,390	6,947,091
LIABILITIES			
Current liabilities			
Trade and other payables	15	226,740	213,408
Derivative financial instruments		1,436	7,464
Provisions	17	335,989	328,081
Total current liabilities		564,165	548,953
Non-current liabilities			
Borrowings	16	505,614	504,961
Derivative financial instruments		0	835
Provisions	17	1,491,619	1,534,484
Total non-current liabilities		1,997,233	2,040,280
Total liabilities		2,561,398	2,589,233
Net assets		4,542,992	4,357,858
EQUITY			
Parent entity interest			
Restricted funds*	18	575,331	536,024
Reserves		434,093	442,870
Retained earnings		3,533,568	3,378,964
Total equity		4,542,992	4,357,858

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

The University of Sydney
Statement of changes in equity
for the year ended 31 December 2017

	Restricted funds	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	483,759	406,566	3,318,133	4,208,458
Prior period correction*	0	0	(27,265)	(27,265)
Balance as restated	483,759	406,566	3,290,868	4,181,193
Net result after income tax	52,265	0	85,121	137,386
Revaluation of property, plant and equipment	0	35,354	0	35,354
Gain/(loss) on foreign currency	0	(65)	0	(65)
Reserve transfer relating to joint venture and associates	0	(156)	0	(156)
Actuarial gain/(loss) on defined benefit plans	0	0	2,975	2,975
Valuation movement on hedge reserve	0	1,171	0	1,171
Total comprehensive income	52,265	36,304	88,096	176,665
Balance at 31 December 2016	536,024	442,870	3,378,964	4,357,858
 Balance at 1 January 2017	 536,024	 442,870	 3,378,964	 4,357,858
Net result after income tax	39,307	0	153,735	193,042
Revaluation of property, plant and equipment	0	(9,880)	0	(9,880)
Actuarial gain/(loss) on defined benefit plans	0	0	(380)	(380)
Valuation movement on hedge reserve	0	1,134	0	1,134
Distribution from subsidiary	0	0	1,249	1,249
Transfers from reserves to retained earnings	0	(31)	0	(31)
Total comprehensive income	39,307	(8,777)	154,604	185,134
Balance at 31 December 2017	575,331	434,093	3,533,568	4,542,992

* The University has revised its accounting treatment for three long term leases, resulting in a correction to prior periods. Refer to Note 1(e) for further details.

The University of Sydney
Statement of cash flows
for the year ended 31 December 2017

	2017	2016
Notes	\$'000	\$'000
Cash flows from operating activities		
Australian Government grants received	944,917	977,375
State and local government grants received	32,228	27,674
HECS-HELP student payments	34,191	34,773
Receipts from student fees and others (inclusive of GST)	1,200,104	1,048,244
Dividends received	82,496	70,766
Interest received	20,709	19,865
Interest and other costs of finance	(22,462)	(22,307)
Other investment funds received/(paid)	28,404	11,192
Payments for employee-related expenses	(1,236,593)	(1,130,915)
Payments to suppliers (inclusive of GST)	(693,872)	(648,101)
Net cash provided by/(used in) operating activities	390,122	388,566
	27	
Cash flows from investing activities		
Proceeds from sale of financial assets	1,220,022	764,509
Proceeds from sale of property, plant and equipment	430	1,795
Payments for property, plant and equipment	(273,361)	(203,025)
Payments for financial assets	(1,265,296)	(895,736)
Net cash provided by/(used in) investing activities	(318,205)	(332,457)
Cash flows from financing activities		
Proceeds from borrowings	0	0
Repayment of borrowings	0	0
Net cash provided by/(used in) financing activities	0	0
Net increase/(decrease) in cash and cash equivalents	71,917	56,109
Cash and cash equivalents at beginning of year	411,496	354,672
Effects of exchange rate changes on cash and cash equivalents	217	715
Cash and cash equivalents at end of year	483,630	411,496
	9	

Financing facilities and balances

28(d)

The University of Sydney
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for the year ended 31 December 2017

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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 24 March 2018.

(a) Basis of preparation

These financial statements are general purpose financial statements that have been prepared on an accrual accounting basis in accordance with Australian Accounting Standards, the requirements of the *Higher Education Support Act 2003* (Financial Statement Guidelines), the *Public Finance and Audit Act 1983*, and the *Public Finance and Audit Regulation 2015*.

The financial statements are financial statements for the consolidated entity comprising the University of Sydney and its controlled entities. Separate financial statements for the University of Sydney as the parent entity have not been included as the consolidated financial statements do not differ materially from those of the parent entity. They are presented in Australian dollars.

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, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) 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. All significant estimates or assumptions made in the preparation of the financial statements are described in the relevant accounting policy notes. The estimates and underlying assumptions are reviewed on an ongoing basis.

(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 transactions. Amounts receivable and payable in foreign currency at reporting date are translated at the rates of exchange ruling on that date. Exchange difference 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*.

(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 consolidation entity. Control is established when the parent is exposed to or has rights to variable returns from the involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

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 24(b) to the financial statements.

1 Basis of preparation of the financial statements

(c) Adoption of new and revised accounting standards

The economic entity has adopted the following new and revised standards and interpretations that are relevant to its operations and effective for the current reporting period;

(i) AASB 2015-6 - 'Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities'

The standard makes an amendment to AASB 124 'Related Party Disclosures' to extend the scope of that standard to include not-for-profit public sector entities.

(ii) AASB 2015-7 - 'Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities'

This standard makes amendments to AASB 13 'Fair Value Measurement' to exempt not-for-profit entities from certain requirements of the Standard.

(iii) AASB 2016-2 - 'Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 107'

The amendments to AASB 107 'Statement of Cash Flows' are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt.

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains and losses).

(d) 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 balance sheet.

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.

(e) Prior period adjustments

The University has three long term leases (minimum 50 years) as lessor which have previously been classified as operating leases. Rental income from these leases was recognised on a straight-line basis over the term of the lease. The properties being leased have previously been disclosed as property, plant and equipment, were measured using the cost model and were being depreciated over their useful lives (50 years).

In 2017 the accounting treatment of these leases was reviewed, leading to an assessment that these agreements represent finance leases. Under a finance lease the lessor is required to recognise the assets held under the lease and present them as a receivable equal to the net investment in the lease. However, as the net investment for these leases is nominal in amount, the carrying value of the property, plant and equipment was corrected and recognised as an expense.

These changes have been applied retrospectively to the year ended 31 December 2016 in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The impact of the error is a decrease of \$27,264k to the 2016 opening balances for both retained earnings and property, plant and equipment.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

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

(a) Australian Government grants

		2017	2016
	Notes	\$'000	\$'000
Commonwealth Grant Scheme	32(a)	304,420	310,487
Other grants	32(a)	4,650	5,694
Research Training Program	32(c)	97,441	97,383
Research Support Program	32(c)	87,105	83,466
Australian Research Council	32(d)	55,056	56,106
National Health and Medical Research Council		92,201	93,472
Other Commonwealth research funding		24,921	25,362
Other Commonwealth non-research funding		37,627	38,043
Total Australian Government grants		703,421	710,013

(b) Higher Education Loan Programs

HECS-HELP		176,171	169,831
FEE-HELP		80,698	87,110
SA-HELP		4,171	4,072
Total Higher Education Loan Programs	32(b)	261,040	261,013
Total Australian Government financial assistance		964,461	971,026

The University recognises operating grants received from Australian Government entities, (including Commonwealth grants, Higher Education Contribution Scheme (HECS-HELP) Commonwealth payments, Higher Education Loan Program student payments), and New South Wales State Government grants as income when the University obtains control of the right to receive the grant, it is probable that economic benefits will flow to the University and it can be reliably measured.

3 Fees and charges

		2017	2016
	Note	\$'000	\$'000
Course fees and charges			
Fee-paying onshore overseas students		752,211	610,884
Continuing education		13,985	17,699
Fee-paying domestic postgraduate students		31,905	30,047
Fee-paying domestic undergraduate students		1,867	3,682
Students undertaking non-award courses		1,202	1,061
Other course fees and charges		37,087	39,124
Total course fees and charges		838,257	702,497
Other non-course fees and charges			
Student residences		25,753	25,673
Student Services and Amenities Fees from students	32(g)	11,270	10,519
Other non-course fees and charges		15,393	13,766
Total non-course fees and charges		52,416	49,958
Total fees and charges		890,673	752,455

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

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.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

4 Investment revenue and income

	2017	2016
	\$'000	\$'000
Distributions from managed funds	60,602	50,908
Dividends received	21,894	19,858
Interest received	20,709	20,312
Total investment revenue	103,205	91,078
Change in fair value of financial assets designated at fair value through profit or loss	9,934	19,353
Realised gain/(loss)	28,404	11,192
Total other investment income	38,338	30,545
Total investment income	141,543	121,623

Investment income is recognised as it is earned.

5 Consultancy and contracts

	2017	2016
	\$'000	\$'000
Consultancy	6,704	7,378
Contract research	105,805	89,849
Total consultancy and contracts	112,509	97,227

Consultancy and contract revenue is recognised in the period in which the service is provided, having regard to the stage of completion of the service.

6 Other revenue

	2017	2016
	\$'000	\$'000
Bequests and donations	80,301	69,881
Contributions (external organisations)	34,338	37,242
Farms	4,533	5,196
Reimbursement income	15,241	13,601
Shop sales	4,070	13,343
Veterinary/medical practice income	13,098	15,734
Other revenue	13,001	10,827
Total other revenue	164,582	165,824

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

7 Employee-related expenses

	2017 \$'000	2016 \$'000
Academic		
Salaries	487,371	446,800
Contributions to superannuation schemes	78,200	72,187
Payroll tax and workers compensation	33,312	30,634
Long service leave expense	10,674	15,877
Annual leave	33,282	31,029
Termination payments	3,365	2,936
Total academic	646,204	599,463
Non-academic		
Salaries	444,673	406,458
Contributions to superannuation schemes	67,571	62,815
Payroll tax and workers compensation	30,838	26,878
Long service leave expense	9,495	12,398
Annual leave	29,987	27,941
Termination payments	7,882	6,180
Total non-academic	590,446	542,670
Deferred employment benefits for superannuation*	(57)	95
Total employee related expenses	1,236,593	1,142,228

* Includes income of \$57k (2016: \$95k expense) for the Professorial Superannuation Scheme.

8 Other expenses

	2017 \$'000	2016 \$'000
Advertising, marketing and promotional expenses	10,230	8,912
Audit fees, bank charges, legal costs, insurance and taxes	13,814	12,915
Communications	11,534	10,898
Farm operations	8,856	7,324
Library materials	7,584	7,895
Laboratory, medical supplies and materials	27,612	28,290
Licences, patents, copyright and commissions	32,271	30,552
Non-capitalised equipment	21,321	16,172
Non-capitalised project costs	3,000	650
Operating leases and rental expenses	16,783	18,632
Printing and stationary	13,454	14,023
Rent and room hire	15,621	12,230
Software licences	19,969	17,127
Travel, staff development and training	48,723	46,872
Utilities and cleaning	35,938	30,467
Other expenses	21,452	20,519
Total other expenses	308,162	283,478

Operating lease and rental expenses

The University leases various items of plant and equipment under operating leases. Under these arrangements a significant portion of the risks and rewards of ownership are retained by the lessor. The operating lease commitments are disclosed in Note 21(b). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

9 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Cash at bank and on hand	197,635	135,079
Short term deposits	285,995	276,417
Total cash and cash equivalents in the statement of financial position and statement of cash flows*	483,630	411,496

As at 31 December 2017, the amount of cash and cash equivalents held by the University that was subject to capital preserved trust restrictions was \$25.7m (2016: \$21.5m).

* These are interest bearing at a variable average rate of 2.01% (2016: 2.35%).

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.

10 Receivables

	2017	2016
	\$'000	\$'000
Current		
Trade receivables	46,771	24,720
Student fees and loans	14,825	23,080
Less: provision for impaired receivables	(2,229)	(3,427)
Total trade receivables	59,367	44,373
Accrued income and other receivables	20,708	15,952
Deferred government benefits for superannuation	96,771	99,469
Total other receivables	117,479	115,421
Total current receivables	176,846	159,794
Non-current		
Deferred government benefits for superannuation*	1,442,413	1,482,168
Super Asset Plan (State Authorities Superannuation Trustee Corporation)	0	4,413
Super Asset Plan (Professorial Superannuation System)	5,399	4,314
Other receivables	403	341
Total non-current receivables	1,448,215	1,491,236

* The University contributes to three superannuation schemes within the State Authorities Superannuation Trustee Corporation, see Note 23(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.

Impaired receivables

As at 31 December 2017 current receivables of the University with a nominal value of \$2,229k (2016: \$3,427k) were impaired.

The amount of the provision that relates to specific provisions was \$1,814k (2016: \$3,208k). The individually impaired receivables mainly relate to private sector organisations which are in unexpectedly difficult economic situations.

The remaining provision of \$415k (2016: \$219k) 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.

10 Receivables

Impaired receivables

As at 31 December 2017 trade receivables of \$29,842k (2016: \$25,931k) 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:

	2017	2016
	\$'000	\$'000
Under 3 months	16,718	4,940
3 to 6 months	6,172	12,745
6 to 12 months	2,715	4,799
Over 12 months	4,237	3,447
Total past due but not impaired receivables	29,842	25,931

Movements in the provision for other impaired receivables are as follows:

At 1 January	3,427	2,695
Provision for impairment recognised	94	2,336
Receivables written off	(1,249)	(1,595)
Unused amount reversed	(43)	(9)
At 31 December	2,229	3,427

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

Collectability of trade receivables is reviewed on an ongoing basis. Debtor uncollectability is established where there is objective evidence that the University or a subsidiary will not be able to collect all amounts due according to the original terms of the receivable.

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

Bad debts are charged to the income statement. If the debt has been provided for, any change in the allowance amount is recognised in the income statement.

The creation and release of the provision for impaired receivables has been included in 'Impairment of assets' in the income statement.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

11 Other financial assets

	2017 \$'000	2016 \$'000
Current		
Financial assets at fair value through profit or loss		
Short term holdings	277	18,276
Total current other financial assets through profit or loss	277	18,276
Non-current		
Financial assets at fair value through profit or loss		
Listed securities	235,320	204,118
External fund managers*	1,061,448	914,468
Fixed interest bonds	0	171,437
Floating rate notes	59,797	0
Convertible notes	3,930	3,562
Shares in unlisted companies	18,509	13,062
Total other financial assets at fair value through profit or loss	1,379,004	1,306,647
Financial assets at amortised cost		
Loans receivable	5,307	4,457
Total other financial assets at amortised cost	5,307	4,457
Total non-current other financial assets	1,384,311	1,311,104
Total other financial assets	1,384,588	1,329,380

*Includes unlisted managed investment schemes, unlisted partnerships and unlisted equities.

Fixed rate bonds are at an average rate of nil (2016: 2.42%), all other financial assets hold variable interest rates.

The University fully adopted AASB 9 'Financial Instruments' in 2014.

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 the contractual cash flows are measured at fair value through profit or loss. Financial assets at fair value through profit or loss principally comprise marketable securities, unit trusts and debt instruments. They are included in non-current assets unless the maturity date of the asset is within 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 profit or loss. Transaction costs incurred in the acquisition of financial assets at fair value through profit or loss are recognised as expenses in net profit 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 profit or loss.

Financial assets at amortised cost

Financial assets held for the objective of collecting contractual cash inflows on specific dates and those cash flows are generally in the form of principal and/or interest and are measured at amortised cost 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 assesses, at each reporting date, whether there is objective evidence that a financial asset is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. Evidence of impairment may include, but is not limited to, indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Loans, together with the associated allowance, 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 allowance account is adjusted. If a write-off is later recovered, the recovery is credited to financial costs in the statement of profit or loss.

12 Property, plant and equipment

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

	Teaching and research land	Teaching and research buildings	Teaching and research infrastructure	Commercial land	Commercial buildings	Commercial infrastructure	Plant and equipment	Leasehold improvement	Work in progress	Heritage assets	Library collections	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2016												
Cost	178,324	1,602,771	168,781	0	0	0	668,026	79,383	393,129	0	539,441	3,629,855
Valuation	0	0	0	209,917	257,987	2,574	0	0	0	292,403	0	762,881
Accumulated depreciation and impairment	0	(411,075)	(57,262)	0	0	0	(259,514)	(23,487)	0	0	(300,146)	(1,051,484)
Net book amount	178,324	1,191,696	111,519	209,917	257,987	2,574	408,512	55,896	393,129	292,403	239,295	3,341,252
Prior period correction*												
Cost	0	(22,697)	(3,424)	0	0	0	(4,519)	0	0	0	0	(30,640)
Accumulated depreciation and impairment	0	2,472	119	0	0	0	785	0	0	0	0	3,376
Net book amount as restated	178,324	1,171,471	108,214	209,917	257,987	2,574	404,778	55,896	393,129	292,403	239,295	3,313,988
Year ended 31 December 2016												
Cost and valuation:												
Additions	0	0	0	0	0	0	21,118	2,787	158,971	170	1,779	184,825
Transfer from work in progress	5,178	217,092	7,626	0	6,093	0	84,904	379	(344,293)	0	0	(23,021)
Donations	0	0	0	0	0	0	0	0	0	133	0	133
Asset disposals	0	0	0	0	0	0	(867)	0	0	0	0	(867)
Asset retirements	0	(6,108)	0	0	0	0	(8,589)	(1,436)	0	(113)	0	(16,246)
Revaluation increment/(decrement)	0	0	0	27,907	1,357	1	0	0	0	(855)	0	28,410
Non-capitalisable costs	0	0	0	0	0	0	0	0	(39,868)	0	0	(39,868)
Transfers/recategorisation	(855)	(1,188)	0	601	1,089	0	168	0	289	0	0	104
Depreciation												
Depreciation charge	0	(51,754)	(3,598)	0	(6,933)	(52)	(55,738)	(4,301)	0	0	(47,381)	(169,757)
Write back accumulated depreciation on asset:												
Disposals	0	0	0	0	0	0	589	0	0	0	0	589
Retirements	0	6,024	0	0	0	0	7,816	1,437	0	0	0	15,277
Revaluations	0	0	0	0	6,933	52	0	0	0	0	0	6,985
Transfers/recategorisation	0	0	0	0	0	0	(189)	0	0	0	0	(189)
Closing net book amount	182,647	1,335,537	112,242	238,425	266,526	2,575	453,990	54,762	168,228	291,738	193,693	3,300,363
At 31 December 2016												
Cost	182,647	1,789,868	172,982	0	0	0	760,236	81,113	168,228	0	541,220	3,696,294
Valuation	0	0	0	238,425	266,526	2,575	0	0	0	291,738	0	799,264
Accumulated depreciation and impairment	0	(454,331)	(60,740)	0	0	0	(306,246)	(26,351)	0	0	(347,527)	(1,195,195)
Net book amount	182,647	1,335,537	112,242	238,425	266,526	2,575	453,990	54,762	168,228	291,738	193,693	3,300,363

* The University has revised its accounting treatment for three long term leases, resulting in a correction to prior periods. Refer to Note 1(e) for further details.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

12 Property, plant and equipment

	Teaching and research land \$'000	Teaching and research buildings \$'000	Teaching and research infrastructure \$'000	Commercial land \$'000	Commercial buildings \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Total \$'000
At 1 January 2017												
Cost	182,647	1,789,868	172,982	0	0	0	760,236	81,113	168,228	0	541,220	3,696,294
Valuation	0	0	0	238,425	266,526	2,575	0	0	0	291,738	0	799,264
Accumulated depreciation and impairment	0	(454,331)	(60,740)	0	0	0	(306,246)	(26,351)	0	0	(347,527)	(1,195,195)
Net book amount	182,647	1,335,537	112,242	238,425	266,526	2,575	453,990	54,762	168,228	291,738	193,693	3,300,363
Year ended 31 December 2017												
Cost and valuation:												
Additions	0	0	0	58	0	0	37,530	2,731	230,920	271	1,180	272,690
Transfer from work in progress	0	5,596	10,696	0	2,221	0	23,083	0	(45,373)	0	0	(3,777)
Donations	0	0	0	0	0	0	0	0	0	196	281	477
Asset disposals	0	0	0	0	0	0	(1,182)	0	0	0	0	(1,182)
Asset retirements	0	0	0	0	0	0	(12,437)	(491)	0	(4)	0	(12,932)
Revaluation increment/(decrement)	0	0	0	21,061	3,391	455	0	0	0	(41,782)	0	(16,875)
Non-capitalisable costs	0	0	0	0	0	0	0	0	(30,918)	0	0	(30,918)
Transfers/recategorisation	0	0	0	0	(720)	0	(1,526)	(777)	(4,732)	0	0	(7,755)
Depreciation												
Depreciation charge	0	(52,382)	(3,732)	0	(6,941)	(54)	(67,442)	(2,365)	0	0	(47,434)	(180,350)
Write back accumulated depreciation on asset:												
Disposals	0	0	0	0	0	0	1,049	0	0	0	0	1,049
Retirements	0	0	0	0	0	0	9,847	491	0	0	0	10,338
Revaluations	0	0	0	0	6,941	54	0	0	0	0	0	6,995
Transfers/recategorisation	0	0	0	0	0	0	777	18	0	0	0	795
Closing net book amount	182,647	1,288,751	119,206	259,544	271,418	3,030	443,689	54,369	318,125	250,419	147,720	3,338,918
At 31 December 2017												
Cost	182,647	1,795,464	183,678	0	0	0	805,704	82,576	318,125	0	542,681	3,910,875
Valuation	0	0	0	259,544	271,418	3,030	0	0	0	250,419	0	784,411
Accumulated depreciation and impairment	0	(506,713)	(64,472)	0	0	0	(362,015)	(28,207)	0	0	(394,961)	(1,356,368)
Net book amount	182,647	1,288,751	119,206	259,544	271,418	3,030	443,689	54,369	318,125	250,419	147,720	3,338,918

12 Property, plant and equipment

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 five years. Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

Heritage assets

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

The Power Collection of Contemporary Art is owned by the University and is on loan under a management agreement with the Museum of Contemporary Art. The collection was last valued in 2016 and is recorded on the University's books at a value of \$42,693k (2016: \$42,526k).

These assets are not subject to depreciation.

Works in progress

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

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 sales

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

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

12 Property, plant and equipment

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:

	2017	2016
Plant and equipment	5%-25%	5%-20%
Buildings and infrastructure	2%	2%
Leasehold improvements*	Various	Various
Library collections	10%	10%

* The amortisation rates applied to leasehold improvements 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.

During the year the estimated useful lives of computer and motor vehicles (both of which are reported as part of plant and equipment) were revised from 20% to 25% and from 15% to 12.5% respectively. The effect of the changes in the current financial year was a net increase in the depreciation expense of \$1,751k. The impact on the future periods depreciation has not been disclosed because estimating it has been assessed as impractical.

13 Intangible assets

	Computer software \$'000	Other intangibles \$'000	Digitalised library collections \$'000	Goodwill on consolidation \$'000	Total \$'000
At 1 January 2016					
Cost	136,623	4,055	80,578	6,129	227,385
Accumulated amortisation and impairment	(59,231)	(840)	0	0	(60,071)
Net book amount	77,392	3,215	80,578	6,129	167,314
Year ended 31 December 2016					
Additions	1	0	14,085	0	14,086
Transfer from work in progress	23,022	0	0	0	23,022
Transfers and recategorisation	88	9	0	0	97
Amortisation					
Amortisation charge	(18,162)	(167)	0	0	(18,329)
Asset retirements/recategorisation	0	(11)	0	0	(11)
Closing net book amount	82,341	3,046	94,663	6,129	186,179
At 31 December 2016					
Cost	159,734	4,064	94,663	6,129	264,590
Accumulated amortisation and impairment	(77,393)	(1,018)	0	0	(78,411)
Net book amount	82,341	3,046	94,663	6,129	186,179
Year ended 31 December 2017					
Balance 1 January	82,341	3,046	94,663	6,129	186,179
Additions	104	0	16,643	0	16,747
Transfer from work in progress	3,776	0	0	0	3,776
Transfers and recategorisation	149	(9)	0	0	140
Asset retirements	(92)	0	0	0	(92)
Amortisation					
Amortisation charge	(19,492)	(167)	0	0	(19,659)
Write back accum depn on asset retirements	72	9	0	0	81
Closing net book amount	66,858	2,879	111,306	6,129	187,172
At 31 December 2017					
Cost	163,671	4,055	111,306	6,129	285,161
Accumulated amortisation and impairment	(96,813)	(1,176)	0	0	(97,989)
Net book amount	66,858	2,879	111,306	6,129	187,172

13 Intangible assets

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 acquisitions. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions 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 amortisation and where applicable any impairment losses. Amortisation is provided on a straight-line basis at a rate of 14.29%.

Digitalised library collections

Digitalised library collections are held by perpetual licence and are not expected to be subject to technical obsolescence or incur maintenance costs. They are recorded at historic cost and are not amortised as they are deemed to have an indefinite useful life. They are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other intangible assets

Other intangible assets include the right to use assets that have been purchased, developed and/or implemented. This includes the right to use a cyclotron and water rights.

The right to use a cyclotron is recognised at historic cost and is amortised over its effective life, which is twenty years. The water rights are recognised at historic cost and are not amortised as they are deemed to have indefinite useful life.

14 Other non-financial assets

	2017 \$'000	2016 \$'000
Current		
Prepaid expense	36,040	34,269
Inventories	640	997
Total current other non-financial assets	36,680	35,266
Non-current		
Livestock		
Balance 1 January	5,367	4,571
Purchases and natural increase/valuation	776	1,462
Sales and natural decrease	(985)	(666)
Total livestock	5,158	5,367
Prepaid lease		
Prepaid lease	35,549	24,670
Total prepaid lease	35,549	24,670
Total non-current other non-financial assets	40,707	30,037
Total other non-financial assets	77,387	65,303

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

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

15 Trade and other payables

	2017	2016
	\$'000	\$'000
Current		
Creditors	36,990	28,364
Prepaid income	92,183	100,318
Accrued expenses	97,567	84,726
Total current trade and other payables	226,740	213,408
Total trade and other payables	226,740	213,408

Foreign currency risk

The total trade and other payables of the economic entity shown above includes \$2,416k (2016: \$1,031k) denominated in currencies other than Australian dollars.

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

16 Borrowings

	2017	2016
	\$'000	\$'000
Non-current		
Unsecured bank loans	110,000	110,000
Bonds payable	395,614	394,961
Total non-current borrowings	505,614	504,961
Total borrowings	505,614	504,961

The fair value of borrowings at balance date was \$526,340k (2016: \$523,934k). Refer to Note 29 for fair value measurement.

	Face value			
Bonds payable	\$'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

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

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

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

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
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17 Provisions

(a) Provisions

	2017 \$'000	2016 \$'000
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	75,522	70,077
Long service leave	33,966	30,990
Defined benefit obligation	96,771	99,469
Provision for severance payment	2,330	3,581
Provision for make good	285	765
Deferred lease provisions	462	366
Subtotal	209,336	205,248
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Annual leave	2,815	3,301
Long service leave	123,838	119,532
Subtotal	126,653	122,833
Total current provisions	335,989	328,081
Non-current provisions		
Employee benefits		
Long service leave	29,929	33,292
Defined benefit obligation	1,447,504	1,490,035
Provision for make good	12,507	9,602
Deferred lease provision	1,679	1,555
Total non-current provisions	1,491,619	1,534,484
Total provisions	1,827,608	1,862,565

(b) Movements in provisions

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

	Deferred lease \$'000	Make good provisions \$'000
2016		
Carrying amount at 1 January	1,914	10,100
Additional provisions recognised	266	1,710
Amount used	(259)	(266)
Unused amounts reversed	0	(1,177)
Carrying amount at 31 December	1,921	10,367
2017		
Carrying amount at 1 January	1,921	10,367
Additional provisions recognised	586	2,920
Amount used	(366)	0
Unused amounts reversed	0	(495)
Carrying amount at 31 December	2,141	12,792

17 Provisions

(c) Employee benefits

Short-term obligations

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

Other long-term obligations

The liability for other long-term benefits is recognised in current provisions for employee benefits if they are not expected to be settled wholly before twelve months after the end of the reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

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.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, 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 liability.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The University recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of a formally accepted offer of voluntary redundancy. Benefits falling due within 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 (legal or constructive) 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.

Deferred lease provision

The University leases a number of properties where the lease agreement provides for a fixed increase in the rent each year. This provision represents the cumulative difference arising from recognising the total lease expenses on a straight-line basis over the lease term (as required by AASB 117 'Leases') and the actual rent paid.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

18 Reserves

	2017 \$'000	2016 \$'000
Property, plant and equipment revaluation reserve	433,429	443,405
Hedging reserve - cash flow hedges	(648)	(1,782)
Associates' reserves	1,312	1,312
Foreign currency translation reserve	0	(65)
Balance at 31 December	434,093	442,870
Movements:		
<i>Property, plant and equipment revaluation reserve</i>		
Balance at 1 January	443,405	408,051
Reserve transferred to retained earnings	(96)	0
Revaluation increments/(decrements)	(9,880)	35,354
Balance at 31 December	433,429	443,405
<i>Hedging reserve - cash flow hedges</i>		
Balance at 1 January	(1,782)	(2,953)
Less: expired hedges	1,134	401
Valuation movement on hedge reserve	0	770
Balance at 31 December	(648)	(1,782)
<i>Associates' reserve</i>		
Balance at 1 January	1,312	1,468
Less: transfers from reserves	0	(156)
Balance at 31 December	1,312	1,312
<i>Foreign currency translation reserve</i>		
Balance at 1 January	(65)	0
Reserve transferred to retained earnings	65	(65)
Balance at 31 December	0	(65)

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 12. Decrements in reserves are either on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 'Impairment of Assets' where a revaluation reserve had existed for that asset class.

(ii) Hedging reserve cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are, for the effective portion of changes in the fair value of the interest rate swap, recognised in other comprehensive income, as described in Note 28(e). Any gain or loss in respect of the ineffective portion of an interest rate swap is recognised immediately in profit or loss.

(iii) 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 26).

(iv) Foreign currency translation reserve

This represents exchange differences arising on translation of the foreign controlled entity.

19 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 are 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	Professor D Ivison
Professor S Garton	Ms R Murray
Professor T Carlin (until 31 December 2017)	Professor P Pattison
Mr T Dolan	Mr S Phillips (appointed 15 February 2017)
Mr R Fisher AM	Ms T Rhodes-Taylor (appointed 20 February 2017)
Professor S Houston (until 24 August 2017)	Professor J Sherwood (appointed 24 August 2017)

	2017	2016
Remuneration of principal officers*		
\$150,000 to \$159,999	1	0
\$350,000 to \$359,999	1	0
\$440,000 to \$449,999	1	0
\$450,000 to \$459,999	0	1
\$460,000 to \$469,999	0	1
\$510,000 to \$519,999	0	1
\$520,000 to \$529,999	0	1
\$530,000 to \$539,999	0	1
\$540,000 to \$549,999	0	1
\$550,000 to \$559,999	1	2
\$560,000 to \$569,999	2	0
\$570,000 to \$579,999	3	0
\$660,000 to \$669,999	0	1
\$690,000 to \$699,999	1	0
\$730,000 to \$739,999	1	0
\$1,430,000 to \$1,439,999	1	0
\$1,470,000 to \$1,479,999	0	1
	12	10

* As a responsibility of office, one executive occupies a residence owned by the University which is required to be available and used regularly for official University functions and promotional activities. This housing benefit is liable for fringe benefits tax which has been included in the remuneration calculation.

Comparatives have been adjusted so that they now include superannuation contributions by employee.

(b) Key management personnel compensation

	2017 \$'000	2016 \$'000
Short-term employee benefits	6,313	5,502
Post-employment benefits	919	787
Total key management personnel compensation*	7,232	6,289

* Comparatives have been adjusted so that they now include superannuation contributions by employee.

(c) Loans to key management personnel

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

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Notes to the financial statements
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20 Remuneration of auditors

	2017 \$'000	2016 \$'000
(a) Audit services		
Fees paid to the Audit Office of NSW		
Audit and review of financial statements and other audit work	537	621
Audit fees for subsidiaries paid by parent entity	5	5
Audit services by private sector contractors	36	118
Total remuneration for audit services	578	744
(b) Other audit and assurance services		
Fees paid to the Audit Office of NSW		
Audit of regulatory returns	183	36
Fees paid to other audit firms	50	29
Total remuneration paid for audit related services	233	65
Total remuneration of auditors	811	809

21 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities:

	2017 \$'000	2016 \$'000
Property, plant and equipment		
Within one year	179,409	158,396
Between one year and five years	18,203	25,769
Total PPE commitments	197,612	184,165
Intangibles		
Within one year	5,197	1,282
Total intangible asset commitments	5,197	1,282

(b) Operating lease commitments

Within one year	27,822	26,135
Between one and five years	53,576	45,836
Later than five years*	3,417	9,192
Total future minimum lease payments	84,815	81,163

* The University has a lease arrangement which terminates in 2095 for the Sydney College of the Arts (SCA) in the heritage protected Kirkbride Complex at Callan Park, Rozelle. The long-term portion of this lease is not included above as the University may outgrow the premises or relocate the SCA to another campus or location in the longer term. The University can relocate under these circumstances subject to receipt of Ministerial approval.

22 Contingencies

(i) *Proceedings against the University*

An estimate of the maximum exposure on proceedings against the University amounts to \$4,703k for 2017 (2016: \$930k). It is estimated that the University's insurance policies would provide reimbursement of \$60k (2016: \$220k) in the event that these proceedings were successful.

(ii) *Occupancy Support Deed - Carillon Avenue Pty Ltd*

The University has given certain financial undertakings in support of bed vacancies that may occur at the Sydney University Village (SUV), which is owned by Carillon Avenue Pty Ltd. This financial support gradually reduces to nil by 2022 (and can only be called upon when overall occupancy falls below 98 percent). Any payments made under this deed are considered not to be material as they can firstly be offset by "claw back" payment arrangements that can be served on the operator and summer income net operating profits.

(iii) *Bank guarantee and credit facility*

The University currently has a bank guarantee facility up to a limit of \$32.0m of which \$16.7m was used during 2017. The bank guarantees given primarily relate to provision of security for the workers' compensation insurance program. The University has a standby letter of credit facility with a limit of \$3.9m of which \$1.1m was utilised.

(iv) *Letters of comfort to subsidiaries*

The University has provided certain controlled entities, SydneyLearning Pty Limited, Sydney Talent Pty Limited, Warren Centre for Advanced Engineering Limited, 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 liabilities of \$7k (2016: net assets \$1,920k).

23 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 and provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the system. The Defined Benefits Section of the system provides members with an optional funded Widows' Contributory Pension, an optional funded Spouses' Contributory Pension and an unfunded Non-Contributory Pension payable from age sixty five. These benefits are funded by contributions from system members and the University. Accumulation benefit entitlements are not included. For these members, assets and liabilities are always equal in value and so have no impact on the University's net liability.

The gross liability for the University of Sydney Professorial Superannuation System was based on the Alea Actuarial Consulting Pty Ltd assessment as at 31 December 2017.

Liability

A net unfunded liability for retirement benefits of \$1,539m (2016: \$1,581m) is included in the statement of financial position as \$5m (2016: \$9m) within non-current receivables and \$1,448m (2016: \$1,490m) within non-current provisions and \$97m (2016: \$100m) within current provisions; \$1,539m (2016: \$1,582m) of this is payable by the Commonwealth and New South Wales Governments. Details of the receivable from the Commonwealth and New South Wales Governments are set out in Note 10.

The valuation methodology and principal actuarial assumptions as at 31 December 2017 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.

23 Defined benefit plans

(a) Fund specific disclosure

(ii) Economic assumptions

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

	2017 %	2016 %
Discount rate(s)*	2.65%	2.78%
Expected rate(s) of salary increase**	2.50%	2.50%

* The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2017 used 2.60% (2016: 2.80%) as the discount rate assumption.

** The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2017 used 2.50% (2016: 2.50%) as the salary increase assumption. The actuarial calculation for SASS, SANCS and SSS funds in 2017 used 2.50% (2016: 2.50%) as the salary increase assumption.

The University expects to make a contribution of \$100,898k (2016: \$103,865k) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation is 11 years (2016: 11 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 2017	102,206	102,103	297,224	1,504,524	2,006,057
Defined benefit obligations - 31 December 2016	102,123	102,631	305,693	1,676,661	2,187,108

(b) Categories of plan assets

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

	2017 \$'000		2016 \$'000	
	Active Market	No Active Market	Active Market	No Active Market
Cash and cash equivalents	13,948	9,111	11,889	1,448
Equity instruments	98,816	15,352	97,846	17,922
Debt instruments	7,457	19,184	8,377	13,000
Property	9,425	6,586	4,076	11,406
Other	6,962	32,043	5,059	36,319
Total	136,608	82,276	127,247	80,095

(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 9.5%	Increase by 11.3%
Salary growth rate	+/-0.5%	Increase by 0.3%	Decrease by 0.3%

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.

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Notes to the financial statements
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(continued)

23 Defined benefit plans

(d) Statement of financial position amounts

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations - 2017					
Opening defined benefit obligation	127,202	22,285	1,607,633	31,000	1,788,120
Current service cost	3,411	751	1,103	63	5,328
Taxes, premiums and expenses paid	(420)	(2,001)	(1,303)	(63)	(3,787)
Interest expense/(income)	3,300	569	43,407	824	48,100
	<u>133,493</u>	<u>21,604</u>	<u>1,650,840</u>	<u>31,824</u>	<u>1,837,761</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	632	127	15,822	430	17,011
Actuarial losses/(gains) arising from changes in financial assumptions	3,300	2,177	(11,359)	347	(5,535)
Experience losses/(gains)	0	0	0	0	0
	<u>3,932</u>	<u>2,304</u>	<u>4,463</u>	<u>777</u>	<u>11,476</u>
Contributions					
Plan participants	1,569	0	573	0	2,142
	<u>1,569</u>	<u>0</u>	<u>573</u>	<u>0</u>	<u>2,142</u>
Payments from plan					
Benefits paid	(13,586)	(2,421)	(74,455)	(3,158)	(93,620)
	<u>(13,586)</u>	<u>(2,421)</u>	<u>(74,455)</u>	<u>(3,158)</u>	<u>(93,620)</u>
Closing defined benefit obligation	<u>125,408</u>	<u>21,487</u>	<u>1,581,421</u>	<u>29,443</u>	<u>1,757,759</u>
Present value of plan assets - 2017					
Opening fair value of plan assets	131,615	(714)	41,128	35,314	207,343
	<u>131,615</u>	<u>(714)</u>	<u>41,128</u>	<u>35,314</u>	<u>207,343</u>
Remeasurements					
Interest income	3,434	(18)	1,143	944	5,503
Actuarial losses/(gains) arising from changes in financial assumptions	1,971	31	512	1,805	4,319
	<u>5,405</u>	<u>13</u>	<u>1,655</u>	<u>2,749</u>	<u>9,822</u>
Contributions					
Employers	821	3,751	92,411	0	96,983
Plan participants	1,569	0	573	0	2,142
	<u>2,390</u>	<u>3,751</u>	<u>92,984</u>	<u>0</u>	<u>99,125</u>
Payments from plan					
Benefits paid	(13,586)	(2,421)	(74,455)	(3,158)	(93,620)
Taxes, premiums and expenses paid	(420)	(2,001)	(1,303)	(63)	(3,787)
	<u>(14,006)</u>	<u>(4,422)</u>	<u>(75,758)</u>	<u>(3,221)</u>	<u>(97,407)</u>
Closing fair value of plan assets	<u>125,404</u>	<u>(1,372)</u>	<u>60,009</u>	<u>34,842</u>	<u>218,883</u>
Reimbursement rights - 2017					
Opening value of reimbursement right	(6,426)	22,566	1,565,497	0	1,581,637
Expected return on reimbursement rights	2,456	(2,413)	(49,044)	0	(49,001)
Actuarial remeasurements	1,961	2,273	3,951	0	8,185
Remeasurement through profit or loss	(43)	(25)	(161)	0	(229)
Remeasurement through other comprehensive income	(681)	(184)	(543)	0	(1,408)
Closing value of reimbursement right	<u>(2,733)</u>	<u>22,217</u>	<u>1,519,700</u>	<u>0</u>	<u>1,539,184</u>
Net liability - 2017					
Defined benefit obligation	125,408	21,487	1,581,421	29,443	1,757,759
Fair value of plan assets	(125,404)	1,372	(60,009)	(34,842)	(218,883)
Net liability	<u>4</u>	<u>22,859</u>	<u>1,521,412</u>	<u>(5,399)</u>	<u>1,538,876</u>
Reimbursement right	(2,733)	22,217	1,519,700	0	1,539,184
Total net liability/(asset) in statement of financial position	<u>2,737</u>	<u>642</u>	<u>1,712</u>	<u>(5,399)</u>	<u>(308)</u>

23 Defined benefit plans

(d) Statement of financial position amounts

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations - 2016					
Opening defined benefit obligation	122,455	22,054	1,654,284	34,642	1,833,435
Current service cost	4,042	797	1,346	110	6,295
Taxes, premiums and expenses paid	(89)	(462)	8,551	(110)	7,890
Interest expense/(income)	3,383	598	46,825	957	51,763
	<u>129,791</u>	<u>22,987</u>	<u>1,711,006</u>	<u>35,599</u>	<u>1,899,383</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	0	0	0	0	0
Actuarial losses/(gains) arising from changes in financial assumptions	584	130	3,802	(705)	3,811
Experience losses/(gains)	<u>838</u>	<u>1,063</u>	<u>(32,856)</u>	<u>(554)</u>	<u>(31,509)</u>
	<u>1,422</u>	<u>1,193</u>	<u>(29,054)</u>	<u>(1,259)</u>	<u>(27,698)</u>
Contributions					
Plan participants	<u>1,642</u>	<u>0</u>	<u>756</u>	<u>0</u>	<u>2,398</u>
	<u>1,642</u>	<u>0</u>	<u>756</u>	<u>0</u>	<u>2,398</u>
Payments from plan					
Benefits paid	<u>(5,653)</u>	<u>(1,895)</u>	<u>(75,075)</u>	<u>(3,340)</u>	<u>(85,963)</u>
	<u>(5,653)</u>	<u>(1,895)</u>	<u>(75,075)</u>	<u>(3,340)</u>	<u>(85,963)</u>
Closing defined benefit obligation	<u>127,202</u>	<u>22,285</u>	<u>1,607,633</u>	<u>31,000</u>	<u>1,788,120</u>
Present value of plan assets - 2016					
Opening fair value of plan assets	<u>127,345</u>	<u>773</u>	<u>102,930</u>	<u>35,237</u>	<u>266,285</u>
	<u>127,345</u>	<u>773</u>	<u>102,930</u>	<u>35,237</u>	<u>266,285</u>
Remeasurements					
Interest income	3,570	(7)	1,858	972	6,393
Actuarial losses/(gains) arising from changes in financial assumptions	<u>1,627</u>	<u>23</u>	<u>604</u>	<u>2,555</u>	<u>4,809</u>
	<u>5,197</u>	<u>16</u>	<u>2,462</u>	<u>3,527</u>	<u>11,202</u>
Contributions					
Employers	3,173	854	1,503	0	5,530
Plan participants	<u>1,642</u>	<u>0</u>	<u>757</u>	<u>0</u>	<u>2,399</u>
	<u>4,815</u>	<u>854</u>	<u>2,260</u>	<u>0</u>	<u>7,929</u>
Payments from plan					
Benefits paid	<u>(5,653)</u>	<u>(1,895)</u>	<u>(75,075)</u>	<u>(3,340)</u>	<u>(85,963)</u>
Taxes, premiums and expenses paid	<u>(89)</u>	<u>(462)</u>	<u>8,551</u>	<u>(110)</u>	<u>7,890</u>
	<u>(5,742)</u>	<u>(2,357)</u>	<u>(66,524)</u>	<u>(3,450)</u>	<u>(78,073)</u>
Closing fair value of plan assets	<u>131,615</u>	<u>(714)</u>	<u>41,128</u>	<u>35,314</u>	<u>207,343</u>
Reimbursement rights - 2016					
Opening value of reimbursement right	(6,424)	20,941	1,549,913	0	1,564,430
Expected return on reimbursement rights	682	548	44,809	0	46,039
Actuarial remeasurements	(205)	1,170	(29,658)	0	(28,693)
Remeasurement through profit or loss	119	20	562	0	701
Remeasurement through other comprehensive income	<u>(598)</u>	<u>(113)</u>	<u>(129)</u>	<u>0</u>	<u>(840)</u>
Closing value of reimbursement right	<u>(6,426)</u>	<u>22,566</u>	<u>1,565,497</u>	<u>0</u>	<u>1,581,637</u>
Net liability - 2016					
Defined benefit obligation	127,202	22,285	1,607,633	31,000	1,788,120
Fair value of plan assets	<u>(131,615)</u>	<u>714</u>	<u>(41,128)</u>	<u>(35,314)</u>	<u>(207,343)</u>
Net liability	<u>(4,413)</u>	<u>22,999</u>	<u>1,566,505</u>	<u>(4,314)</u>	<u>1,580,777</u>
Reimbursement right	<u>(6,426)</u>	<u>22,566</u>	<u>1,565,497</u>	<u>0</u>	<u>1,581,637</u>
Total net liability/(asset) in statement of financial position	<u>2,013</u>	<u>433</u>	<u>1,008</u>	<u>(4,314)</u>	<u>(860)</u>

23 Defined benefit plans

(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). UniSuper has operated from 1 March 1988 for academics and from 1 July 1991 for general staff.

Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the Trustee to be insufficient to provide benefits payable under the deed. In these circumstances, at least four years notice is required. If such a request was agreed to by all employers then members would have to contribute additional funds. If all the employers did not agree to increase contributions, the Trustee would have to reduce benefits payable to members on a fair and equitable basis. Due to deterioration of the defined benefit division funding position since 2008, the Trustee decided to reduce the rate at which benefits accrue in respect of the defined benefits division after 1 January 2015.

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 the UniSuper Fund unanimously agree to make additional contributions to the fund. It is only on this basis that the universities would be liable for the agreed additional contribution. Management 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 2017, the assets of UniSuper in aggregate, were estimated to be \$2,797m above vested benefits, after allowing for various reserves. As at 30 June 2016 the total assets of UniSuper were estimated to be \$2,252m 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 2017, the assets of UniSuper in aggregate were estimated to be \$4,258m above accrued benefits, after allowing for various reserves. As at 30 June 2016 the assets of the fund were estimated to be \$3,757m 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. These schemes include the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non-Contributory Scheme. In addition, the University contributes to the Superannuation Scheme for Australian Universities, which is a funded defined benefits scheme that also provides an Accumulation Superannuation Plan. The University also contributes to the University of Sydney Professorial Superannuation Scheme.

A liability or asset in respect of defined benefit superannuation plans is recognised in the 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.

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.

24 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	
		2017	2016
		%	%
A14 Holdings Pty Limited	Camperdown, NSW	100	100
Suzhou Xi Su Commercial Consulting Co., Limited	Suzhou, China	100	100
SydneyLearning Pty Limited	Camperdown, NSW	100	100
Sydney Talent Pty Limited	Camperdown, NSW	100	100
The Warren Centre for Advanced Engineering Limited	Camperdown, NSW	100	100
Westmead IVF Pty Limited	Westmead, NSW	100	100

(c) Transactions with related parties

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

	2017	2016
	\$'000	\$'000
Controlled entities		
Sale of goods and services	379	552
Interest income	40	39
Purchase of goods and services	7,676	5,598
Grants and funding expense	499	646
Distribution from controlled entity	1,249	0
Associates and joint venture		
Sales of goods and services	7,010	5,808
Purchase of goods and services	16,844	17,099
Investment in associate	1,000	1,000

(d) Outstanding balances

The following balances are outstanding at the reporting date in relation to the transactions with related parties:

	2017	2016
	\$'000	\$'000
Controlled entities		
Trade and other receivables	2,059	1,163
Loans receivables	1,154	1,126
Investment in controlled entity	325	325
Trade and other payables	1,586	1,932
Associates and joint venture		
Trade and other receivables	1,430	2,254
Trade and other payables	172	54

In the current and previous year, no provisions for doubtful debts 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

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.

The University of Sydney
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25 Joint operations

Name of joint operations	Nature of relationship	Principle place of business	Ownership interest/ voting rights held	
			2017 %	2016 %
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.

26 Investments accounted for using the equity method

(a) Associates

Name of Entity	Place of business	Measurement method	Ownership Interest	
			2017 %	2016 %
Abercombe Street Childcare Limited*	Darlington, NSW	Equity method	1	1
Acumine Pty Limited	Eveleigh, NSW	Equity method	25	25
ANZAC Health and Medical Research Foundation*	Concord, NSW	Equity method	18	18
Australian Technology Park Innovations Pty Limited	Eveleigh, NSW	Equity method	25	25
Glycemic Index Foundation*	St Leonards, NSW	Equity method	50	50
Medsaic Pty Limited	Camperdown, NSW	Equity method	22	22
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
UIIT Pty Ltd	St. Lucia, QLD	Equity method	20	20
UIIT Trust No 7**	St. Lucia, QLD	Equity method	100	100
Uniseed Management Pty Ltd	St. Lucia, QLD	Equity method	20	20
Westmead Millennium Institute for Medical Research*	Westmead, NSW	Equity method	33	33
ZingoTX Pty Limited	Camperdown, NSW	Equity method	21	21

* 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.

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 equity method of accounting.

The University's share of an associate's post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in 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.

26 Investments accounted for using the equity method
(b) Joint ventures

Name of Entity	Place of business	Measurement method	Ownership Interest %	
			2017	2016
Innowell Pty Limited	Southbank, Vic	Share of net assets	45	0
NSW Centre for Animal and Plant Biosecurity	Camden, NSW	Share of net assets	50	50
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 who 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.

27 Reconciliation of net result to net cash provided by/(used in) operating activities

	Notes	2017 \$'000	2016 \$'000
Net result after income tax		193,042	137,386
Depreciation and amortisation	12/13	200,009	188,086
Retired assets written off		2,613	970
(Gain)/loss on disposal of property, plant and equipment		(297)	(918)
Non-cash investment income		(10,528)	(19,353)
Non-cash impairment of receivables	10	426	3,037
Non-cash other (income)/expenses		18,512	47,882
(Increase)/decrease in inventories		357	(818)
(Increase)/decrease in receivables		25,970	(10,873)
(Increase)/decrease in other assets		(10,376)	(10,414)
(Increase)/decrease in current non-financial assets		(1,771)	(10,910)
(Increase)/decrease in assets held for sale		0	600
Increase/(decrease) in payables		13,332	27,224
Increase/(decrease) in other liabilities		(6,210)	(589)
Increase/(decrease) in provisions		(34,957)	37,256
Net cash provided by/(used in) operating activities		390,122	388,566

28 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 and Audit Committee (FAC), a Committee of Senate. Investment risk and policy is managed by the Investment and Commercialisation Committee (ICC) of Senate. Interest rate risk is managed 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.

28 Financial risk management

(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 (primarily in the long-term and medium-term portfolios) and classified on the balance sheet 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 per these managers and the investment objectives of each manager are established in accordance with limits and policies set by the ICC. The University also undertakes periodic reviews of its strategic asset allocation to assess its risk return ratio.

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

(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).

The University maintains floating to fixed interest rate profiles according to the Treasury Management Policy.

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 28(e).

The University 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 profit or loss.

(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.

31 December 2017	Interest rate risk					Foreign exchange risk				Other price risk			
	-0.25%		+0.25%			-10%		+10%		-10%		+10%	
2017	Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	483,631	0	0	0	0	5,619	0	(4,597)	0	0	0	0	0
Financial assets at fair value through profit or loss	1,379,281	(543)	0	543	0	30,636	0	(25,066)	0	(130,857)	0	130,862	0
Sub total		(543)	0	543	0	36,255	0	(29,663)	0	(130,857)	0	130,862	0
Financial liabilities													
Borrowings	510,000	125	0	(125)	0	0	0	0	0	0	0	0	0
Derivative financial instruments	1,436	0	(76)	0	76	0	0	0	0	0	0	0	0
Total increase/(decrease)		(418)	(76)	418	76	36,255	0	(29,663)	0	(130,857)	0	130,862	0

31 December 2016	Interest rate risk					Foreign exchange risk				Other price risk			
	-0.25%		+0.25%			-10%		+10%		-10%		+10%	
2016	Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	411,496	0	0	0	0	4,328	0	(3,541)	0	0	0	0	0
Financial assets at fair value through profit or loss	1,324,923	2,730	0	(2,729)	0	7,466	0	(6,109)	0	(111,471)	0	111,471	0
Sub total		2,730	0	(2,729)	0	11,794	0	(9,650)	0	(111,471)	0	111,471	0
Financial liabilities													
Borrowings	510,000	125	0	(125)	0	0	0	0	0	0	0	0	0
Derivative financial instruments	8,299	0	(190)	0	190	0	0	0	0	0	0	0	0
Total increase/(decrease)		2,855	(190)	(2,854)	190	11,794	0	(9,650)	0	(111,471)	0	111,471	0

28 Financial risk management

(b) Credit risk

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

Credit exposure of the debt portfolio is controlled by counterparty limits that are reviewed and approved by ICC. Credit risks in respect to the deferred government contribution for superannuation are discussed at Note 10. The University does not have any other significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because counterparties are banks with investment grade long term credit ratings assigned by international credit rating agencies.

Impairment and provision against debtors has been duly considered in determining the carrying amounts of financial assets. Therefore the carrying amount of financial assets recorded in the statement of financial position represents the University's maximum exposure to credit risk.

(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 28(d).

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

The following tables detail the entity's maturity profile as at 31 December 2017 and as at 31 December 2016:

31 December 2017

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial liabilities				
Other current liabilities	97,567	0	0	97,567
Creditors	36,990	0	0	36,990
Borrowings	0	310,000	200,000	510,000
Derivative financial instruments	1,436	0	0	1,436
Total financial liabilities	135,993	310,000	200,000	645,993

31 December 2016

Financial liabilities				
Other current liabilities	84,728	0	0	84,728
Creditors	28,188	0	0	28,188
Borrowings	0	310,000	200,000	510,000
Derivative financial instruments	7,464	835	0	8,299
Total financial liabilities	120,380	310,835	200,000	631,215

(d) Financial facilities and balances

The University has access to an unsecured overdraft facility of \$25,000k which is unutilised as at 31 December 2017. Interest would be payable at the National Australia Bank's Base Lending Indicator Rate.

There is also a \$25,000k credit card facility of which \$5,567k has been used as at 31 December 2017, a letter of credit facility of up to \$400k which was unutilised during 2017 and an additional letter of credit facility of up to \$3,850k of which \$2,770k is unutilised as at 31 December 2017. The University also has access to a \$32,000k bank guarantee facility of which \$16,668k has been utilised at 31 December 2017.

The University has access to two five year revolving credit facilities of \$100m each with National Australia Bank and Westpac Banking Corporation. The unutilised balance on the National Australia Bank revolving debt facility at 31 December 2017 was nil (2016: nil). The unutilised balance on the Westpac Banking Corporation revolving debt facility at 31 December 2017 was \$90m (2016: \$90m).

28 Financial risk management

(e) Derivatives

Interest rate swap contracts - cash flow hedges

At the balance date approximately 54.50% (2016: 54.50%) of the variable loan principal outstanding was hedged by variable interest rate swaps at a fixed average interest rate of 4.00% (2016: 4.00%). Also at balance date approximately 90% of total borrowings (unsecured borrowings from National Australia Bank and Westpac Banking Corporation and bonds on issue) were hedged by interest rate swaps and fixed interest debt (bonds) at a weighted average rate of 4.38% (2016: 4.38%).

Bank loans of the University currently bear interest at variable rates. It is the University's policy to protect the loans from exposure to increasing variable interest rates. Accordingly, the University has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. Interest rate risk is discussed in relation to interest rate swaps in Note 28(a)(iii).

The contracts require settlement of 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 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.

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.

29 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 the current receivables, the carrying value approximates the fair value and 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, disclosed in Note 16.

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

29 Fair value measurement

(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)

(i) Recognised fair value measurements

Fair value measurements are categorised into the following levels at 31 December 2017.

	Notes	2017 \$'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	11	235,348	235,348	0	0
Convertible notes	11	3,930	3,930	0	0
Managed funds	11	1,061,448	0	1,061,448	0
Unlisted securities	11	18,509	0	0	18,509
Floating rate notes	11	59,797	0	59,797	0
Forward and futures	11	249	0	249	0
Total financial assets at fair value through profit or loss		1,379,281	239,278	1,121,494	18,509
Non-financial assets					
Land and buildings	12	533,992	0	341,799	192,193
Heritage assets	12	250,419	0	238,824	17,595
Livestock	14	5,158	0	5,158	0
Total non-financial assets		789,569	0	585,781	209,788
Financial liabilities					
Borrowings	16	526,340	0	526,340	0
Derivative financial instruments		1,436	0	1,436	0
Total liabilities		527,776	0	527,776	0
	Notes	2016 \$'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	11	204,141	204,141	0	0
Fixed interest securities	11	186,727	0	186,727	0
Convertible notes	11	3,562	3,562	0	0
Managed funds	11	914,468	0	914,468	0
Unlisted securities	11	13,062	0	0	13,062
Discount securities	11	2,963	0	2,963	0
Total financial assets at fair value through profit or loss		1,324,923	207,703	1,104,158	13,062
Non-financial assets					
Land and buildings	12	507,524	0	313,441	194,083
Heritage assets	12	291,738	0	274,140	17,595
Livestock	14	5,367	0	5,367	0
Total non-financial assets		804,629	0	592,948	211,678
Financial liabilities					
Borrowings	16	523,934	0	523,934	0
Derivative financial instruments		8,299	0	8,299	0
Total liabilities		532,233	0	532,233	0

29 Fair value measurement

(b) Fair value hierarchy

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 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.

Where applicable, the fair value of non-current borrowings disclosed in Note 16 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments.

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 is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- other techniques, such as discounted cash flow analysis, are 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 which are explained in Note 29(d).

Heritage assets and commercial land and buildings (classified as property, plant and equipment) are valued independently at least every five 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

29 Fair value measurement

(c) Valuation techniques used to derive level 2 and level 3 fair values

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.

(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 2017 and 2016.

	Commercial properties	Unlisted securities	Heritage assets	Total
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair Value Measurement 2017				
Opening balance	194,083	13,062	17,595	224,740
Transfers from WIP	1,576	0	0	1,576
Recognised in profit or loss	0	5,447	0	5,447
Recognised in other comprehensive income	(3,466)	0	0	(3,466)
Balance 31 December	<u>192,193</u>	<u>18,509</u>	<u>17,595</u>	<u>228,297</u>
	Commercial properties	Unlisted securities	Heritage assets	Total
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair Value Measurement 2016				
Opening balance	153,734	11,158	0	164,892
Transfers from level 2*	25,879	0	17,595	43,474
Transfers from WIP	5,909	0	0	5,909
Recognised in profit or loss	0	1,904	0	1,904
Recognised in other comprehensive income	8,561	0	0	8,561
Closing balance	<u>194,083</u>	<u>13,062</u>	<u>17,595</u>	<u>224,740</u>

* From 2016, the independent valuers were not able to value the assets using level 2 inputs.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See above for the valuation techniques adopted.

Description	Fair value at 31 December 2017	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	\$'000			
Shares - unquoted	18,509	Discount rate	30%	The higher the discount rate, the lower the fair value.
Commercial buildings and infrastructure	192,193	Remaining useful life	1-100 years	A one year increase/(decrease) in the remaining life of each asset would cause a 7% increase/(decrease) the total FV.
Heritage assets	17,595	Average value per item	5%	5 percent increase in average cost would increase fair value of Heritage assets by \$0.880 million.
Total	<u>228,297</u>			

*There were no significant inter-relationships between unobservable inputs that materially affects fair value.

30 Events occurring after the balance sheet date

Unless otherwise disclosed, there are no other matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position of the University or its subsidiaries.

31 Other accounting policies

(a) New accounting standards and AASB interpretation

A number of new accounting standards, amendments and interpretations have been issued during 2017 or in prior years but are not yet effective. The University has not elected to early adopt any of these new standards or amendments or interpretations with the exception of AASB 9 'Financial Instruments'. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the University, unless stated otherwise hereunder:

(i) AASB 15 - 'Revenue from Contracts with Customers'

The Australian Accounting Standards Board issued new accounting standard AASB 15 'Revenue from Contracts with Customers' on 12 December 2014 which is mandatory for adoption from 1 January 2019. The standard replaces AASB 118 'Revenue', and AASB 111 'Construction Contracts'.

AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfillment of performance obligations). Revenue will only be recognised when control over the goods or services is transferred to the customer, either over time or at a point in time.

The application of AASB 15 is likely to have a material impact on the University's revenue recognition policy. However, the impact of the new standard is not known or currently estimable and therefore management is currently assessing and quantifying the impact thereof.

(ii) AASB 16 - 'Leases'

AASB 16 supersedes: AASB 117 'Leases', Interpretation 4 'Determining whether an Arrangement contains Lease accounting', SIC - 15 'Operating Leases - Incentives' and SIC - 27 'Evaluating the Substance of Transactions involving the Legal Form of a Lease'.

AASB 16 'Leases' will be effective for annual periods on or after 1 January 2019. While early adoption is permitted, provided the new revenue standard, AASB 15 'Revenue from Contracts with Customers' has been applied or is applied, the University is not planning to do so.

(iii) AASB 1058 - 'Income of Not-for-Profit Entities'

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 'Revenue from Contracts with Customers'. These Standards supersede all the income recognition requirements relating to private sector NFP entities and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 'Contributions'.

This Standard applies to annual reporting periods beginning on or after 1 January 2019. While early application is permitted, provided entities also apply AASB 15 'Revenue from Contracts with Customers' to the same period, the University is not planning to do so.

(iv) AASB 2016-8 'Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-For-Profit Entities'

This Standard makes amendments to AASB 9 'Financial Instruments' and AASB 15 'Revenue from Contracts with Customers' by inserting implementation guidance for application by not-for-profit entities.

This standard applies to annual periods beginning on or after 1 January 2019. While this standard may be applied to annual periods beginning before 1 January 2019, provided that AASB 1058 'Income of Not-For-Profit Entities' is also applied to the same period, the University is not planning to do so.

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

The University of Sydney has entered into an arrangement where, under a long-term lease of its land in Carillon Avenue, Newtown, a student university village (SUV) has been constructed and is being operated in partnership with a private sector party. This 650 bed SUV was opened in January 2003. Under the terms of the project deed, ownership in the accommodation complex reverts to the University in 2043. At balance date, the emerging share of the asset is not material.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

32 Acquittal of Australian Government financial assistance

(a) Education - CGS and other grants

	Commonwealth Grant Scheme ¹		Indigenous Student Success Program ³		Partnership and Participation Program		Disability Performance Program ²		Promotion of Excellence in learning and teaching awards	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only										
Financial assistance received in cash during the reporting period	293,327	315,093	1,782	1,276	2,424	2,863	166	128	0	0
Net accrual adjustments	11,093	(4,606)	0	0	0	0	0	0	0	0
Revenue for the period	304,420	310,487	1,782	1,276	2,424	2,863	166	128	0	0
Surplus/(deficit) from the previous year	0	0	52	315	9,503	10,167	(212)	(89)	0	70
Total revenue including accrued revenue	304,420	310,487	1,834	1,591	11,927	13,030	(46)	39	0	70
Less expenses including accrued expenses	(304,420)	(310,487)	(1,755)	(1,539)	(3,368)	(3,527)	(297)	(251)	0	(70)
Surplus/(deficit) for the reporting period	0	0	79	52	8,559	9,503	(343)	(212)	0	0

2(a)

	Promotion of Excellence in Learning and Teaching grant		Australian Mathematics and Science Partnership Program		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only						
Financial assistance received in cash during the reporting period	278	752	0	675	297,977	320,787
Net accrual adjustments	0	0	0	0	11,093	(4,606)
Revenue for the period	278	752	0	675	309,070	316,181
Surplus/(deficit) from the previous year	1,746	1,079	821	1,407	11,910	12,949
Total revenue including accrued revenue	2,024	1,831	821	2,082	320,980	329,130
Less expenses including accrued expenses	(547)	(85)	(821)	(1,261)	(311,208)	(317,220)
Surplus/(deficit) for the reporting period	1,477	1,746	0	821	9,772	11,910

2(a)

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.

³ Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

32 Acquittal of Australian Government financial assistance

(b) Higher education loan programs (excl OS-HELP)

	HECS-HELP (Australian Government payments)		FEE-HELP		SA-HELP		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only								
Cash payable/(receivable) at beginning of year	7,302	3,893	558	1,260	95	25	7,955	5,178
Financial assistance received in cash during the reporting period	168,754	173,240	79,846	86,408	4,018	4,142	252,618	263,790
Cash available for the period	176,056	177,133	80,404	87,668	4,113	4,167	260,573	268,968
Revenue earned	(176,171)	(169,831)	(80,698)	(87,110)	(4,171)	(4,072)	(261,040)	(261,013)
Cash payable/(receivable) at the end of the year	(115)	7,302	(294)	558	(58)	95	(467)	7,955

2(b)

(c) Scholarships

	Research Training Program ⁴		Research Support Program ⁵		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only						
Financial assistance received in cash during the reporting period	97,441	97,383	87,105	83,466	184,546	180,849
Revenue for the period	97,441	97,383	87,105	83,466	184,546	180,849
Surplus/(deficit) from the previous year	4,822	5,581	380	1,046	5,202	6,627
Total revenue including accrued revenue	102,263	102,964	87,485	84,512	189,748	187,476
Less expenses including accrued expenses	(101,431)	(98,142)	(87,485)	(84,132)	(188,916)	(182,274)
Surplus/(deficit) for the reporting period	832	4,822	0	380	832	5,202

2(a)

⁴ Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017

⁵ Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

32 Acquittal of Australian Government financial assistance

(c) Scholarships

(i) Total Higher Education Provided Research Training Program expenditure

Research Training Program Fees offsets
Research Training Program Stipends
Research Training Program Allowances

Total for all types of support

	2017	2017
	Total domestic students \$'000	Total overseas students \$'000
	72,605	2,231
	24,102	2,406
	19	68
	96,726	4,705

(d) Australian Research Council Grants

Parent entity (University) only

Financial assistance received in cash during the reporting period
Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

	Discovery		Linkages		Linkage Infrastructure		Network and Centres		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	37,377	38,143	8,921	8,540	1,525	2,180	7,233	7,243	55,056	56,106
	0	0	0	0	0	0	0	0	0	0
2(a)	37,377	38,143	8,921	8,540	1,525	2,180	7,233	7,243	55,056	56,106
	(11,179)	(8,811)	9,161	8,462	1,118	(766)	(7,448)	(7,149)	(8,348)	(8,264)
	26,198	29,332	18,082	17,002	2,643	1,414	(215)	94	46,708	47,842
	(35,705)	(40,511)	(7,561)	(7,841)	(5)	(296)	(7,671)	(7,542)	(50,942)	(56,190)
	(9,507)	(11,179)	10,521	9,161	2,638	1,118	(7,886)	(7,448)	(4,234)	(8,348)

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2017
(continued)

32 Acquittal of Australian Government financial assistance

(e) OS-HELP

	2017	2016
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	5,695	3,466
Cash spent during the reporting period	<u>(5,723)</u>	<u>(4,250)</u>
Net cash received	(28)	(784)
Cash surplus/(deficit) from the previous period	<u>1,720</u>	<u>2,504</u>
Cash surplus/(deficit) for the reporting period	<u>1,692</u>	<u>1,720</u>

(f) Higher Education Superannuation Program

	2017	2016
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	92,122	0
University contribution in respect of current employees	<u>4,861</u>	<u>5,530</u>
Cash available	96,983	5,530
Cash surplus / (deficit) from the previous period	<u>0</u>	<u>0</u>
Cash available for current period	96,983	5,530
Contributions to specified defined benefit funds	<u>(96,983)</u>	<u>(5,530)</u>
Cash surplus/(deficit) for this period	<u>0</u>	<u>0</u>

10/23

(g) Student Services and Amenities Fee

	2017	2016
	\$'000	\$'000
Parent entity (University) only		
Unspent/(overspent) revenue from previous period	95	26
SA-HELP revenue earned	4,171	4,072
Student services fees direct from students	<u>11,270</u>	<u>10,519</u>
Total revenue expendable in period	15,536	14,617
Student services expenses during period	<u>(15,594)</u>	<u>(14,522)</u>
Unspent/(overspent) student services revenue	<u>(58)</u>	<u>95</u>

2(b)
3

Wayne Andrews

Chief Financial Officer

END OF AUDITED FINANCIAL STATEMENTS

AUDITED BY THE AUDIT OFFICE OF NEW SOUTH WALES



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