



THE UNIVERSITY OF
SYDNEY

Annual Report 2016

The University of Sydney
NSW 2006

April 2017

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 2016.



Belinda Hutchinson AM
Chancellor



Dr Michael Spence
Vice-Chancellor and Principal

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As Australia's first university our reputation spans more than **160** years. In 2016, we were ranked in the top **0.3%** of universities worldwide, including **46** in the QS World University Rankings. We taught more than **50,000** undergraduate and postgraduate students, including more than **10,000** international students from more than **140** countries.

With more than **6400** academic staff, and **70** research and teaching centres, we offered the widest range of academic programs of any Australian university. We connected with our **300,000** alumni around the world, and our students took part in **300** exchange agreements in more than **30** countries.

We were awarded more than **\$390** million in federal research funding, and raised **\$105** million from more than **13,000** donors.

Year in review

In 2016, as we continued to navigate a period of rapid evolution at the University and following extensive consultation with our University community, we were excited to commence the implementation of our *2016–20 Strategic Plan*.

It is a plan that we are confident will place the University at the forefront of the leaders in tertiary education internationally. Much work was carried out during the course of the year to enable organisational redesign and curriculum reform; both critical to the success of our ambitious plan.

In November the Academic Board approved the curriculum reform proposal, simplifying the University's undergraduate degree profile and reducing the number of degrees. The new curriculum retains the intellectual breadth of the previous profile while creating coherent navigable pathways for students.

In December, the University's Senate agreed a number of governance changes to begin the implementation of the simpler faculty structure agreed at the end of 2015.

Under that structure, the University will, by midway through 2018, have six faculties (Arts and Social Sciences; Business; Engineering and Information Technologies; Science; Health Sciences; and Medicine and Health) and three University schools (Architecture, Design and Planning; Law; and Sydney Conservatorium of Music). The new University of Sydney (Governance of Faculties and new University Schools) Rule, also approved by Senate in December, provides a more consistent governance framework for academic and administrative operations in the new University structure.

In 2016 we established a new framework for investing in and driving research excellence. We launched our new Centre for Translational Data Science and officially opened the Australian Institute

for Nanoscale Science and Technology (AINST), which is already making remarkable advances in combating the formidable challenges of the 21st century. AINST is based in our new Sydney Nanoscience Hub, one of only five such specialist facilities in the world, and the finest in the southern hemisphere. It is rewarding that the hub has already inspired new industry partnerships with companies such as Intel and Gelion.

There have been many other successes, both at home and abroad. At Darlington we opened the new Abercrombie Building for the University of Sydney Business School. It is already winning awards for innovative and sustainable design, but, more importantly, our staff and students are making great use of its shared work spaces and excellent teaching facilities. In China, our plans for a permanent presence came to fruition when we launched a centre in China, located in Suzhou, in November.

We made several key appointments in 2016, including, towards the end of the year, our new Vice-Principal, Operations, Mr Stephen Phillips, and the Vice-Principal, External Relations, Ms Tania Rhodes-Taylor. We also established two Pro-Vice-Chancellor positions, Global Engagement (Professor Kathy Belov) and Education – Enterprise and Engagement (Professor Richard Miles). During the year, we appointed Professor Annamarie Jagose as Dean of the Faculty of Arts and Social Sciences, and Associate Professor Jennifer Barrett as our Director of Culture Strategy, working on the important culture strategy element of our *2016–20 Strategic Plan*.

We have climbed in the Academic Ranking of World Universities, and came first in Australia, and fourth in



the world, in the QS Graduate Employability Rankings (2017). At the same time, 2016 was a bumper year for recognition of academic achievement, in which Sydney academics were awarded three NSW Premier's Prizes, one Australian Academy of Science award, the national Malcolm McIntosh Prize for Physical Scientist of the Year, the Prime Minister's Prize for Science, three Prime Minister's Literary Awards, one Australian History Prize, five Premier's Awards for Outstanding Cancer Research (including the top award), the Eureka Prize and a NSW Young Tall Poppy Science Award. Eight academics were elected to prestigious Australian academies for outstanding contributions to their fields.

At a University level we added a new award celebrating achievements of both academic and professional staff: the Vice-Chancellor's Awards, which were warmly received by staff and which are part of our commitment to recognise and reward staff for their outstanding contribution to our University community.

We continued to build on our commitment to diversity, graduating women from our first leadership mentoring program and from our Culturally and Linguistically Diverse mentoring program for female staff. We launched our Science in Australia Gender Equity (SAGE) program and rolled out training in unconscious bias, and we made online courses in cultural competence available to all.

We were very proud that our ALLY network, launched in 2015, organised and presented the inaugural University of Sydney float at the Sydney Gay and Lesbian Mardi Gras. Several of our most senior leaders marched with the float,

wearing rainbow-coloured academic gowns. In the Indigenous Strategy space, our first cohort of students participated in a service learning initiative, collaborating with Aboriginal and Torres Strait Islander leaders in projects based in Kakadu and the far west of New South Wales. The project will be ramped up in 2017, reaching 170 students and stretching to the Tiwi Islands.

As the higher education sector continues to face funding challenges, we were delighted that for the second consecutive year we raised more than \$100 million, bringing our INSPIRED campaign total to well over \$700 million. A particular highlight of 2016 was the record \$35 million gift from the Susan and Isaac Wakil Foundation to establish the new health precinct. We are appreciative of all donations – big and small – and grateful for the incredible number of hours that our supporters contribute towards voluntary work for the University. More than 50,000 people have now donated to the campaign.

Our whole-of-university brand campaign continues to go from strength to strength, raising recognition and promoting engagement with the University. Our program of public talks, 'Sydney Ideas', reached its 10th anniversary. The program delivered 125 events in 2016, taking discourse on the ideas that shape our world out beyond the Quadrangle and into the public sphere. We also sponsored TEDx Sydney and TEDx Youth, held at the Opera House in May, reaching out to Sydney, Australia and the world. We held our second 'Raising the Bar' event in October, with 20 talks in 20 venues across the city. More than 1500 people attended an event and we reached 335,000 people across social media.

We strengthened our relationships with precinct partners at Westmead. The Commission for Greater Sydney has recognised Westmead as an “engine room” of economic activity for one of the fastest-growing economies in the country, and we are part of the precinct’s vision for health. We have built and diversified our student numbers and developed outreach programs at Westmead, including holding two major biomedical engineering events: a biomedical engineering symposium and the annual Medtech Innovation Competition. We established a node of the Charles Perkins Centre at Westmead and opened our Nursing Clinical Simulation Laboratory.

None of this would be possible without the incredible hard work and dedication of all our staff. We thank the University leadership and all of our academic and professional staff as well as the many people in our broader community who contribute so much. We also thank our Senate Fellows. In 2016, we welcomed two new elected student Fellows, David Jordan (postgraduate) and Colin Whitchurch (undergraduate). We also welcome Peter Scott, the appointed Senate Fellow who is chairing the Senate’s Buildings and Estates Committee, which oversees our campus infrastructure plans and developments. We thank our departing student Fellows – Joshua Preece, Simon Hill and Dalton Fogarty – for their time and dedication to Senate.



Belinda Hutchinson AM
Chancellor



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The University of Sydney 2016 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 2016.

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

Preparing for curriculum transformation

In November 2016 the Academic Board approved a new undergraduate degree profile to be introduced from 2018. The profile consists of 21 single and 29 double or combined generalist, specialist and professional degrees, and includes a new degree – the Bachelor of Advanced Studies. It is to be taken as a combined degree and requires students to complete a second major as well as academically challenging coursework, a research, industry, community or entrepreneurial project or an embedded honours research project. It will be offered with degrees in arts, science and commerce and specialist degrees in design computing, economics and visual arts.

The simplified course profile was complemented by work to develop a common curriculum framework and introduce a new set of graduate qualities. In addition to disciplinary expertise in their chosen field, graduates of the new curriculum will develop broader skills, including critical thinking and problem solving; oral and written communication; information and digital literacy, and inventiveness; cultural competence; interdisciplinary effectiveness; an integrated professional, ethical and personal identity; and influence. These qualities will be embedded in the new curriculum through structured programs, and recognised within the learning outcomes of each award.

A common structure was adopted for broad degrees in arts, commerce and science and two new shared curriculum components were introduced: the 'shared pool' and the Open Learning Environment. The shared pool is a group of undergraduate majors, minors and electives that will enable students undertaking liberal studies degrees, selected specialist degrees and the Bachelor of Advanced Studies to study across the curriculum. The Open Learning Environment is a suite of units or modules designed to give students opportunities to build novel skill combinations, extend their knowledge by exploring other fields of study, and learn foundational concepts or methods of other disciplines.

The Dalyell Scholars program for high-achieving students was also approved for offer from 2018

within 34 single and combined degrees. The program is designed to give eligible students the opportunity to gain greater breadth and/or depth of learning in their degree and achieve the graduate qualities to a high level. It will include specialised Dalyell units and a range of enrichment opportunities, including acceleration, mentoring and professional skills development, a global mobility experience and access to high achiever programs in languages and mathematics.

Supporting curriculum renewal and educational excellence and innovation

During 2016, the Education Portfolio supported faculties' curriculum renewal activities with Faculty Compacts and Strategic Education Grants of more than \$2.8 million. The funds drew on the resources of the Curriculum Development Fund and supported curriculum and educational design work to embed the graduate qualities and curriculum framework and develop the first year of a transformed undergraduate curriculum. As well, 33 strategic education projects were chosen competitively from the more than 100 applicants, and covered curriculum development, educational innovation, educational quality improvement proposals, and specific units identified in the University strategy (project units, Open Learning Environment units, and Sydney Research Seminars).

Recipients of the 2017 Strategic Education Grants were also announced in December 2016.

Industry and community engagement: initial steps

From 2018 the undergraduate curriculum will engage students with authentic industry and community issues, building richer connections between theory and application and encouraging interdisciplinary learning.

To deliver these experiences at scale and with pedagogic rigour, the University requires a greater level of engagement with a broad range of industry and community organisations. In 2016, the Senior Executive Group endorsed the creation of the role of Pro-Vice-Chancellor (Education, Enterprise and Engagement) to lead the initiative under the

direction of the Deputy Vice-Chancellor (Education). A small team with a ‘hub and spoke’ structure under the direction of the PVC (Education – Enterprise and Engagement) has been planned to assist in the development of these engagement opportunities. The team will build and nurture mutually beneficial relationships with industry and community organisations, identify problems or issues to be addressed and work with faculties to facilitate the development of specific learning activities across a range of projects.

Discussions to develop strategic partnerships and source industry- and community-based problems commenced in 2016 and an agreement was set up with the Department of Parliamentary Services to trial an interdisciplinary project unit in 2017.

Learning analytics

In 2016 the Education Portfolio laid the foundations for a program of work to enable learning analytics at the University over the next several years. Initial steps have been taken to establish an educational data bank, and a variety of associated governance, privacy, ethical, and operational considerations have been mapped. Two vendors were selected in 2016 to proceed with development of proof-of-concept learning analytics software in 2017, and the collation of an initial static data bank began in 2016.

Software for personalising the student experience, developed by University staff – the ‘Student Relationship Engagement Sydney (SRES)’ – won the ASCILITE Innovation Award 2016.

Sydney is also the lead partner on a multi-institutional Office for Learning and Teaching (OLT) Strategic Priority Commissioned grant developing ‘OnTask’ open source software as well as the institutional capability to enable a broader range of personalised learning support actions.

The emerging Sydney Learning Analytics Research Group (LARG) continues to grow, and a new Learning Analytics Working Group has been formed to identify and develop tools and provide professional learning opportunities for teachers. LARG has become a Special Interest Group of Sydney’s Centre for Research on Learning and Innovation, and the University has become an institutional member of the international Society for Learning Analytics Research (SoLAR).

Supporting professional learning: a new faculty-engagement model

As part of the restructure of the Education Portfolio, the Institute for Teaching and Learning (ITL) and Sydney eLearning have become ‘Educational Innovation’. This team works within a ‘hub and spoke’ structure to maximise faculty contacts, build long-lasting faculty and cross-faculty connections and help ensure sharing of good practice across the University.

Each of the four ‘spokes’ involves a team of educational designers and academics who work with a set of faculties and schools on short, medium- and long-term projects associated with educational development and support ranging from the effective use of technology to cultural competence. The groupings of the ‘spokes’ are modelled around the broad disciplinary areas, with roughly equal student numbers and recognising the organisational re-design:

- Science, Agriculture and Environment, Veterinary Science and Engineering and Information Technologies
- Arts and Social Sciences, Education and Social Work, Sydney Conservatorium of Music and Sydney College of the Arts
- Medicine, Health Sciences, Pharmacy, Nursing and Dentistry
- Business, Law, and Architecture, Design and Planning.

A new professional learning framework for University teachers

A personalised approach to promoting and supporting outstanding teaching was trialled in 2016. This framework is designed to equip teaching staff with the tools and approaches to engage today’s broad range of learners and to ensure wider and more innovative uses of learning technologies. The approach ensures that each educator is provided with opportunities to continually and actively improve their practice.

Development began on a suite of online courses on teaching approaches, techniques and effective use of learning technologies and spaces. Through self-assessment and an online testing environment, educators will be able to innovate and extend their expertise through bespoke face-to-face workshops

developed with faculties, using local champions. This matrix of courses and workshops with self and peer assessment will provide a suite for individuals to choose from according to identified needs and goals. The stand-alone opportunities, together with others such as peer observation and disciplinary workshops, can then be combined to provide a customised framework for continual development.

Peer observation: Week 4 – Open Door

As part of the development of the new professional learning framework, selected teachers in every faculty were invited to open the doors of their lectures during Week 4 of Semester 2 in 2016. Academic and professional staff were able to select classes to attend based on the style and size of class and the innovative approaches being used. The week involved 229 staff signing up for 63 classes across the University.

Educational integrity

The full suite of recommendations made by the Vice-Chancellor's 2015 Academic Misconduct and Plagiarism Taskforce was implemented during 2016.

A number of centralised systems were introduced to improve the accuracy, transparency and effectiveness of the University's reporting and management of instances of academic dishonesty and plagiarism.

New online development modules were made available to staff and students, and the availability of development workshops for students was scaled up. A number of improvements were made in the postgraduate domain, including the appointment of a Research Data Steward and the implementation of new in-candidature and thesis examination incident reporting systems.

The Office of Educational Integrity was also established within the Education Portfolio and provides a dedicated point of contact and support for faculties, staff and students. The office oversees the University's coursework and postgraduate research integrity processes, and works closely with a range of stakeholders to promote positive cultural change and continually enhance the information and resources available to the University community.

Graduate employability

The University of Sydney was ranked first in Australia and fourth in the world in the 2017 QS Graduate Employability Rankings. The University's ranking was driven by its reputation among employers, high rates of graduate employment, and the increasing number of partnership opportunities with employers made available to students. For example, the Graduate Outcomes Survey (GOS) found that 81 percent of graduates were in full-time employment within four months of completion (of those available for full-time employment). The Sydney Graduate Trajectories Survey (SGTS) showed that 94 percent of graduates were in employment within 12 months of completion.

University of Sydney MOOCs

The University entered into a partnership with Coursera early in 2015 to deliver a series of 'massive open online courses' (MOOCs). The first of these, 'Technology in Music Education' (Sydney Conservatorium of Music) launched in early 2016 and is now in its fourth cycle.

A further six courses were launched in 2016: 'eHealth' (Faculty of Health Sciences), 'Social media for social good' (Faculty of Arts and Social Sciences), 'Information and digital literacy for university success', 'Problem-solving skills for university Success', 'Communication Skills for University Success' and 'Critical Thinking Skills for University Success' (Centre for English Teaching).

As well as providing global outreach and showcasing our educational and research strengths, these courses are providing resources and expertise in fully online and self-paced course delivery that is directly informing our traditional offerings.

The Learning Centre

The Learning Centre works with both students and faculty staff to provide student support in the areas of communication, language and learning. Its extensive workshop program reached more than 3000 students, while more than 4500 students attended orientation lectures or short introduction orientation sessions.

During 2016, the Learning Centre also delivered:

- a 16-hour bridging course to support eligible students (those with refugee status, in financial hardship, from a disadvantaged school environment, or from culturally and linguistically diverse backgrounds, or those with an ATAR lower than 80)
- the 24-hour academic skills component of the Cadigal Academic Enrichment program
- a 15-hour academic skills bridging program for Bachelor of Education (Early Childhood) and Social Work students entering the university from TAFE
- a 15-hour support program for students enrolled in the special education retraining scheme.

Work within faculty units of study continued strongly with more than 2000 students reached through the faculty program in 2016.

Resources supporting academic writing and learning are also available to students online via the Learning Centre website. In 2016, the Learning Centre website received more than 200,000 visits and 350,000 page views.

New initiatives in 2016 included: the development of an online module to support student academic integrity; the award of an education innovation grant to develop an Open Learning Environment (OLE) module 'Writing the literature review', in collaboration with the University library; and the successful University-wide 'Forum: Communication as a graduate quality – how can its development be embedded into curriculum?'

- sydney.edu.au/stuserv/learning_centre/forum.shtml

The Mathematics Learning Centre

The Mathematics Learning Centre delivered a wide range of teaching programs to meet the needs of those undergraduate students who enter without the assumed knowledge in mathematics for their first-level mathematics or statistics units of study.

The programs included bridging courses held before the start of the academic year, as well as semester programs. In 2016, more than 700 students attended the Mathematics Learning Centre programs.

Mathematical materials, including audio-visual modules that support the mathematics bridging courses and two first-year mathematics units of

study, were available to students online. In 2016, the audio-visual modules received more than 9000 visits and almost 11,000 page views.

Statistical Consulting

The core business of Statistical Consulting is provision of one-on-one, tailored statistical consulting in support of research projects undertaken by HDR students and academic staff of the University. In 2016 there were approximately 100 new clients, consisting of PhD students (65), MPhil students (8) and academic researchers (12). Most of the work undertaken involved provision of advice on setting up studies or experiments, including grant and ethics applications, assistance with data analysis and carrying out more advanced modelling, and reporting on these.

2016 Innovation Week

The University of Sydney's inaugural Innovation Week aimed to promote and enable engagement and excellence in research and education.

More than 30 events showcased the University's world-class teaching and research, and its impact and significance for students, staff, partners and the broader community. Events were designed to offer our existing and potential partners opportunities to engage with the University in new ways, and encourage perceptions of the University as progressive, outward facing and relevant.

The week's theme was 'Healthy individuals, healthy communities, healthy planet', and events included:

- the launch of the Centre for Translational Data Science
- a student innovation challenge
- the first Sydney Partner Engagement and Research (SPEAR) workshop for external partners and Sydney researchers, with the theme 'partnering to transform mental health and wellbeing'.

The Sydney Teaching Colloquium included 'experiments in learning and teaching' with contributions covering the new massive open online courses (MOOCs), health education and student generated educational resources.

2016 VC Excellence Awards

The University's Vice-Chancellor's Awards for Excellence in teaching and research recognised 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.

National grants

A number of University of Sydney academics were awarded federal government Office of Learning and Teaching (OLT) grants in 2016, providing them with the opportunity to work on key issues facing Australia's higher education sector in the area of employability, learning support and academic honesty.

Associate Professor Fran Waugh, from the Faculty of Arts and Social Sciences, received an Innovation and Development Grant for leading a project entitled *The contribution of becoming reflective on the employability of teachers and social workers*. This project will assess the transferability of learning outcomes between different settings in education and social work professions in Australia, England and Scotland.

Dr Abelardo Pardo, from the Faculty of Engineering and Information Technologies, led a Strategic Priority Commissioned Project entitled *Scaling the provision of personalised learning support actions for large student cohorts*. This project aims to develop approaches to high quality personalisation in large student cohorts.

As well, Pearl Rozenberg, from the University of Sydney Business School, partnered with colleagues from the University of South Australia on a Strategic Priority Commissioned Project, examining contract cheating among students, titled *Contract cheating and assessment design: exploring the connection*.

Quality of student cohort

The University of Sydney continues to make the most offers to the highest achievers in a given year. Our number of offers to those with an ATAR of 99.95 (or equivalent) is still greater than the total offers made to this same cohort by all of our other UAC competitors combined.

Aboriginal and Torres Strait Islander students

The University of Sydney undergraduate offers to Aboriginal and Torres Strait Islander students have increased 33.3 percent over the last five years (from 60 to 80 applications). In 2016, the University responsively broadened Widening Participation and Outreach initiatives within the Global Student Recruitment and Mobility portfolio and has reinvigorated pre-tertiary engagements that encourage Aboriginal and Torres Strait Islander student access, participation and achievement.

Widening Participation and Outreach recently won the inaugural University of Sydney Wingara Mura Excellence award at the Vice Chancellor's Awards for Excellence for their pre-tertiary focused work in preparing, motivating and engaging Aboriginal and Torres Strait Islander school students with the support of their communities, to access, participate and succeed in higher education.

Our engagement continues to be sustained across complementary delivery models including outreach and recruitment, and campus and online engagements with young people, their parents, schools and communities. 475 Aboriginal and Torres Strait Islander high school students were engaged across Widening Participation and Outreach programs in 2016. At Explore Uni 2016, 182 Year 7 and 8 Aboriginal and Torres Strait Islander students from 19 schools were engaged in activities facilitated by 16 faculties to explore and encourage powerful links between interests, higher education and careers.

The award-winning Wingara Mura – Bunga Barrabugu summer and winter programs continue to enable students to feel confident about university being a place for them through an immersive experience of university life, encourage student confidence to continue their journey to higher education through effective peer support and access to academic skills enrichment and expertise, to enable students to make informed decisions about their futures. The Summer Program hosted 200 students in two separate, concurrent programs, up from 177 participants in 2015. In 2016, there were 39 student participants involved in the Winter Program, representing a 77 percent increase in student numbers from the previous program, hosted in 2015.

University of Sydney student volunteers and student leaders continue to critically support and facilitate

many pre-tertiary engagements with Aboriginal and Torres Strait Islander students. These mutually beneficial engagements support the development and practice of key Sydney graduate attributes. In 2016, more than 120 University of Sydney student leaders and volunteers were involved in more than 1200 Aboriginal and Torres Strait Islander student-focused engagements.

Outreach and engagement activities were significantly supported by academic resources and tools available digitally through a secondary student-focused A*STAR e-magazine, reaching more than 70,000 students in 2016, an increase of 337 percent on 2015. Online academic tutorial support was made available to Aboriginal and Torres Strait Islander students through YourTutor, with 427 responses to academic queries in 2016, up 168 percent from 2015.

A total of 44,238 students completed their HSC in 2015. Of these students, 759 identified as Aboriginal and Torres Strait Islander and 333 of these students selected the University of Sydney as a preference. A total of 160 of them received an ATAR of 60 and above. The University made 80 offers to these students, with 68 accepting and enrolling in 2016.

In 2016 at the University of Sydney there were 382 Aboriginal and Torres Strait Islander students enrolled in undergraduate and postgraduate courses and 132 commencing students. This represents an increase of 14 percent over 2015. The Cadigal and Pemulwuy alternative entry schemes continued to provide an effective pathway to university for many students.

The University continues to develop and extend critical collaborative industry and community partnerships to co-create innovative learning experiences and opportunities, leverage knowledge, expertise and best practice to maximise positive outcomes for the target cohort. We are looking forward to working with many new schools and communities across NSW metropolitan and regional geographic hub centres in 2017.

The Cadigal access and pathway program includes an orientation and academic enrichment course before the University's Orientation Week. This program delivers academic skill workshops to prepare students academically and socially before University commences. Cultural activities and visits

to local community organisations are conducted during the two weeks to encourage and empower students to embrace their cultural identity and connect with the local Aboriginal services in the community. This program contributes to a sense of belonging to the University, which is essential to retention of Aboriginal and Torres Strait Islander students and their success.

The Aboriginal and Torres Strait Islander student support team provides a range of ongoing support to students, closely monitoring them throughout the year to ensure they are keeping on track and up to date with their study requirements. The expansion of staff in this area in 2016 saw a 21 percent increase in the services provided compared to 2015.

A core support program we offer is the Indigenous Tutorial Assistance Scheme (ITAS). In 2016 ITAS was widened to cover both undergraduate and graduate students. This saw a 62 percent increase in the number of students participating in ITAS to 125, with almost 5000 occasions of service provided during the year.

We have expanded our tutors' development opportunities by delivering cultural competence training sessions to more than 90 tutors in 2016. These sessions take place at the start of each semester to ensure all tutors work with our students in a culturally sensitive manner and gain a sense of confidence and empowerment.

A peer-mentoring program, Mentoring Our Brothers and Sisters (MOBS), was developed in 2016 for a rollout in 2017. This program has been designed to support all commencing undergraduate students and assist with the students' transition to Sydney and offer guidance with personal, cultural and academic issues. This program aims to enhance the first-year experience and provide opportunities for volunteer peer mentors to build leadership capabilities and access training and development programs.

We awarded 12 Aboriginal and Torres Strait Islander Entry Scholarships of \$10,000 for first-year students who have an ATAR of 85 or above.

At the end of 2016 we launched our First Year Indigenous Student Accommodation guarantee, which includes a significant scholarship to offset accommodation costs. More than 30

accommodation guarantees were reserved in both catered and non-catered accommodation for the 2017 student intake.

International scholarships

In an effort to attract the finest international minds, in 2016 we offered approximately \$1.5 million worth of academic merit scholarships through the Vice-Chancellor's International Scholarship Scheme. The scheme provides international student recipients with first-year tuition and is open to high-achieving international students studying either an undergraduate or postgraduate coursework program. Successful recipients came from China, India, Bangladesh, Pakistan, the US, France, Vietnam, Indonesia, among others.

Sydney global mobility

The University of Sydney has the second largest student mobility program in Australia, as was reported in the 2015 Australian Universities International Directors' Forum National Student Mobility report, released in 2016. The Australian national sector average for student mobility was 13 percent, while at the University of Sydney it was 21 percent.

Student transition, progression and retention

We continued to expand the student transition, progression and retention program, targeting more than 8500 first-year students, with additional, in-person individualised advice and assistance for more than 3000 students with particular academic and social challenges in their first semester.

The on-campus orientation and transition programs complement our significant stakeholder engagement and partnerships for first-year students, including strategic linkages with StudyNSW, City of Sydney, Australian Federal Police International Beach soccer programs and the International Student Welcome desk at the International Airport arrival hall.

University-wide early intervention initiatives targeting at-risk students continued to deliver pleasing results, with a Department of Education report on completion rates indicating that the

University has the highest student completion rate in NSW over a nine-year period and second highest nationally over a six-year period.

Supporting students with disabilities – moving towards universal access

In 2016, we transitioned all faculties across the University to the Academic Plan model of support for students registered with Disability Services, ensuring consistency in the provision of support for students registered with this unit.

Academic plans outline a student's required adjustments, personalised to the requirements of their units of study for each semester, which provides the student with a valuable study management and academic success tool.

For faculties the Academic Plan assists with forward planning of resources for the support of students registered with Disability Services and provides important information about inclusive teaching and assessment practices.

Support for international students

We continued to expand and finesse the Careers and Employability program for international students, in recognition of the particular contextual and skills challenges these students face in adapting to our local recruitment market. We held bespoke employability forums for international students: Innovation in Careers; International Students Employability Forum; Building your Networks in Australia and China, with more than 500 students attending each event. We also collaborated with other NSW-based universities to offer an International Student Employability Forum at the Sydney Town Hall as well as an interchange, a program aimed at developing entrepreneurial skills.

Housing and access

The University was a winner at the 2016 Australasian Association of College and University Housing Officers awards for excellence – Housing Operator of the Year, a significant industry award in recognition of excellence in innovation and operations.

Student Centre

Our Student Centre (designed by Geyer and opened in November 2015) was the Gold Winner of the Sydney Design Awards + Summit 2016 for the Interior Design – Public or Institutional. In 2016 the centre handled more than 325,000 emails, in-person and telephone enquiries.

The Higher Degree by Research (HDR) Administration Centre (opened in November 2016) supported the submission of more than 3800 progress reviews and managed thesis submissions for more than 1000 HDR students in 2016.

The processing of Special Consideration and Special Arrangement was also centralised (from Semester 1, 2016) to promote more consistent outcomes for students, with 9969 students submitting requests for 39,986 individual assessment components across 2988 units of study. Processes were also introduced to link students applying for consideration to Support Services.

Cultural competence

Cultural competence as a graduate and staff quality is an anchoring feature of how the University envisions a distinctive Sydney education. In 2016 significant resources were dedicated to developing and supporting:

- interdisciplinary service learning opportunities with Aboriginal communities
- online learning environments as a site for extra-curricular cultural competence learning
- academic professional development through symposia and networks
- restructuring within the organisation to underpin a more robust platform for cultural change.

Over the course of 2016 the National Centre for Cultural Competence (NCCC) focused its efforts on innovative online resource development and face-to-face workshops with diverse groups of students and staff. This included four online cultural competence modules for University staff and students, a globally available online course on 'Aboriginal Sydney' through the Coursera Massive Open Online Course (MOOC) platform, and the rollout of face-to-face workshops for staff comprising 'Sense of self and emotional wellbeing', 'Foundations of cultural competence' and 'Foundations of racism'.

In 2016 two cohorts of University of Sydney students undertook service-learning projects in three service hubs located in Aboriginal communities around Australia. These projects were a model of quality educational experiences that develop student capacity to operate effectively and ethically in cross-cultural environments. Feedback received from community members and students on the value of the projects was extremely positive. To support the integration of the service-learning model into degree structures, the Interdisciplinary Board of Studies approved a new Service Learning unit of study.

The new Indigenous Studies major, an innovative interdisciplinary program in which students enjoy unique opportunities to develop a deep understanding of Aboriginal and Torres Strait Islander histories, cultures and knowledges, was introduced in 2016. Demand for places is high.

Student enrolments 2016

Data as at 31 March 2016

Undergraduate enrolments by attendance and gender			Postgraduate enrolments by attendance and gender		
Attendance type	Gender	Enrolments (UG)	Attendance type	Gender	Enrolments (PG)
Full-time	Women	16,567	Full-time	Women	9,070
	Men	12,442		Men	6,498
	Non-gender specific	11		Non-gender specific	5
Part-time	Women	2,384	Part-time	Women	4,530
	Men	1,975		Men	3,221
	Non-gender specific	6		Non-gender specific	5
Grand total		33,385	Grand total		23,329

Undergraduate enrolments by course level		Postgraduate enrolments by course level	
Course type	Enrolments (UG)	Course type	Enrolments (PG)
Bachelor (Grad Entry)	917	Higher Doctorate	2
Bachelor (Hons)	2,753	Doctorate (Res)	3,744
Bachelor (Pass)	28,468	Doctorate(Cw)	40
Diploma (UG/Assoc)	191	Master (Res)	1,017
Non-Award (UG)	939	Master (Cw)	16,679
Cross-Inst (UG)	89	Graduate Diploma	849
Enabling Course	28	Graduate Certificate	772
Grand total	33,385	Non-Award (PG)	186
		Cross-Inst (PG)	40
		Grand total	23,329

Enrolments by faculty of course registration and course level

Faculty of registration	Postgraduate	Undergraduate	Total
Agriculture and Environment	145	502	647
Architecture, Design and Planning	757	759	1,516
Arts and Social Sciences	2,211	6,891	9,102
Business (Business School)	5,781	3,874	9,655
Dentistry	451	110	561
Education and Social Work	1,187	2,041	3,228
Engineering and Information Technologies	2,176	4,672	6,848
Health Sciences	1,426	2,872	4,298
Law (Sydney Law School)	1,686	595	2,281
Sydney Medical School	4,303	322	4,625
Nursing and Midwifery	734	1,058	1,792
Pharmacy	401	1,054	1,455
Science	1,215	5,639	6,854
Sydney College of the Arts	211	403	614
Sydney Conservatorium of Music	229	759	988
Veterinary Science	313	1,048	1,361
University Programs*	103	786	889

*'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 2016 for consistency. Source: Institutional Analytics and Planning

Research and innovation

In 2016 we supported the research of more than 6400 academic staff across one of Australia's broadest ranges of disciplines.

Considerable progress was made in executing the key research excellence initiatives from the Strategic Plan 2016–20, supported by new investment that grows to \$150 million annually by 2020. Key initiatives were put in place to support research excellence, identify strategic priorities, establish core infrastructure and platforms, design processes for attracting and retaining high-quality researchers and staff and develop partnerships at home and abroad. Taken together, these initiatives provide a framework for pursuing our strategic ambitions for research.

We added the Centre for Translational Data Science to our whole-of-University 'grand challenge' multidisciplinary initiatives, building upon the success of the approach exemplified by the Charles Perkins Centre, the Brain and Mind Centre, the Australian Institute for Nanoscale Science and Technology, the Sydney Environment Institute, the Marie Bashir Institute, the Sydney Cancer Network, the China Studies Centre and the Sydney Southeast Asia Centre.

Our research is driven by the big picture. We take a problem and look at it from all angles, combining the expertise and talents of scholars from many disciplines to provide tangible benefits to the wider community, both locally and internationally. For more information about the impact of our research, visit sydney.edu.au/research

National competitive grants success

Each year our researchers submit successful applications for funding from granting bodies listed on the federal government's Australian Competitive Grants Register. In 2016, we were confirmed as the third-highest recipient of competitive funding in Australia in 2015. The primary sources of competitive funding were grants awarded by the Australian Research Council (ARC) and the National Health and Medical Research Council (NHMRC). We attracted new ARC grants and fellowships starting in 2016 and totalling \$38.1 million over the life of the awards, including:

- 16 Discovery Early Career Researcher Awards (DECRA) (\$5.3 million over three years)
- 58 ARC Discovery Projects (\$22.4 million

over the life of the grants)

- 12 ARC Linkage Grants (\$4.7 million over the life of the grants, plus at least \$11.4 million that includes cash and in-kind contributions from partner organisations)
- ARC Linkage Equipment funding for five University-led projects (\$2.2 million plus cash and in-kind contributions from partner organisations).

New NHMRC project grants and fellowships starting in 2016 totalled \$92.7 million over the life of the awards, including:

- 49 project grants, with two new investigator grants among them (\$49.3 million over the life of the grants)
- three Centres of Research Excellence (\$7.5 million) – two development grants (\$1.2 million) and three partnership projects (\$3 million)
- fellowships (\$16 million), including 11 early-career fellowships (nine in Australia and two overseas), nine career development fellowships, eight established career fellowships, four practitioner fellowships and a Translating Research into Practice fellowship.

Excellence in Research for Australia

The 2015 ERA rated our research at 'world standard or above' in all 22 broad discipline areas in which we were rated (21 were rated 'above and well above world standard'). We scored well above the world average, with a maximum score of five across a wide spectrum of academic disciplines. The University had very strong outcomes in the humanities, social sciences, medical and physical sciences, and in key multidisciplinary areas, which reflects the depth and breadth of quality of our research. We are placed second nationally (at the four-digit level) in the number of 'fields of research' ranked at the highest level, 'well above world standard', with an increase of 41 percent over the 2012 ERA. We have volunteered to participate in the ARC Research Impact and Engagement pilot in 2017.

Sydney Research Excellence Initiative

In 2016 the key elements of the Sydney Research Excellence Initiative (SREI) were put in place, including:

- a new Compact process for supporting faculty research strategies and their intersection with our multidisciplinary

- initiatives over the next three years
- a new fund ('SREI 2020') to seed and support disciplinary and cross-disciplinary initiatives from the 'bottom up', building on existing or potential research excellence and pre-eminence (the scheme attracted more than 200 applications, from which 21 were funded)
- consultations began on 'aspirational benchmarks' for research performance for all academic staff, as part of our ambition to build a high-performing, supportive research culture across the institution
- staff recruitment and retention and development strategies including the launch of SOAR for outstanding early to mid-career researchers. The first cohort will commence in 2017 with a two-year personalised program of research development support, structured mentoring and funding to support their research, innovation and development plans.

Work will continue in 2017, with the rollout for SREI 2020 funding and the Sydney Research Accelerator (SOAR) program, and the addition of the Robinson Fellowships, a new fellowship for selected outstanding early-career researchers to transition to tenure track positions. We will launch the Sydney Policy Lab and the Sydney Knowledge Hub.

Commercial income

We secured signed contracts in 2016 with a total value of \$102.8 million – 60 percent more than 2015. Commercialisation income for the year was \$2.7 million. There were 126 new records of invention reported to the Commercialisation Office of the University, compared with 96 in 2015. Around 14 new commercialisation deals were done during the year.

Our new partnership with Uniseed – a fund specifically for commercialising early-stage intellectual property produced by research institutions – saw 15 opportunities presented for investment consideration. Three technologies are currently being actively progressed and investment has been made in the spin out 'MetaBloq' from the Centenary Institute and the University of Sydney.

The inaugural round of the Industry and Community Engagement seed fund selected 20 projects for 2017 to receive more than \$1.2 million, including almost \$800,000 from industry partners such as Woolworths, NSW Police and the Australian

Electoral Commission. Business development managers were embedded into five key faculties to work closely with academics and double the number of researchers that are involved with industry engagement and commercialisation by 2020.

The Centre for Translational Data Science

The launch of the centre during Innovation Week marks our commitment to using our valuable research data to improve lives and benefit society. Data is the currency of the digital age and is changing how we live. The centre will focus on solving challenges such as crime prevention, reducing youth unemployment, advancing medical treatment and industry efficiency.

The centre is one of only a few worldwide using data for 'translation' – interpreting the data to solve real-world problems, including the creation of tools and software that can address economic and social challenges. The creation of the centre will enable data expertise – typically in engineering, physics and health research – to leverage research across a much wider range of disciplines, from criminology to nursing, psychology, government, veterinary science and geoscience.

The centre positions the University to lead this area, including training a new generation of researchers in data-driven science.

Confirming our commitment to the significance of data, we appointed Associate Professor Gareth Denyer as Research Data Steward – the first in Australia – to lead the promotion of best practice in research data management, oversee the University's management and curation of research data, and connect researchers to University support tools. During 2016 we made submissions to, and appeared at, the Productivity Commission inquiry into the access and use of public data.

Australian Institute for Nanoscale Science and Technology (AINST)

AINST launched in April 2016 with three days of events hosted at the new \$150 million Sydney Nanoscience Hub building. Events included a public lecture by Harvard Professor Joanna Aizenberg, the official opening ceremony with talks from Professor Andy B Holmes – President of the Australian Academy of Science – and Mr Doug Cameron from

Microsoft, and a two-day Scientific Meeting featuring presentations from world leaders in nanoscience. The AINST launch gained wide coverage through an exciting media outreach program, with an audience of more than 5,960,883 reached through 47 press and broadcast clips. The hub houses key enabling capabilities and state-of-the-art research infrastructure, bringing together the design, fabrication, characterisation, measurement and application of devices, structures, and systems at the nanoscale.

Core research facilities

In 2016, the University fully established its core research facilities program in the Research Portfolio under the academic directorship of Professor Simon Ringer.

The program recognises the link between research excellence and excellence in research capacity, and ensures careful, deliberate planning and resourcing to deliver an integrated suite of core research facilities that support our research infrastructure needs and ambitions.

Facilities are academically led, world class and user focussed and capabilities are available to researchers from Sydney and beyond. These facilities position the University as the partner of choice for major strategic partnerships. They couple sophisticated equipment and instrumentation with excellent technical and scientific support staff. The University operates seven core research facilities:

- Sydney Cytometry
- Sydney Mass Spectrometry
- Research and Prototype Foundry
- Sydney Imaging
- Sydney Informatics Hub
- Sydney Microscopy & Microanalysis
- Vibrational Spectroscopy Core Research Facility.

2016 highlights included:

- the opening of the Research and Prototype Foundry – the University’s world-class nanofabrication facility. With the commissioning of state-of-the-art instrumentation for photolithography and electron beam lithography, the foundry is set to grow into a major contributor to University research.

- The establishment of the Sydney Informatics Hub, a major new core research facility supporting researcher needs in data analytics, visualisation, high-performance computation via the University’s flagship high-performance computer, Artemis, informatics, and software and services. This exciting new capability contributes to a wide range of our research, from the social sciences and humanities, and across the sciences, medicine and engineering, and it has been established alongside the Centre for Translational Data Science, enabling synergies between research and research services in the area of data science and analytics.
- Artemis and the High Performance Computation Grand Challenge Priority Scheme. The capacity of Artemis has tripled thanks to a recent \$2m upgrade, giving a major boost to University researchers who do resource-intensive modelling, data processing and analysis. The Artemis grand challenge scheme was launched, and it delivered dedicated access to HPC time on Artemis for up to four years for research, ranging from computational chemistry and chemical engineering to transport logistics, gene and stem cell research, and fluid dynamics. It is the leading HPC resource allocation scheme nationally.

Rankings strategy

Significant progress was made in data cleansing and verification in partnership with Scopus and Clarivate Analytics (formerly known as Thomsons-Reuters), enabling the addition of six University of Sydney academics to the Thomson Highly Cited Researcher list. These initiatives increased the accuracy of citation data and maximise the impact of our current and past research performances in key international rankings. The University of Sydney ranked:

- first in Australia and fourth globally in the 2017 Quacquarelli Symonds (QS) Graduate Employability Rankings, which assess industry collaboration and student employment outcomes
- second in Australia and 45th globally in the US News Global University Rankings in 2016
- 46th in the world in the prestigious QS World University Rankings 2016-17, cementing our position among the top 50 universities worldwide
- third in Australia and 60th globally in the Times Higher Education (THE) World University Rankings 2016-17, well within the world’s top one percent of higher education institutions

- in the world’s top 100 across six disciplines in the THE 2016–17 World University Rankings by Subject – clinical, pre-clinical and health (35); arts and humanities (49); business and economics (51), engineering and technology (83), life sciences (60) and social sciences (56).
- first in Australia and 28th globally in the new Reuters’ innovation ranking – ‘Top 75: Asia’s Most Innovative Universities’.
- fifth in Australia and 82nd globally, a jump up from 101–150, in the Academic Ranking of World Universities (ARWU) 2016.

The Halliday Project 2016

2016 saw a visible hallmark of the Brain and Mind Centre strategy: recruiting successful and established teams of researchers in alignment with its transformational and translational aims. An unprecedented recruitment effort brought close to 50 staff and students into the University community. The Glenda Halliday, John Hodges and Olivier Piguet teams strengthen our capacity to find solutions to the problems of the ageing brain and dementia. The teams brought with them 17 program and project grants, including nine fellowships worth in total approximately \$30m.

The core University support team spanned three faculties and every professional services unit: HR, Finance, ICT, Campus Infrastructure and Services, the Office of General Counsel, Marketing and Communications and Alumni and Development. Many of these teams reviewed, revamped and simplified their processes to bring these researchers into our University, and those learnings are now being reviewed and promulgated for greater institutional learning.

Global engagement strategy

Following the appointment of Professor Kathy Belov as the Pro-Vice-Chancellor (Global Engagement) in January 2016, the Office of Global Engagement, Research Portfolio and Global Mobility teams developed the Top 100 Report, which reviewed our current engagement with the highest ranked global universities and developed a strategy for prioritising partnerships based on research metrics, disciplinary alignment and opportunities for staff and student exchange and joint educational programs.

Partnership agreements have been signed with the University of Hong Kong, the University of California, Davis, Glasgow University and the University of Edinburgh. A partnership with Utrecht University will be signed in April and with National Taiwan University in June. A partnership agreement with the University of Toronto is being negotiated. Existing agreements with the University of Geneva and INSERM (France) are being refreshed to widen scope and increase funding opportunities. These traditional partnership agreements include co-funding from both research institutions for joint research programs, mobility of staff and students and research workshops. Joint teaching programs will also be developed.

Partnerships with other top universities, such as the University of California, San Diego, University College London, Harvard University are starting via workshops, to strengthen engagement, before progressing to joint research programs or mobility schemes.

Student mobility super-partnerships are being aligned with priority partnerships – with negotiations underway with the National University of Singapore, Toronto, Copenhagen and Utrecht.

Activities within engineering-led research alliances with Shanghai Jiao Tong University, the Indian Institute of Technology Madras and Tsinghua University continue at a consistent pace. Finally, the University of Sydney Centre in China (in Suzhou) was successfully launched in November and will facilitate greater collaboration with top universities and industry partners in China.

Development and engagement

The story behind philanthropy

In 2016, more than 13,000 donors gave \$105 million, the second year in a row donor generosity exceeded \$100 million. Since the INSPIRED campaign began in 2008, our donor cohort has grown to a 50,000-strong community.

In 2016, some of our most transformative gifts included:

- \$35 million from the Susan and Isaac Wakil Foundation to enable the construction of the main building within the University of Sydney's proposed Health Precinct. This is the largest ever donation to the University of Sydney.
- \$10 million from Dr Guangwei Liang to establish the Dr Liang Voice Program, focused on voice rehabilitation.
- \$5 million from the Ian Potter Foundation to help fund the University's new Chau Chak Wing Museum, together with a donation of \$1 million from the Nelson Meers Foundation and \$750,000 from Penelope Seidler AM.
- \$3 million from CLEARbridge Foundation to establish a Musculoskeletal BioBank and Registry to contribute to research into musculoskeletal conditions.
- \$2 million from Len Ainsworth to preserve the University's significant and historic collection of medical pathology specimens and create the Ainsworth Interactive Collection of Medical Pathology.
- \$2 million from ophthalmologists Doctor John Sarks and Doctor Shirley Sarks for the management of the Sarks Eye Tissue Collection, an important archive of human eye tissue which they donated to the Save Sight Institute.
- \$1 million from Anne and Mark Lazberger to establish the 'Lazberger Initiative', which supports Indigenous Service Learning Hubs, and will also provide hundreds of student service learning placements over the next five years as part of the University's commitment to cultural competence and community development.
- \$812,000 for a five-year lectureship in Tibetan Buddhism jointly funded by the Khyentse Foundation, the University Buddhist Education Foundation, and the Aberaldie Foundation.
- \$500,000 from Gaetano Boncardo to endow the Adamo and Francesca Boncardo Equity Scholarships to help students from financially disadvantaged backgrounds succeed at University.
- \$500,000 from Mary and David Frecker to support research in medical imaging with the creation of the Frecker Medical Imaging Laboratory at the Charles Perkins Centre.
- \$500,000 from CLEARbridge Foundation, given in honour of musician Richard Pulley to the Sydney Conservatorium of Music's successful 'buddy program', which aims to bridge the gap between city and regional music conservatoriums.

The University continued to build crowdfunding in 2016 with eight projects completed on the crowdfunding platform – raising a total of \$42,977.95. Two of the most successful crowdfunding projects in 2016 included the Refugee Language Program, which funds free language classes, mentoring and social activities for refugees, and the Animal Welfare Outreach Program, a free, pop-up veterinary service for homeless people that is staffed by volunteers including veterinarians, veterinary nurses and University of Sydney vet students.

Last year the University's 24-hour fundraising campaign, Pave the Way, also saw an unprecedented 2300+plus donors join the campaign in support of University priorities.

International promotion

Overseas visits made by the Vice-Chancellor, members of the Senior Leadership Team for the purposes of promoting the University:

By the Vice-Chancellor

26–30 January: China

- Meetings with Ministry of Science and Technology, Shanghai
- University development activities, Guangzhou

2–14 April: Europe

- Worldwide Universities Network (WUN) annual meeting, Maastricht
- UK alumni event, London

17–19 April: Greater China

- Quality Assurance Council meeting and university governance meeting, Hong Kong

5–10 September: Greater China

- Announcement of partnership with University of Hong Kong

9–16 November: China

- Launch of Suzhou Centre, graduations and alumni events (with Chancellor, DVC Research, DVC Education, PVC Global Engagement, Vice-Principal Advancement and Deans of Science, Engineering and IT, Pharmacy, Business School, Nursing and Midwifery, Health Sciences, Education and Social Work)

21–25 November: China

- Australia-China High Level Dialogue

By members of the Senior Leadership Team:

22–28 March: United States

The Provost

- APRU Provosts' Forum, Seattle

23–29 March: United States

Vice-Principal Advancement: United States

- Development activities, Los Angeles

4–11 April: Middle East

PVC Global Engagement

- NSW Premier's mission to Israel

10–18 April: South America

DVC (Indigenous Strategy and Services)

- Visit to Pontificia Universidad Catolica de Chile and meetings with government officials and university representatives in Peru

24–29 April: Greater China

PVC Global Engagement

- APRU/Asia Pacific Women in Leadership round table on gender equity, Hong Kong
- Visits to the Chinese University of Hong Kong and the University of Hong Kong

30 April – 9 May: Europe

DVC Research

- Meetings with potential industry and university partners – Netherlands, Switzerland, Scotland

29 May – 12 June: China and United States

PVC Global Engagement

- Guangzhou-Sydney Sustainability Forum and visit to Sun Yat-sen University
- Meetings with potential partner universities in California

18–24 June: Europe

DVC Registrar

- Partnership agreement with University of Copenhagen, Denmark

25–28 June: Southeast Asia

PVC Global Engagement

- APRU conference

14–19 July: United States

Vice Principal Advancement

- SUGUNA conference, California

21–23 August: Southeast Asia

DVC Research

- Australia-Indonesia Centre board meeting, Surabaya, Indonesia

4–9 September: Greater China

PVC Global Engagement

- Meetings with potential partners, Taiwan, Hong Kong, Shenzhen

16–23 September: United States

PVC Global Engagement

- Meetings with UC Berkley and University of British Columbia

25–30 September: Iran
DVC Indigenous Strategy and Services

- Austrade delegation to Iran

26 October – 16 November: UK and China
PVC Global Engagement

- Visits to UK universities and Suzhou events

27–31 October: Southeast Asia
DVC Registrar

- Signing of partnership agreement with NUS

27 November – 8 December:
China and North East Asia
DVC (Indigenous Strategy and Services)

- Meeting with State Ethnic Affairs Commission, China
- Visit to Hokkaido University, Japan

10–13 December: China
DVC Research

- Global Confucius Institute Conference, Kunming

Service Learning

In 2016 the University embarked on an important, inventive and impactful new initiative: Service Learning in Indigenous Communities. This represents a national first in Aboriginal and Torres Strait Islander higher education. Importantly, Service Learning positions the University as a leader in efforts to establish a new relationship between Aboriginal and Torres Strait Islander communities and the higher education sector by establishing a wholly new partnership deal. Service learning occurs in a Service Learning Hub and hubs are the expression and structure of this new partnership.

This year we established two Service Learning Hubs, the first with Gundjeihmi Aboriginal Corporation on behalf of the Mirarr people in Kakadu National Park and the second with the Murdi Paaki Regional Assembly representing 16 communities in far-west NSW.

Service Learning offers our students and Aboriginal and Torres Strait Islander communities inventive opportunities to take their theory and education into the real world, to address complex and thought-provoking projects in intercultural settings.

The project in Kakadu engaged 10 students in a project to develop for Mirarr an effective, culturally competent and fair model for shared decision making and benefit sharing. The response from Traditional Owners to the work of students was astounding: “There have been thousands of pages written by academics about Kakadu and none of it has been useful, but we are going to use your work tomorrow.”

Nine students engaged communities in Dubbo, Weilmoringle and Brewarrina on two projects: designing a new aged-care model for Aboriginal communities; and alternative energy in remote Australia. Students presented their work to the Murdi Paaki Regional Assembly and received wide and warm acclamation.

In addition to Kakadu and far-west NSW, in 2016 the University committed to establishing a further Service Learning Hub on the Tiwi Islands. The development of projects for the Tiwi Hub is well advanced and will focus on reimagining local government in remote Australia, Empowering Tiwi through a culture and capabilities framework and the creation of an effective policy matrix for local government on the islands.

The impact of Service Learning is broad, reaching students, staff, Aboriginal communities and beyond. Student reactions to the initiative have been exceedingly positive, staff have been exposed to a new dimension of learning and teaching in interdisciplinary spaces, and communities have seen practical and positive solutions to complex challenges. The impact is felt even further afield, with government and other communities looking at these initial but very positive results expressing interest in the model as a highly important innovation.

The Service Learning project benefited from a \$1 million gift from Mark and Anne Lazberger in 2016.

Our staff

Preparations for the Enterprise Agreement negotiations

Preparatory work for the 2017 Enterprise Agreement negotiations started in mid 2016 and included early engagement with senior managers to establish expectations, processes and timeframes.

The preparations included establishing the multidisciplinary team tasked with the negotiations and also provided the platform to ensure the new agreement is aligned with the goals outlined in the University's 2016-20 Strategic Plan, launched in March 2016.

HR-related policies and practices

A new Workforce Engagements and Payments Policy was introduced, providing guidance to hiring managers on the ways people can be engaged as workers at the University. The policy is the result of close collaboration between HR, the Office of General Counsel, and Finance and Procurement.

A new, streamlined Leave Policy was launched to replace four separate policies. The new policy covers provisions that are either not captured in the Enterprise Agreement or needed additional clarity.

There was also a significant review of and amendment to the Work Health and Safety Policy and Procedures to reflect improvements to the University's Safety Management System. Amendments were also made to the Code of Conduct, specifically in relation to political donations, as well as changes to the Redeployment Policy and Procedures.

A review of the Travel Policy was undertaken in collaboration with Finance and Procurement; a considerable undertaking with a number of impacts across the University.

A substantive review of the Recruitment and Selection suite of policies commenced – a key deliverable of the Talent Acquisition Program.

A number of outdated policies were rescinded and replaced with more accessible, user-friendly versions or guidelines on the staff intranet. This is part of the broader intent to simplify and streamline policies – more than 140 HR policies in existence a few years ago have now been condensed into a suite of about 40 policy documents. This is supported

by clear and accessible information on the staff intranet and other staff communication channels.

Staff engagement and culture

Results from the 2016 Staff Engagement Survey, conducted in three weeks over April and May, showed broad improvement in staff satisfaction across all categories of the survey. All benchmarked categories either increased or remained constant, in comparison with the 2013 survey results. The areas of Organisational Objectives, Leadership, and Change and Innovation all improved by a minimum of 10 percentage points.

The staff engagement score reached 76 percent, an improvement of four percentage points against 2013 results. Despite a noticeable improvement in the responses for Change and Innovation, work needs to continue to improve in this area.

Overall, the University's Staff Engagement Survey results were pleasing and, in September, the University was awarded third place in the Australian Higher Education Industrial Association (AHEIA)/Voice Project's Change Awards. This annual event recognises achievements in the levels of positive change, as evidenced in employee surveys.

The University won this award thanks to the substantial improvements in scores between the 2013 and 2016 engagement surveys, including strong increases in trust in senior leadership and greater awareness of the University's vision and strategy, along with increased confidence in the future of the University, improvements in safety, involvement, recognition, career opportunities and staff wellness.

Culture was a key component in the University's 2016-20 Strategic Plan, with a commitment to a number of strategies to improve our organisational culture. New University values were agreed: Courage and Creativity, Respect and Integrity, Inclusion and Diversity, and Openness and Engagement.

Performance planning and development

The importance of performance planning and development was recognised in the University's 2016-20 Strategic Plan, providing the focus and impetus to continue enhancements to the current suite of activities. Completions for performance planning and development for academic staff were strong, and further support will be provided to

strengthen and improve these planning discussions in 2017.

The performance planning and development process for professional staff was refreshed and successfully piloted in a number of areas.

More than 500 professional staff accessed formal learning programs through the Professional Staff Development Fund, established as part of the current Enterprise Agreement to enable “next step” development.

Leadership development

The Senior Leaders’ Induction was enriched last year and now includes three seminars and a tour of world-renowned facilities. The induction targets senior leaders new to the University or staff recently appointed to a senior leadership role. A new leadership assessment program was developed as a tailored development tool incorporating the University’s values and leadership framework. It was piloted with a range of leaders, and will form part of ongoing leadership development.

Organisational capability

Human Resources partnered with the Office of the Provost on the organisational design program. This included providing advice, facilitating workshops, engaging staff and more.

We continued to strengthen our orientation for new staff, with increased numbers participating in 2016. A range of development programs for people managers was delivered to boost leadership and management capability across the University. Online learning modules for cultural competence were launched to assist staff to increase their cultural competence capability.

Talent acquisition

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

The program gained considerable momentum throughout the year, focusing on the delivery of seven key business objectives to improve the

way the University appoints talent. These include hiring manager services, relocation and mobility support services, enabling a culture of excellence through our Employee Value Proposition, delivering simplified and robust recruitment practices, developing our people, strengthening probity and governance, and optimising technology.

Service Centre improvements

A key enhancement to support clients involved developing the skills and experience of Service Centre staff through internal exchanges and multiskilling initiatives. The result has been improved processing times and broadening the skill base and knowledge of team members.

A focus to enhance the user experience saw a number of HR-related forms removed from circulation or combined with other forms. All HR-related forms are being redesigned to incorporate interactive components and digital signatures, improving functionality and processing times. This work will continue into 2017 and beyond as we work towards streamlined, electronic processing.

Internal operational improvements have delivered financial, environmental and timeframe efficiencies; electronic flow of cases using online systems within the Service Centre has resulted in the reduction of paper use, and more efficient management of client requests.

An upgrade to Ascender extended web self-service information for staff and supervisors and now provides a platform for further enhancements in the future.

Gender equity

As part of the Women’s Career Acceleration and Leadership strategy, three new Mentoring Programs (including the Vice-Chancellor’s Sponsorship program for Culturally and Linguistically Diverse (CALD) and Aboriginal and Torres Strait Islander women) were established. In addition, five senior female academic and professional leaders also participated in the prestigious Chief Executive Women’s Development Program. All programs proved overwhelmingly successful, with measurable benefits to individual participants and to the University.

Deans and Professional Service Unit heads started local action plans to support University-wide gender targets and local area targets. Actions ranged from mentoring and sponsoring women at critical career junctures through to addressing diversity in recruitment, strategic talent sourcing and providing flexible working arrangements for all staff.

First-stage unconscious bias and inclusive leadership training for leaders was successfully implemented, with more than 450 leaders participating.

Human Resources delivered a number of high-profile events to engage staff and leaders across the University, further developing capability and awareness of the importance of celebrating our diversity and promoting inclusion. The 2016 Women at Sydney Symposium built on the success of two previous annual symposium events. There were two events in 2016: an *Inclusion and Diversity Leadership Event* and a *Women at Sydney: My Career Symposium* for all staff. These events showcased and celebrated initiatives and programs designed to increase inclusion and diversity.

Australian of the Year David Morrison and Associate Professor Michael Flood (University of Wollongong) were joined by three University of Sydney academics and a student in a Sydney Ideas debate that explored the deep issues associated with delivering real gender equality: “Accelerating gender equality – Do we need male champions of change?” The debaters discussed the latest academic research and leading corporate practice on the role of men in accelerating gender equality. More than 250 staff, students and members of the public attended the debate.

Fellowships

Eight fellowships were undertaken last year: four staff held Brown Fellowships; two staff held Thompson Fellowships; and two staff took up Laffan Fellowships. Brown Fellowships allow recipients to re-establish or enhance their academic careers after sustained primary caring duties, Thompson Fellowships recognise that women are underrepresented at senior academic levels and aim to promote and enhance the careers of academic women, while the Laffan Fellowships are awarded to University researchers who have, or have experienced, a significant disability.

Male champions of change

The University continued its association with the Founding Group of the Male Champions of Change (MCC), spearheaded by the Vice-Chancellor’s personal involvement. The Vice-Chancellor successfully called for the establishment of an MCC Working Party focused on the experiences of Culturally and Linguistically Diverse Women in Australian workplaces. The Vice-Chancellor hosted a meeting of Working Party CEOs and Implementation Leaders to be briefed by the Race Discrimination Commissioner on the Human Rights Commission’s Cultural Diversity and Inclusive Leadership Blueprint. This was developed in collaboration with a number of organisations, and included the University of Sydney Business School.

Science in Australia Gender Equity

The University’s official involvement in the Science in Australia Gender Equity (SAGE) Pilot Program started in late 2016, a project that aims to address the long-standing underrepresentation of women in science, technology, engineering, mathematics and medicine (STEMM).

The SAGE pilot gained momentum both within the University and nationally last year. The pilot now includes 40 universities and research institutes across Australia, including seven of the Go8 universities. The Vice-Chancellor confirmed he will be the Executive Sponsor of the SAGE program. The University’s Institutional Bronze SAGE application is due to be submitted in January 2019 with a goal to submit for Institutional Silver by 2023.

LGBTIQ inclusion initiatives

The Ally Network continued to grow and was enhanced with a number of important activities. In 2016 this included the University’s first entry in the the Sydney Gay and Lesbian Mardi Gras Parade in March. More than 70 staff and students danced their way down the parade route alongside the University’s float. Their efforts were rewarded when the team won the award for Best Choreography.

The University also marked International Day Against Homophobia and Transphobia in May with a facilitated panel discussion ‘Turning the heat up on homophobia and transphobia’, followed by a luncheon.

In August, Wear it Purple Day was celebrated and the Ally Network marked Transgender Day of Remembrance in November and World AIDS Day in December.

A pilot workshop was conducted on Sexual and Gender Diversity Awareness and 'Ally' training for staff and students, with the plan to offer further workshops to staff and students in 2017.

Disability inclusion

In the fourth year of our 2013–18 Disability Action Plan, for the first time, the University participated in the Australian Network on Disability's Stepping Into internship program by hosting two interns in professional service units across the University.

The University community celebrated Disability Inclusion Week 2016 with a program of events that raised the awareness of important disability issues such as inclusive leadership, mental health, disability employment, and challenging the negative perceptions of people with a disability. A key highlight of the week was the Disability Inclusive Leadership event with keynote speaker John Brogden AM, MC Suzanne Colbert AM, chief executive of the Australian Network on Disability, and representatives from across the University.

The Disability at Work Staff Network (DAWN) continues to grow with more than 160 members and a core group of active and engaged staff. DAWN celebrated International Day of People with Disability on 3 December with an event that showcased the Uni2Beyond inclusive education program and two new initiatives for staff. In 2016 the Steering Committee grew in membership and the network welcomed new members.

At the end of 2016 a short online learning module was developed for University staff, 'An introduction to disability inclusion'. The module provides staff with the tools for inclusive language, practices and behaviours and will contribute to breaking down systemic barriers and improving the inclusion of staff and students with disability. The online module complements the existing face-to-face sessions.

Parents and carers

The staff Parents Network continues to grow with more than 370 members, aided by four events held in 2016. The network of parents' rooms

was expanded and now includes 11 rooms across our campuses.

Culturally and Linguistically Diverse inclusion

The Vice-Chancellor's Sponsorship Program was established last year to develop and profile Culturally and Linguistically Diverse (CALD) women in leadership. In 2016, a draft CALD Strategy discussion paper was produced to provide guidance for the University to attract, engage and support staff from all backgrounds.

Aboriginal and Torres Strait Islander employment

The employment of Aboriginal and Torres Strait Islander people within the University has increased to a total of 84 (65.39 full-time equivalent positions). Twenty-five faculties or professional service units within the University employ Aboriginal and Torres Strait Islander staff. A total of 21 positions have come through the Merit Appointment Scheme (MAS).

Our initial Wingara Mura Leadership Program fellows commenced in 2016 with a total of nine staff employed through the program, constituting just under 30 percent of the Aboriginal and Torres Strait Islander academic staff employed at Sydney in 2016.

Staff wellbeing

More than 5000 staff participated in programs to promote physical and psychological wellbeing and more than 1400 staff participated in mindfulness activities. In particular, the Mindfulness Stress Release program, a six-week course where more than 180 staff members enrolled, was the focus of research on staff engagement through a collaboration between Safety Health and Wellbeing and the Brain and Mind Centre.

The resulting article, Mindfulness-based Stress Release Program for university employees: a pilot, waitlist-controlled trial and implementation was published in the *Journal of Occupational and Environmental Medicine*.

To enhance the momentum gained in staff wellbeing, our Mentally Healthy Workplace program received funding in 2016 and will form an important element of the University Culture program in 2017 and beyond.

Combined totals of academic and general staff positions 2012-2016 by appointment term and gender

	2012			2013			2014			2015			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing	1990	1735	3725	1922	1706	3628	2015	1742	3757	2063	1782	3845	2192	1884	4076
Fixed Term	1856	1430	3286	1913	1426	3339	1907	1340	3247	1853	1256	3109	1814	1204	3018
Total	3846	3165	7011	3835	3132	6967	3922	3082	7004	3916	3038	6954	4006	3088	7094

Academic staff positions 2012-2016 by appointment term, level and gender

	2012			2013			2014			2015			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
Level E & above	80	220	300	72	226	298	74	226	300	88	247	335	107	266	373
Level D	112	183	295	102	185	287	119	208	327	120	223	343	132	250	382
Level C	218	264	482	215	252	467	204	254	458	217	247	464	225	239	464
Level B	195	165	360	165	138	303	165	145	310	173	145	318	175	152	327
Level A	19	23	42	15	14	29	22	22	44	25	19	44	31	21	52
Subtotal	624	855	1479	569	815	1384	584	855	1439	623	881	1504	670	928	1598
Fixed Term															
Level E & above	40	195	235	57	196	253	61	182	243	71	169	240	78	166	244
Level D	53	94	147	76	96	172	76	94	170	77	82	159	64	75	139
Level C	119	128	247	130	126	256	134	126	260	133	123	256	131	107	238
Level B	257	192	449	246	197	443	255	195	450	238	191	429	230	187	417
Level A	302	320	622	316	334	650	325	294	619	318	270	588	316	262	578
Subtotal	771	929	1700	825	949	1774	851	891	1742	837	835	1672	819	797	1616
Total Academic	1395	1784	3179	1394	1764	3158	1435	1746	3181	1460	1716	3176	1489	1725	3214

General staff positions 2012-2016 by appointment term, level and gender

	2012			2013			2014			2015			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
HEO 10 and above	89	78	167	94	84	178	118	92	210	128	96	224	138	110	248
HEO 9	73	85	158	75	78	153	86	90	176	92	93	185	97	101	198
HEO 8	182	154	336	189	154	343	205	161	366	208	161	369	234	171	405
HEO 7	230	147	377	247	173	420	267	168	435	273	176	449	268	193	461
HEO 6	353	158	511	347	156	503	378	158	536	359	156	515	415	180	595
HEO 5	249	110	359	245	113	358	224	94	318	221	93	314	215	94	309
HEO 4	102	53	155	83	46	129	77	44	121	89	46	135	89	49	138
HEO 3	49	64	113	46	64	110	49	60	109	42	61	103	41	48	89
HEO 2	28	31	59	22	23	45	23	20	43	22	19	41	18	10	28
HEO 1 & below	11	0	11	5	0	5	4	0	4	6	0	6	7	0	7
Subtotal	1366	880	2246	1353	891	2244	1431	887	2318	1440	901	2341	1522	956	2478
Fixed term															
HEO 10 and above	40	72	112	48	73	121	48	70	118	55	71	126	57	67	124
HEO 9	51	33	84	42	34	76	46	37	83	41	35	76	48	32	80
HEO 8	129	68	197	134	69	203	138	53	191	121	53	174	109	46	155
HEO 7	201	95	296	184	96	280	186	90	276	167	89	256	169	95	264
HEO 6	252	106	358	263	80	343	256	79	335	256	66	322	261	67	328
HEO 5	266	82	348	271	79	350	245	68	313	223	58	281	217	58	275
HEO 4	83	21	104	82	17	99	79	21	100	80	18	98	66	19	85
HEO 3	53	13	66	53	18	71	51	21	72	64	21	85	59	15	74
HEO 2	7	2	9	7	2	9	6	2	8	6	5	11	7	6	13
HEO 1 and below	3	9	12	4	9	13	1	8	9	3	5	8	2	2	4
Subtotal	1085	501	1586	1088	477	1565	1056	449	1505	1016	421	1437	995	407	1402
Total General	2451	1381	3832	2441	1368	3809	2487	1336	3823	2456	1322	3778	2517	1363	3880

Staff level and salary ranges

As at 31 March 2016

Academic staff

Level E and above	\$183,046 +
Level D	\$142,101 - \$156,547
Level C	\$118,017 - \$136,082
Level B	\$96,344 - \$114,406
Level A	\$67,441 - \$91,520

General staff (35 hour week)

HEO 10 and above	\$118,148 +
HEO 9	\$110,528 - \$116,624
HEO 8	\$95,307 - \$107,485
HEO 7	\$85,150 - \$92,766
HEO 6	\$77,536 - \$83,625
HEO 5	\$67,384 - \$75,504
HEO 4	\$62,306 - \$65,860
HEO 3	\$54,692 - \$60,783
HEO 2	\$52,152 - \$53,677
HEO 1 and below	<= \$50,630

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 oversees all major decisions concerning the conduct of the University, including staff appointments and welfare, student welfare and discipline, financial matters and the University's physical and academic development.

Composed of 22 Fellows and chaired by the Chancellor, the Senate awards all degrees and diplomas and is responsible to the Parliament of New South Wales. The Vice-Chancellor and Principal and the Chair of the Academic Board are both ex officio members of the Senate.

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 who, with the Vice-Chancellor and other leadership staff, comprise the University's leadership team. Directors of strategic administrative areas within the University also report to the Vice-Chancellor.

The Vice-Chancellor chairs the University Executive a management decision-making body that includes the faculty deans. The Leadership Team is representative of the University's diverse academic and administrative communities and is accountable to the Senate for the academic and financial health of the University. For more information about our governance and structure, visit: sydney.edu.au/about-us/governance-and-structure.html

Principal activities

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

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

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

The University has other functions, as follows:

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

University officers (as at 31 December 2016)

CHANCELLOR

Belinda Hutchinson AM
BEC *Sydney*, FCA
Reappointed 25 November 2016

DEPUTY CHANCELLOR (currently)

Alexander (Alec) Brennan AM
BSc(Food Technology) *UNSW* MBA *City(UK)*
Appointed 5 February 2015

VICE-CHANCELLOR AND PRINCIPAL

Dr Michael Spence
BA LLB *Sydney* DPhil PGDipTheol *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 Shane Houston
PhD *Curtin*

Deputy Vice-Chancellor (Registrar)

Professor Tyrone Carlin
LLB(Hons) LLM *Sydney* MCom *UNSW* PhD *Macquarie*
Grad Dip Fin *SIA*, CA FCPA FFin

Deputy Vice-Chancellor (Research)

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

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

(Strategic Collaborations and Partnerships)

Professor Laurent Rivory
BVSc PhD *Queensland*

VICE-PRINCIPALS

Vice-Principal (Advancement)

Tim Dolan
BA *UCLA*

Vice-Principal (Strategy)

Rebecca Murray
BA MSocSc *UON*

General Counsel

Richard Fisher AM
MEc UNE LLB *Sydney*

Chair Academic Board

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

DEANS

Faculty of Agriculture and Environment

Professor Alex McBratney
BSc PhD DSc *Aberdeen* DScAgr *Sydney*

Faculty of Architecture, Design and Planning

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

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 Education and Social Work

Professor Diane Mayer
DipEd(Primary) *CAE (Mt Gravatt)* BEd DDIAE MED
UNSW PhD *USQ*

Faculty of Engineering and Information Technologies

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

Faculty of Health Sciences

Professor Kathryn Refshauge
MBiomedE PhD *UNSW* DipPhy GradDipManipTher
Cumb

Faculty of Law

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

Faculty of Medicine

Professor Bruce Robinson
MD BS MSc *Sydney*, FRACP

Faculty of Nursing and Midwifery

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

Faculty of Veterinary Science

Professor Rosanne Taylor
BVSc DipVetClinStud PhD GradCertHighEd *Sydney*

Sydney Conservatorium of Music

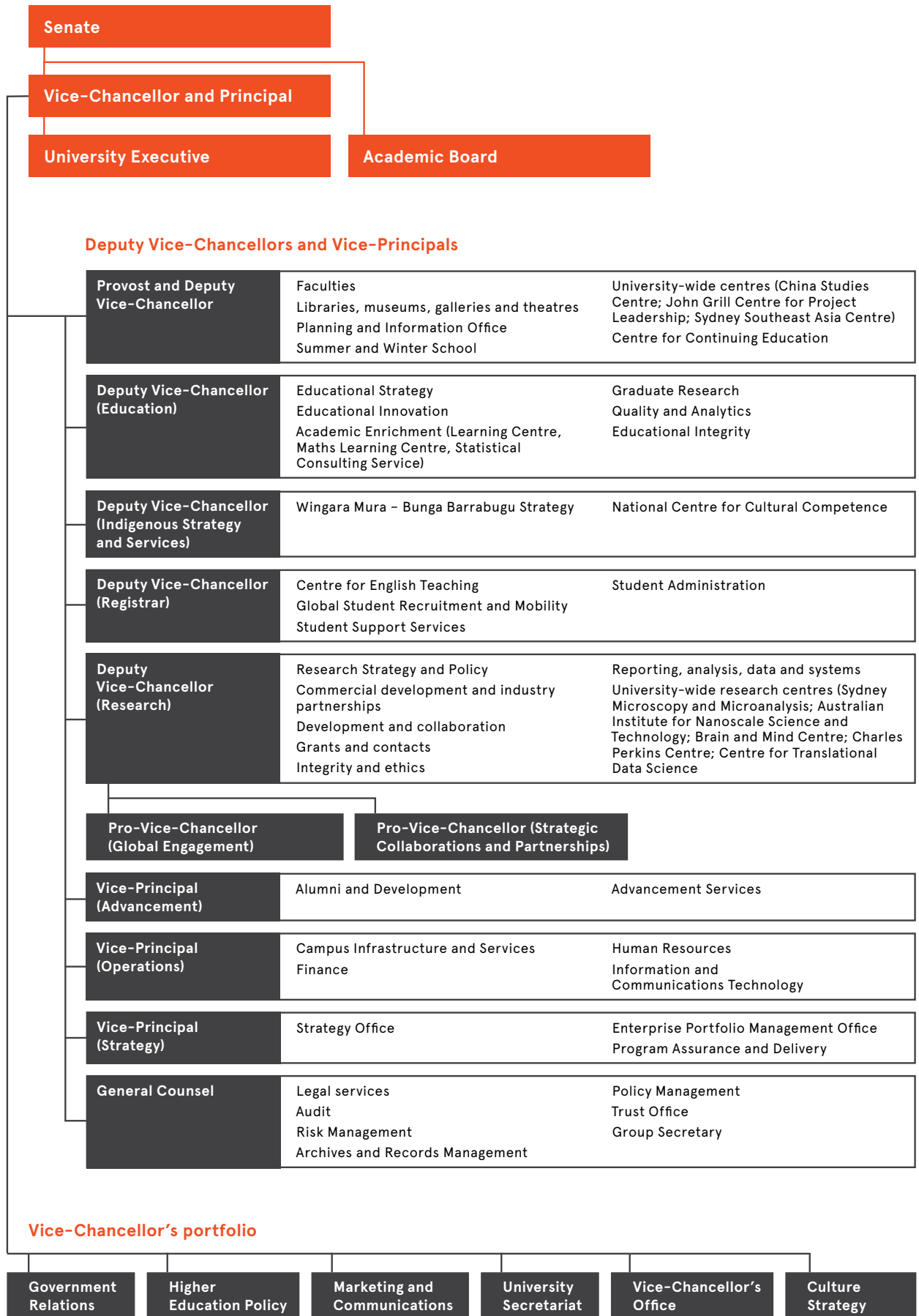
Professor Anna Reid
BMus *Sydney* MEd *UNE* PhD *UTS*

Sydney College of the Arts

Professor Margaret Harris (Acting)
MA Hons *Sydney* PhD *Lond*, FAHA

The University of Sydney Business School

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



The University of Sydney organisational chart

As at 31 December 2016

University of Sydney Senate 2016

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 2016.

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).

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

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

Composed of 22 Fellows and chaired by the Chancellor, the Senate awards all degrees and diplomas and is responsible to the Parliament of New South Wales. The Vice-Chancellor and Principal and the Chair of the Academic Board are both ex-officio members of the Senate.

In 2016, Senate:

- approved the new University Strategic Plan
- approved a new Governance Framework that includes Role Statement, Position Description for Fellows, Code of Conduct and Skills and Attributes Matrix – this was the result of the external governance review undertaken by Senate in 2015
- approved the latest business cases for the Campus Improvement Program, which included the new Life, Earth and Environmental Sciences building
- approved the creation of the new Faculty of Medicine and Health, as well as endorsing the creation of the new schools that will form the faculty
- approved a number of new Rules to assist with the organisational design project;
- held its first meeting at the Westmead precinct and toured the facilities

- noted the launch of the new campus in Suzhou
- hosted Their Majesties the King and Queen of the Netherlands to launch the Australia Holland Scholarship program.

Official members of Senate

As at 31 December 2016

Chancellor

Belinda Hutchinson AM
BEc *Sydney* FCA
(Term of office from February 2017 to February 2021)

Deputy Chancellor

Alexander (Alec) Brennan AM
BSc(Food Technology) *UNSW MBA City(UK)*
(External Fellow appointed by the Minister for Education)
(Term of office from 5 February 2015 to 31 December 2015)

Vice-Chancellor and Principal

Dr Michael Spence
BA LLB *Sydney* DPhil PGDipTheol *Oxf*
(Term of office from 11 July 2008)

Chair of the Academic Board
Associate Professor Anthony (Tony) Masters
BSc(Hons) *Melbourne* PhD *ANU*, FRACI CChem GAIDC
(Term of office from 1 January 2016 to 31 December 2017)

Pro-Chancellors

Dr Barry Catchlove AM
MB BS *Sydney*, FRACMA, FRACP, FCHSE
(Term of office from May 2016 to May 2018)

Peter FitzSimons AM
BA *Sydney*
(Graduate Fellow from 1 December 2009)
(Term of office from 23 February 2015 to February 2017)

Dorothy Hoddinott AO
MA DipEd *Sydney*, FACE FACEL
(External Fellow appointed by the Minister for Education)
(Term of office from 23 February 2015 to February 2017)

Kevin McCann AM
BA LLB *Sydney* LLM *Harvard*, FAICD
(External Fellow appointed by the Minister for Education)
(Term of office from 23 February 2015 to February 2017)

APPOINTED MEMBERS OF SENATE

Six external Fellows appointed by the Minister for Education:

Leah Armstrong

Fellow from 1 January 2014 to 31 December 2017

Ilana Atlas

LLB LLM *Sydney* BJuris(Hons) UWA

Fellow from 1 January 2015 to 31 December 2018

Alexander (Alec) Brennan AM

BSc(Food Technology) *UNSW* MBA *City(UK)*

Fellow from 1 January 2006 to 31 December 2017

Dorothy Hoddinott AO

MA DipEd *Sydney*, FACE FACEL

Fellow from 1 January 2010 to 31 December 2017

Kevin McCann AM

BA LLB *Sydney* LLM *Harvard*, FAICD

Fellow from 9 March 2010 to 31 December 2017

David Mortimer AO

BEd(Hons) *Sydney*, FCPA

Fellow from 1 January 2010 to 31 December 2017

One external Fellow appointed by Senate:

Peter Scott

BE (Hons) *Monash* MEngSc *UNSW*, HonFIEAust *MICE*

Fellow from 15 August 2016 to 30 November 2019

ELECTED MEMBERS OF SENATE

Four Fellows elected by and from the academic staff for two years to 31 May 2017:

Professor Marian Baird AO

BEd(Hons) DipEd PhD *Sydney*

Fellow from 1 June 2011

Professor Christopher (Chris) Murphy

BSc(Hons) *Adelaide* PhD Flinders DSc *Sydney*

Fellow from 1 June 2011

Professor Sharon Naismith

BA *Macquarie* Hons *Queensland* MClinPsych DPsych *Macquarie*

Fellow from 1 June 2015

Professor Jill White AM

BEd *Flinders* MEd *Sydney* PhD *Adelaide*, RN RM

Fellow from 1 June 2015

One Fellow elected by and from the non-academic staff for two years to 31 May 2017:

Jordi Austin

BA(Hons) MPsych(Clin) *UNSW*, MAPS GAICD

Fellow from 1 June 2013

One Fellow elected by and from the undergraduate students for two years to 30 November 2016:

Colin Whitchurch

BEd *Sydney*

Fellow from 22 September 2016 to 30 November 2018

One Fellow elected by and from the postgraduate students for two years to 30 November 2016:

David Jordan

BSc LLB *Sydney* LLM *UNSW*

Fellow from 1 December 2016 to 30 November 2018

Five Fellows elected by and from the graduates of the University for four years to 30 November 2017:

Dr Barry Catchlove AM

MB BS *Sydney*, FRACMA, FRACP, FCHSE

Fellow from 24 February 2016 to 30 November 2017

Peter FitzSimons AM

BA *Sydney*

Fellow from 1 December 2009 to 30 November 2017

Kathryn (Kate) McClymont

BA(Hons) *Sydney*

Fellow from 1 December 2013 to 30 November 2017

Dr Catriona Menzies-Pike

BA(Hons) PhD *Sydney*

Fellow from 1 December 2013 to 30 November 2017

Andrew West*

BA(Hons) *Sydney* MSc *Columbia*

Fellow from 1 December 2013 to 30 November 2017

(*Resigned from Senate on 7 December 2016)

Senate committees

The Senate has established the following committees to assist it with the exercise of its functions:

- Buildings and Estates Committee
- Chair Appointments Committee
- Education and Research Committee
- Finance and Audit Committee
- Human Resources Committee
- Nominations and Appointments Committee
- Safety and Risk Management Committee.

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 2016

Position	Name	Senate		BEC		E&R		FAC		HR		ICC		NAC		SRMC	
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Chancellor	Ms B Hutchinson AM	6	6	7	6	3	3	5	4	4	4	4	4	4	4	4	3
Deputy Chancellor	Mr A Brennan AM	6	6	7	7	3	2	5	5	4	3	4	0	4	4	4	0
Vice-Chancellor	Dr M Spence AC	6	6	7	4	3	2	5	4			4	1	4	3	4	2
Pro-Chancellors	Dr Barry Catchlove AM (#)	6	5											4	3		
	Mr P FitzSimons AM	6	4														
	Mrs D Hoddinott AO	6	5			3	2	5	3	4	3						
	Mr K McCann AM	6	5									4	4	4	2	4	4
Chair of Academic Board	Associate Professor T Masters	6	6			3	3	5	5					4	4		
Fellows	Ms L Armstrong	6	3											4	3		
	Ms A Atlas	6	5					5	3	4	2						
	Ms J Austin	6	5	7	6											4	3
	Professor M Baird AO (--)	6	4											4	0		
	Mr D Fogarty (+)	6	3					5	2							4	1
	Mr S Hill (++)	6	1	7	1												
	Mr D Jordan (^)	6	1														
	Ms K McClymont	6	5											4	4		
	Dr C Menzies-Pike	6	4			3	0										
	Mr D Mortimer AO	6	6									4	3				
	Professor C Murphy (##)	6	5	7	4												
	Professor S Naismith	6	5			3	3										
	Mr J Preece (^^)	6	2														
	Mr P Scott (")	6	2	7	3												
Mr A West (*)	6	4															
Mr Colin Whitchurch (**)	6	2															
Professor J White AM ("")	6	5										4	3	4	3		

A No. of meetings held
B No. of meetings attended

BEC Building and Estates
CAC Chair Appointments
ERC Education and Research
FAC Finance and Audit
HR Human Resources
NAC Nominations and Appointments
SRMC Safety and Risk Management

(#) Became a Fellow of Senate in 2016 after resignation of Graduate Fellow The Hon V Firth, appointed Pro-Chancellor and joined Nominations and Appointments Committee in May 2016
(--) No longer a member of Nominations and Appointments from March 2016
(+) Had finished degree requirements and was no longer eligible to hold the position of undergraduate student Fellow as at August 2016
(++) Had finished degree requirements and was no longer eligible to hold the position of postgraduate student Fellow as at April 2016
(^) Elected postgraduate student Fellow in September 2016 for a term commencing on 1 December 2016
(##) Became a member of BEC in July 2016
(^^) Appointed postgraduate student Fellow from July 2016 to November 2016 filling casual vacancy left by Mr Hill, was eligible to attend two Senate meetings while awaiting results from the postgraduate election
(") New Fellow of Senate appointed by Senate in August 2016 and Chair of BEC
(*) Resigned from Senate on 7 December 2016
(**) Elected undergraduate student Fellow in September 2016 was eligible to fill the casual vacancy left by Mr Fogarty
("") Appointed to Investment and Commercialisation Committee and Nomination and Appointments Committee in March 2016

New and ceased activities

CENTRES AND INSTITUTES OF THE UNIVERSITY

Closed centres

- Australian Centre for Agricultural Health and Safety was closed, effective 31 December 2016
- Finite Element Analysis Centre was closed, effective 19 July 2016
- Centre for Peace and Conflict Studies was closed and transitioned to Department of Peace and Conflict Studies within the Faculty of Arts and Social Sciences, effective 1 July 2016
- Family Medicine Research Centre was closed, effective 30 June 2016
- University of Sydney Institute for Innovation in Science and Mathematics Education was closed, effective 11 February 2016
- Centre for Research on Computer-supported Learning and Cognition was closed, effective 1 January 2016

New centres

- ACRF Image-X Institute was established effective 7 December 2016
- Institute of Open Adoption Studies was established effective 1 September 2016
- Centre for Translational Data Science was established effective 26 May 2016
- LCT Centre for Knowledge Building was established effective 27 April 2016
- Centre for Research on Learning and Innovation was established effective 1 January 2016

Newly established entity

A14 Holdings Pty Ltd, a subsidiary of the University, established Suzhou Xi Su Commercial Consulting Co Ltd in Suzhou, China, effective 8 January 2016.

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.

Senior executive remuneration

VICE-CHANCELLOR'S REMUNERATION 2016

The University's management team is led by the Vice-Chancellor. The following summarises his remuneration in 2016.

Vice-Chancellor and Principal

Dr Michael Spence

BA LLB *Sydney* DPhil PGDipTheol *Oxford*

Remuneration: \$879,327

Performance bonus paid in 2016: \$203,956

This remuneration figure includes use of a residence owned by the University. The residence is required to be available and is used regularly for official University functions and promotional activities.

TABLE 1 - Number of senior executives employed by the University of Sydney during each calendar year

	2016		2015	
	Male	Female	Male	Female
Vice-Chancellor	1	0	1	0
Deputy Vice-Chancellor	4	1	4	2
Vice-Principal	2	2	2	1
Dean	9	8	12	8

Note: The table above includes senior executives who occupied the above roles for part or all of the relevant year.

TABLE 2 - Average total remuneration package of senior executives

	2016	2015
Vice-Chancellor	\$1,083,283	\$1,057,822
Deputy Vice-Chancellor	\$577,155	\$542,246
Vice-Principal	\$504,543	\$504,842
Dean	\$408,704	\$406,249

TABLE 3 - Percentage of total employee-related expenditure relating to senior executives

	2016	2015
	1.36%	1.34%

Resources and investment

Grandstand Oval No. 2

The University's Grandstand on Oval No. 2 was completed in March 2016. Campus Infrastructure and Services worked closely with Sydney Uni Sport & Fitness (SUSF) to plan a facility that will enrich the student campus life and add to creating a healthy and sustainable campus. The grandstand's features include:

- a function centre with seating for up to 300 people
- 1100 seats for match-day spectators
- a high-performance gym and warm-up room
- four top-level player change rooms and referee change rooms
- medical and storage facilities
- SUSF offices
- a game-day canteen
- three indoor cricket nets.

University of Sydney Centre in China

The University of Sydney Centre in China was officially opened on 11 November 2016. Based in the Dushu Science, Education and Innovation District within the Suzhou Industrial Park, the centre is a multifunction research and education hub. It can be easily accessed by train from Shanghai, linking it into one of China's major connection hubs.

The centre is designed to facilitate and strengthen intellectual and creative exchange between Australian and Chinese researchers, academics and students. It consists of a seminar room that may accommodate up to 40 students, collaboration areas for students, a lounge facility for visitors and a state-of-the-art boardroom.

The centre will provide a base for University staff in China to facilitate work placements, internships and other learning opportunities for students in China, host research seminars, conferences and conventions, and provide a teaching and learning environment for collaborative programs with Chinese universities, institutes and industry.

Linley Point Boatshed

The University reconstructed a new boatshed and pontoon on the eastern shore of Linley Point on the Lane Cove River in 2016. The new shed is accessed via two ramps from the shore, with boat storage space on the bottom level and toilets, change rooms, a gym, kitchen, multipurpose room, office and more storage on the top level. The facility allows craft to be placed in the water on three sides and provides mooring for other craft associated with the Sydney University Boat Club around the deck.

The boatshed will also provide the community with additional recreational opportunities because the jetty will be open to the public throughout the year.

Demolitions

The University demolished three buildings on the Camperdown campus in 2016 in line with the Campus Improvement Program 2014-20: the Transient Building, Victor Coppleson and the QEII Building.

The Transient Building had come to the end of its useful life and the area where it once stood is now green, open space. The Victor Coppleson and QEII buildings were demolished to make way for the redevelopment of the Health Precinct Stage 1.

Development application approvals

In 2016, the University received approval from the NSW Department of Planning and Infrastructure to commence construction on three transformational buildings:

- F23 Administration Building
- Life, Earth and Environmental Science Building Stage 1, to be located at the City Road entrance to the campus, and the
- Faculty of Arts and Social Sciences Building, to be located at the Ross Street gateway to the campus.

Planning rezoning proposals: Badgerys Creek and Bringelly

The University of Sydney owns large parcels of land at Badgerys Creek and Bringelly. These lands are in close proximity to the site that has been selected as the home of the new Western Sydney Airport.

The University prepared planning proposals for the rezoning of these lands so it can realise the full economic potential of these assets and support the Australian Government's aspirations for this growing region.

In November 2016 the University submitted these proposals to the relevant local government authorities as well as to the Greater Sydney Commission for consideration and approval.

The rezoning of our land will enable the development of industry clusters in advanced manufacturing, aero-logistics, retail and other high-value functions. This significant development will drive employment in a new knowledge, research and innovation hub and will add great value to the Australian Government's economic and social agenda for Western Sydney.

The rezoning of our lands will also provide significant investment capital for the University to continue funding the growth and development of education and research at our Westmead and Camden campuses.

Broken Hill Health Clinics

The University installed seven modular buildings in schools throughout Broken Hill to treat school children and train health students in 2016.

The health hubs provide a permanent base for senior students and health practitioners to offer occupational therapy and speech pathology directly to the children of Broken Hill.

This initiative will increase service accessibility for children from country areas as well as exposing metropolitan students to rural and remote practice.

Events

The University Events Office successfully delivered more than 50 diverse events last year. Highlights include:

- official launch of the Australian Institute for Nanoscale Science and Technology and opening of the new Sydney Nanoscience Hub
- Pave the Way 24-hour fundraising campaign
- official opening of the Abercrombie Building, home to the University of Sydney Business School
- opening of the University of Sydney Centre in China
- Australian Boat Race 2016
- royal visit from the King and Queen of the Netherlands
- Honorary degree ceremony and luncheon for John Howard OM AC
- Honorary degree ceremony and luncheon for Bob Hawke AC, GCL

Operations

Strategy

The University's Work Health and Safety (WHS) strategy entered its third and final year with a continued focus on a culture of safety and wellbeing, championed by active and visible leadership. A key driver of a positive safety and workplace culture, Mentally Healthy Workplace, was funded in 2016 and will be designed and implemented through 2017.

Work health and safety governance

The Safety and Risk Management Committee of Senate, chaired by Kevin McCann, met throughout 2016 to oversee governance of WHS risk.

Work health and safety management

The University's Senior Executive Group (SEG) Work Health and Safety Committee, chaired by the Provost, met quarterly throughout 2016 to monitor University-wide WHS performance and optimise the committee's decision-making processes for University-wide WHS issues. The SEG WHS Committee will continue to meet as the UE (University Executive) WHS Committee in 2017.

Safety Management System audit

The three-year rolling Safety Management System (SMS) audit program recommenced in June 2016. Draft audit reports have been released to participating organisation units. The focus of the SMS audit program is understanding and planning corrective action to address gaps and identify key opportunities for improvement. The three-year program will finish in 2017.

WHS training

During 2016, 3773 workers completed our online WHS induction. This included 2393 employees and 1380 other workers (affiliates, contractors and volunteers). This represents a 26 percent increase in participation from 2015. Online WHS induction as a unit of study for HDR students was successfully launched, and achieved a 99 percent completion rate.

In 2016, 1086 workers attended face-to-face safety training, inclusive of chemical safety and WHS for Managers and Supervisors. Biosafety transitioned to online delivery in 2016 and chemical safety online training (comprising two modules) is scheduled for online release to the University in February 2017.

Operational risks

New chemical labelling requirements under the global harmonised system (GHS) came into effect from 1 January 2017. Chemical information sheets and safety guidelines were developed in 2016 to support GHS compliance. Radiation safety is being improved through the development of a radiation safety management standard and a focus on ensuring that legacy waste is managed. A University-wide project to transform the management of hazardous materials and better manage associated risks received funding in 2016 for planning and implementation in 2017-18. In 2016 the University completed the reapplication process for all pre-existing approved notifiable low-risk dealings (NLRDs) to bring the University to compliance with changed gene-technology legislation.

Work health and safety incidents

In 2016 there were a total of 1444 incidents and hazards reported via RiskWare. This represents a 15 percent increase in overall reporting from the previous year, with the entire increase being reports of hazards or near misses; 57 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, 68 percent involved employees, 23 percent involved students and 9 percent involved contractors, affiliates and visitors.

Cut, puncture or graze (22 percent) was the most frequent mechanism of injury reported during 2016, followed by slip or trip and fall (17 percent), acute illness (7 percent), hitting against stationary object (6 percent) and bitten by an animal (6 percent).

The most frequently 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	75	21
Cut, puncture or graze	41	11
Body stress from ergonomic factors	29	8

Students		
Mechanism	Number	% of total
Cut, puncture or graze	82	38
Acute illness	24	11
Slip or trip and fall	13	6

Wellbeing

The Happy Body at Work program was finalised in 2016, reaching almost 5000 staff across 20 University work areas, focusing on wellbeing in four key areas; stress, sleep, moving more and sitting less. Musculoskeletal strains remained a key focus for desk-based wellbeing. We completed 118 face-to-face workstation assessments in 2016. Physical wellbeing at work was promoted via free flu vaccinations for all staff, with more than 3000 staff taking advantage of this key health-promoting service. The Global Corporate Challenge 100-day team-based walking challenge had 84 participating teams, and the University placed second globally in the universities competition.

We are addressing mental wellbeing by providing mindfulness practice and training opportunities. Safety Health and Wellbeing, in collaboration with researchers from the Brain and Mind Centre and Healthy Sydney University, published a paper on the effectiveness of mindfulness programs on staff stress levels and engagement. In 2016, 445 staff attended the positive psychology courses. The University continued to provide an employee assistance program for staff.

In 2016, we celebrated RU OK Day with an RU OK to Rock 'n' Roll event hosted by Safety Health and Wellbeing, starring Associate Professor Tony Grant fronting the band The Interceptors.

Workers' compensation

In 2016, the University performance in workers' compensation improved in every measure. A total of 440 incidents reported via RiskWare involved injury or illness involving staff. Of these 440 incidents, only 71 resulted in a workers' compensation claims.

Of the 71 workers' compensation injuries in 2016, average lost time per injury decreased by 56 percent in 2016 compared with 2015, with an average of 0.30 days lost per injury.

Total cost of compensation claims 2012-16

	2016	2015	2014	2013	2012
Total cost of claims	\$108,130	\$111,536	\$440,481	\$224,301	\$451,342
Average cost of claim	\$2596	\$2613	\$5302	\$2080	\$4129
Average time lost per claim	0.30 days	0.46 days	1.1 days	1.04 days	1.95 days
Injuries reported	71	86	103	86	151

Legal affairs

Risk management

The University has developed a Risk Management Framework under a revised Risk Management Policy that enhances the University's ability to seize 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 those 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 UE Committee or Project Control Board for strategic projects, and ultimately 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 is responsible for overseeing this process on behalf of the Senate and in that role the Safety and Risk Management Committee receives assurances from the other Senate committees in respect to their management of risk.

Insurance arrangements

The University has completed its fifth successive year in the NSW Retro Paid Loss (RPL) Workers Compensation Scheme. Costs of claims and premium costs for 2016 were maintained at the minimum premium payable.

Competition and Consumer Act 2010 (Cth)

Amendments to the *Competition and Consumer Act 2010 (Cth)* (pursuant to the *Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Act 2015 (Cth)*) became effective on 12 November 2016.

The amendments extend the unfair contract terms protections that currently apply to consumer contracts to standard form small business contracts. Standard form small business contracts include many of the contracts and agreements into which the University enters, including:

- for the supply of goods or services or the grant of interest in land (such as a lease);
- with suppliers or contractors or tenants who employ less than 20 people;
- where the upfront price payable under the contract is less than \$300,000 or, if the duration of the contract is more than 12 months, less than \$1 million.

Under the new regime, a contract term that is found to be unfair may be declared void. Unfair terms include those which:

- would cause a significant imbalance in the parties' rights and obligations;
- is not reasonably necessary in order to protect the legitimate interests of the party who would be advantaged by it; and
- would cause financial or other detriment to the other party.

Examples of such terms include terms that only permit one party (but not the other party) to vary, renew, assign or terminate the contract, penalise only one party for a breach of the contract or limit one party's right to sue the other party.

The unfair terms regime applies to contracts that are entered into, varied or renewed on or after 12 November 2016.

Regulation of Medicinal Cannabis

The *Narcotic Drugs Amendment Act 2016 (Cth)* was passed on 29 February 2016 to amend the *Narcotic Drugs Act 1967* and the *Therapeutic Goods Act 1989*. This Act implements a medicinal cannabis framework for the lawful cultivation of cannabis plants and production of cannabis, as the first step towards providing patients with access to medicinal cannabis for therapeutic purposes.

The *Narcotic Drugs Regulation 2016 (Cth)* commenced on 30 October 2016 to give effect to the regulatory framework for licensing the cultivation of cannabis and the production of cannabis and cannabis resins for medicinal and scientific purposes, as well as the manufacture of medicinal cannabis products. The framework includes a strict "fit and proper person" test that will be applied to licence applicants and their relevant business associates. It involves the consideration of a range of matters including criminal history, relevant business associates and family, financial status, business history and capacity to comply with licence conditions.

Medicinal cannabis became a controlled drug in the Poisons Standard on 1 November 2016, enabling medicinal cannabis to be prescribed under the controlled drug (Schedule 8) provisions of the Poisons Standard. However, whether medicinal cannabis can be prescribed in a particular jurisdiction depends on whether the state or territory has adopted the change.

The ongoing changes to the regulation of medicinal cannabis, at federal and state levels, impose significant governance obligations on the University and its researchers in this area.

Civil Aviation Act 1988 (Cth)

The *Civil Aviation Legislation Amendment (Part 101) Regulation 2016 (Cth)* commenced on 29 September 2016. Part 101 amends the *Civil Aviation Safety Regulations of the Civil Aviation Act 1988 (Cth)*.

The amendments change the safety laws for Remotely Piloted Aircraft (RPA) or drones, making it easier in some circumstances to operate an RPA for non-commercial purposes.

The key amendments:

- provide different rules for different classifications of RPAs based on risk, including whether the RPA is being operated for commercial (including research) or recreational purposes;

- ensure that all commercial and high-risk activities undertaken with RPAs are certified by the Civil Aviation Safety Authority (CASA);
- set out a simple set of safety rules that apply to all uses of RPAs including recreational uses that do not require certification;
- make it an offence to operate an RPA in a way that creates a hazard to other aircraft, another person or property; and
- reduce the cost and administration of low-risk RPA activities (that is, RPAs below 2kg flown for recreational purposes).

Under the new regime the University is required to certify staff and oversee the safe operation of RPAs on its campuses.

City of Sydney Development Control Plan 2015

On 1 July 2016, the City of Sydney Development Contributions Plan 2015 commenced. This replaced a previous Development Contributions Plan that had been in place since 2006. Development Contribution Plans, made by local councils under the *Environmental Planning and Assessment Act 1979 (NSW)*, describe anticipated local infrastructure required due to development and set out the method for calculating the local infrastructure contribution to be paid by a development applicant.

The new plan no longer expressly allows the University to present and justify reasons for which new developments on the main campus may be considered exempt from local infrastructure contributions. Previously, the University had made applications for, and been granted, merit exemptions based on the significant material public benefits provided by the University to Camperdown and Darlington. They include more than \$27 million in capital investment since 2014 towards campus open space, stormwater infrastructure, traffic and pedestrian upgrades and heritage/conservations works, in addition to the numerous other facilities and services the University offers to the public.

The new plan also alters the precinct boundaries to wholly encompass the main campus within the South Precinct (as opposed to the Camperdown Campus being located within the Western Precinct under the 2006 plan). The applicable contribution rates for development within the South Precinct are substantially greater than the rates for other precincts under the new plan.

The University has made submissions to the City of Sydney Council to have the plan amended to exempt development carried out by or on behalf of the University from local infrastructure contributions or, at least, significantly reduce the contributions payable by the University by obligating the council (and, if applicable, the Minister) to take into account works and services provided by the University as “material public benefits”.

Review of the Local Government Rating System

In August 2016, the Independent Pricing and Regulatory Tribunal of New South Wales (IPART) released a Draft Report on the Review of the Local Government Rating System.

At present, under section 556(1)(l) of the *Local Government Act 1993 (NSW)*, land that is vested in a university, or a university college, that is used or occupied by the university or college solely for its purposes, is exempt from all local council rates, other than water supply special rates and sewerage special rates.

The draft report recommends changing this exemption such that university land used for residential and commercial activities will no longer be exempt. If the recommendations in the draft report are adopted, about 80 of the University’s 135 properties would be fully rateable on the basis of IPART’s proposed definition of “residential activities” (which includes all student accommodation located on land that the University owns) and “commercial activities”, while the remaining 55 would be partially rateable given that some “commercial activities” are conducted on them.

This proposal has significant financial implications for the University and submissions opposing the change have been lodged, both by the University and the NSW Vice-Chancellors’ Committee.

In December 2016 IPART completed its review of the Local Government Rating System and delivered its final report to the Minister for Local Government. The final report has not been released to the public and the University awaits the determination of whether the proposed amendments to the *Local Government Act 1993 (NSW)* will proceed.

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 productivity and reducing greenhouse gas emissions.

Campus Solar Program

The University is committed to increasing the amount of clean, renewable energy generation at its campuses as part of its energy efficiency, carbon reduction and operational efficiency commitment.

At the end of 2016 the University completed delivery of a large-scale, urban-campus solar project. The project involved installing rooftop solar photovoltaic (PV) systems on 18 buildings across the Camperdown, Darlington and Mallett Street campuses.

With a total system of 760 kW this makes it one of the largest urban rooftop solar installation projects in NSW. The solar panels are connected to dedicated electricity meters to monitor and measure the amount of electricity generated. These meters are connected to the University's Advanced Utility Monitoring System (AUMS) via the University communications network.

The systems are estimated to generate about 950,000 kWh of clean energy per annum and deliver a carbon reduction of 795 tonnes CO₂ equivalent. It is expected that the University will begin to realise these savings in 2017.

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, greenhouse gas emissions from electricity use, gas use, liquid fuels and wastewater treatment plants. Campus Infrastructure and Services has continued to implement process and procedural improvements to improve the quality of reported data.

In 2016¹ the University's greenhouse gas emissions increased by about 3.4 percent in comparison to 2015². The University consumed a net total of 543,401 GJ of energy, a net increase of 5.4 percent.

The overall increase in the University's energy consumption and greenhouse gas emissions is predominantly due to the addition of new buildings³, collectively contributing 5.6 percent of the University's 2016 electricity consumption.

Table 1 – University of Sydney greenhouse gas emissions, NGERs FY 2015–16

Total energy consumed	543,401 GJ
Total energy generated	6,183 GJ
Net energy consumed	537,218 GJ
Total GHG emissions	99,252 t CO ₂ -e

Water management

The University of Sydney consumed about 702,934 kL in 2016 – a 25.7 percent increase compared to 2015. It is important to note that the new buildings accounted for 12 percent of the University's total water consumption.

Table 2 – University of Sydney Water Consumption, 2016

2016 Water Consumption	702,934 kL
2016 Rainwater Capture Capacity	78,356 kL
2016 Water Conservation %	12 %

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 such as 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 about 43 percent of incoming material from landfill.

1 2015 – 2016 reporting period; 01 July 2015 to 30 June 2016
2 2014 – 2015 reporting period; 01 July 2014 to 30 June 2015
3 New buildings: Sydney Nanoscience Hub (A31), Grandstand (B23), Abercrombie Business School (H70), Abercrombie Student Accommodation (H71), Queen Mary Student Accommodation (M03)

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. About 95 percent by weight of electronic waste is recovered.

The University has increased its comingled (mixed) recycling on main campus by 42 percent since the deployment of the Better Recycling, Less Waste campaign. This initiative saw the removal of individual desk bins and deployment of new waste and recycling stations in central locations throughout offices and general teaching spaces, on the main Camperdown and Darlington campuses.

Table 3 summarises the University's recycling and waste data for 2016. This includes waste generation from student accommodation.

In 2016 the University's total waste generation increased by 8.6 percent; however, it is important to note that the new buildings accounted for 24 percent of the University's total waste generation. However, the University was still able to increase comingled recycling by 42 percent and achieve an overall recycling rate of 61 percent. The University looks at increasing its recycling rate by the continuous improvement in reporting systems and deployment of source separation receptacles on campus.

Table 3 – Resource Recovery and Waste Data, 2016

Landfill (general) waste	1104 tonnes
Comingled (mixed) recycling	941 tonnes
Paper and cardboard recycling	806 tonnes
Electronic waste	12.7 tonnes
Fluoro tubes and fittings	1.1 tonnes
Batteries	0.43 tonnes
Total waste	2865 tonnes
Recycling rate	61 %

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 2016 was broad and, as ever, we endeavoured to investigate and respond as fully and quickly as possible. Our stakeholders include, of course, 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 2016 include:

- ongoing reporting of privacy matters to the University's Serious Complaints Committee and to the Safety and Risk Management Committee of Senate
- deployment of an online privacy training module completed by more than 280 staff during the year
- increased outreach activities through departmental presentations to 274 staff members
- open privacy presentations for staff during Privacy Awareness Week
- the University engaged consultants to review and report on privacy in the University following a privacy breach. Recommendations included the development of a privacy governance structure for the University. A new position focused on the implementation of privacy by design was also approved.

At an operational level, we continued to promote privacy through liaison and communication with staff to:

- facilitate the establishment or revision of privacy notices on electronic and hard-copy forms used to collect personal information
- include consideration of privacy issues in the development of systems, policies, procedures and guidelines, with particular emphasis on the collection of personal information through web interfaces
- provide accurate and timely advice on privacy matters to members of our community.

We conducted 26 reviews under Part 5 of the Act during 2016: 22 of these arose in relation to one matter; and four matters were voluntarily notified to the NSW Privacy Commissioner in accordance with the University's Privacy Policy 2013.

Actions we took in response to privacy matters at the University included:

- enquiring into the facts of the privacy issues
- advising on, reviewing and changing processes
- providing additional training advising affected individuals of their rights under the Act.

The University received no requests for amendment of records and seven requests for access to personal information under section 14 of the Act. Two 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 University. The *Government Information (Public Access) Regulation 2010* requires that details of this review be included in our Annual Report.

During 2016, 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 that suggested further categories of information which should be proactively released and the types of requests received were not generated by gaps in the program of proactive release.

Our website is an important avenue for the proactive release of as much of this information as practicable where there is no overriding public interest against disclosure of the information. Parts of the University website underwent redesign and content changes that improved ease of access to information by the public. This proactive release was free of charge.

We continued to ensure that initiatives or changes, such as new buildings, units, staff appointments or events were accompanied by website changes, updated media releases and contact details for further information.

Total number of access applications

We received 47 new access applications under the GIPA Act in 2016: 18 were requests for the personal information of the applicant; 25 were for information other than personal information; and four were for a combination of personal information and information other than personal. Five applications were withdrawn. Seven internal reviews were conducted.

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 2016.

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	0	3	0	0	0	1
Members of Parliament	0	0	0	1	0	0	0	0
Private sector businesses	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	1	1	1	3	1	0	0	3
Members of the public (application by legal representative)	0	2	0	1	1	0	0	0
Members of the public (other)	4	16	3	5	2	0	0	1

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	3	5	1	2	0	0	0	1
Access applications (other than personal information applications)	2	12	2	9	3	0	0	4
Access applications that are partly personal information applications and partly other	0	3	1	2	1	0	0	0

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

Table C: Invalid applications

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

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 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	20
Law enforcement and security	1
Individual rights, judicial processes and natural justice	13
Business interests of agencies and other persons	10
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)	28
Decided after 35 days (by agreement with applicant)	7
Not decided within time (deemed refusal)	0
Total	0

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	4	2	6
Review by Information Commissioner*	0	2	2
Internal review following recommendation under section 93 of the Act	1	0	1
Review by NCAT	1	2	3
Total	6	6	12

* 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	5
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Financial review of 2016

The University of Sydney's financial statements for the year ended 31 December 2016 show a modest underlying margin of \$10.5 million (2015: \$6.0 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 2016 operating result of \$140.5 million (2015: \$158.2 million).

While an operating result of \$140.5 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:

	2016	2015	Change	Change
	\$M	\$M	\$M	%
Operating revenue ¹	2,167.5	2,030.3	137.2	6.8
Operating expenses ²	2,027.0	1,872.1	154.9	8.3
Operating result per financial statements (parent only)	140.5	158.2	(17.7)	(11.2)
Adjusted for:				
Philanthropic funds ³	(98.3)	(69.4)	(28.9)	(41.6)
Investment funds ³	(15.6)	(38.1)	22.5	59.1
Capital grants	(5.8)	(10.6)	4.8	45.3
Specific purpose grants	(10.3)	(34.1)	23.8	69.8
Underlying margin	10.5	6.0	4.5	75.0

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

² For further information, see Section 2 on operating expenses (page 55)

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

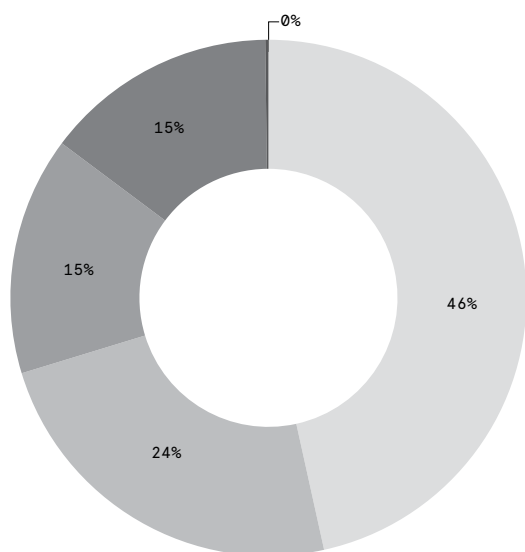
The positive operating result disclosed in the financial statements was achieved through contributions generated by quarantined items that include the following:

- **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 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.
- **Capital grants:** A number of capital grants have been received to fund specific infrastructure projects.
- **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 2016 operating revenue of \$2,167.5 million was \$137.2 million greater than 2015. The following table and chart show the major components of this increased revenue.

	2016 \$M	2015 \$M	Change \$M	Change %
Income from students (incl HECS-HELP and FEE-HELP)	1,008.8	872.8	136.0	15.6
Federal government operating and capital grants	317.1	305.7	11.4	3.7
Research and consultancy activities	513.6	522.8	(9.2)	(1.8)
NSW Government operating grant	4.2	3.0	1.2	40.0
Income from private sources	323.8	326.0	(2.2)	(0.7)
Total	2,167.5	2,030.3	137.2	6.8



 Income from students
 Research and consultancy activities
 Income from private sources
 Federal government operating and capital grants
 NSW Government operating grant

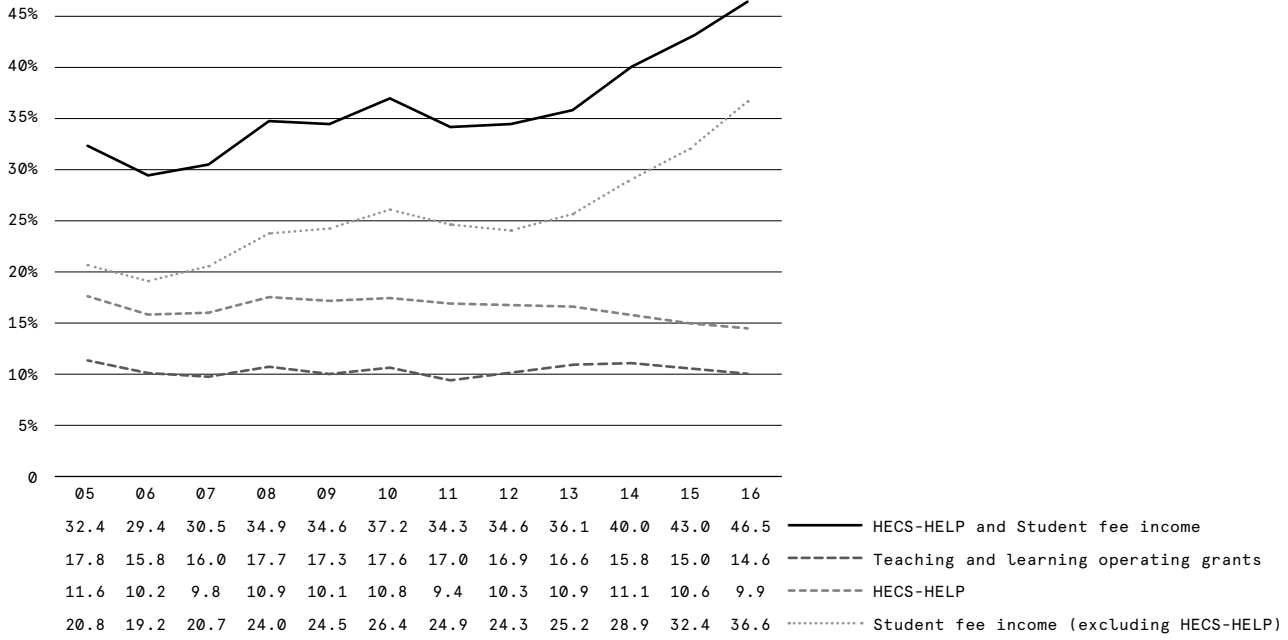
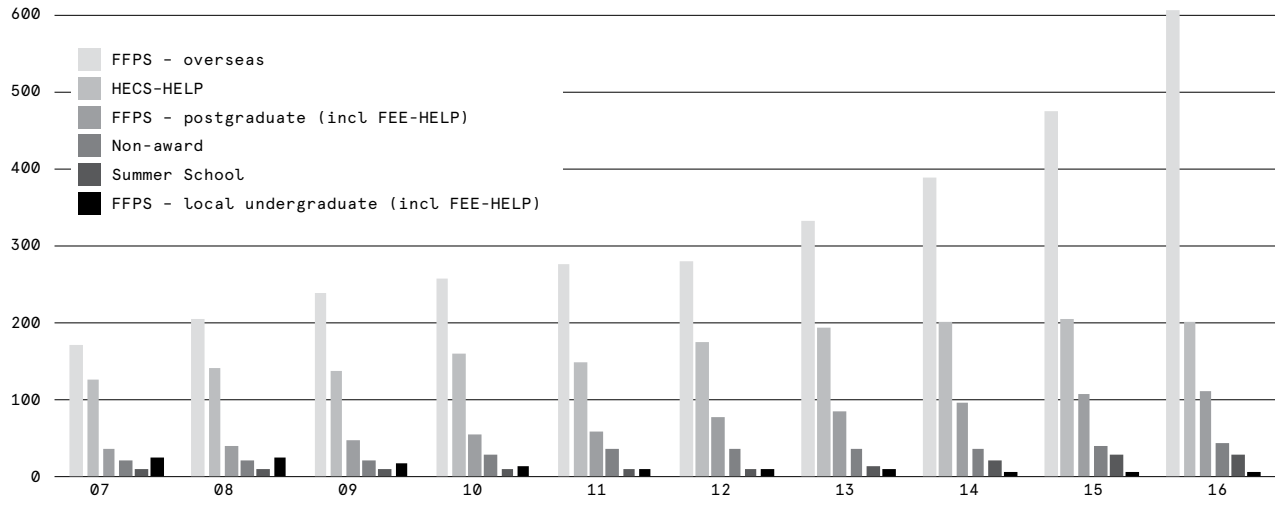
1.1 Income from students

The growth of overseas full fee-paying students (FFPS) in 2016 continues to provide significant income to the University. Once again, overseas FFPS income accounted for the largest proportion of student income, contributing 61 percent of total income from students.

The 2016 growth in income from students of \$136.0 million was mainly attributable to additional course fees generated from full fee-paying overseas students of \$131.3 million, an increase of 27.4 percent.

	2016 \$M	2015 \$M	Change \$M	Change %
FFPS - overseas	610.9	479.6	131.3	27.4
HECS - HELP	204.6	206.0	(1.4)	(0.7)
FFPS - postgraduate (incl FEE-HELP)	113.6	110.1	3.5	3.2
Non-award	44.0	40.9	3.1	7.7
Summer School	28.4	28.6	(0.2)	(0.5)
FFPS - local undergraduate (incl FEE-HELP)	7.3	7.6	(0.3)	(4.1)
Total income from Students	1,008.8	872.8	136.0	15.6

Income from students



1.2 Federal government funding

The continuing pressure resulting from flat federal financial support has intensified pressure on the University and increased the University's reliance on fee-paying students. While federal funding remained flat for 2016, operating support increased by \$11.4 million, while research funding decreased by \$9.6 million.

The research funding decline was largely driven by a decrease of \$8.0 million in Australian Research Council (ARC) funding. The drop is attributed to both lower success rates and a steady decline of total available ARC funding.

The continued growth in income from student fees, together with the relative decline of funding received from federal teaching and learning operating grants, means that the proportion of University revenue received from HECS and student income has grown considerably since 2005 (2016: 46.5 percent; 2005: 32.4 percent). A majority of this increase is attributable to increases in student income, particularly from overseas students.

	2016 \$M	2015 \$M	Change \$M	Change %
Teaching and learning operating grants	316.1	304.4	11.7	3.8
Capital funding	1.0	1.3	(0.3)	(22.1)
Federal government operating and capital grants	317.1	305.7	11.4	3.7
Research block grant funding	151.3	150.9	0.4	0.3
Other federal agencies - research	155.8	157.2	(1.4)	(0.9)
Australian Research Council	56.1	64.1	(8.0)	(12.5)
Scholarships	29.7	30.3	(0.6)	(2.0)
Federal research funding	392.9	402.5	(9.6)	(2.4)
Total federal funding	710.0	708.2	1.8	0.3

1.3 Research and consultancy activities

Income received by the University for research and consultancy activities decreased by \$9.2 million in 2016, or 1.8 percent, to \$513.6 million. Federal research funding of \$392.9 million represented 77 percent of the total funding in this category, with \$8.0 million of the year-over-year decrease a result of declining ARC funding and \$11.4 million decrease from a decline in overseas collaborations from our record high of 2015.

	2016 \$M	2015 \$M	Change \$M	Change %
Federal research funding	392.9	402.5	(9.6)	(2.4)
Industry research grants	10.9	8.8	2.1	23.9
Foundations and individual research grants	50.8	43.2	7.6	17.6
NSW Government research grants	23.4	18.2	5.2	28.6
Local collaborative research funds	9.3	11.1	(1.8)	(16.2)
Overseas collaborative research funds	18.9	30.3	(11.4)	(37.6)
Consultancies	7.4	8.7	(1.3)	(15.4)
Non-federal research and consultancy funding	120.7	120.3	0.4	0.3
Total research and consultancy income	513.6	522.8	(9.2)	(1.8)

1.4 NSW Government grants

Grants provided by the NSW Government increased by \$6.4 million or 30.2 percent, to \$27.6 million in 2016. The majority of this increase was from medical research grants focussed on areas including cancer and oncology.

	2016 \$M	2015 \$M	Change \$M	Change %
NSW Government research grants	23.4	18.2	5.2	28.6
NSW Government operating grants	4.2	3.0	1.2	40.0
Total NSW Government grants	27.6	21.2	6.4	30.2

1.5 Income from private sources

The major components of this income group were as follows:

	2016 \$M	2015 \$M	Change \$M	Change %
Investment income	122.5	128.1	(5.6)	(4.3)
Philanthropic income	65.6	70.1	(4.5)	(6.4)
Commercial and other activities	54.6	53.5	1.1	2.1
Contributions from external organisations	37.5	41.9	(4.4)	(10.5)
Other fees and charges	39.4	27.6	11.8	42.7
Sponsorship income	4.2	4.8	(0.6)	(13.3)
Total income from private sources	323.8	326.0	(2.2)	(0.7)

Investment income decreased in 2016 by \$5.6 million, mainly due to the one-time sale of commercial property in 2015.

The long term portfolio return of 8.9 percent was about 1.1 percent higher than the returns generated by the federal government's Future Fund for the calendar year. As at 31 December, of the total investment income of \$122.5 million (2015: \$128.1 million), \$19.4 million (2015: \$37.6 million) represented non-cash unrealised gains on investments held by the University at balance date. The non-cash unrealised investment gains are not available to support day-to-day operations as they represent 'mark-to-market' rather than realised cash profits.

Other fees and charges increased by \$11.8 million as a result of the development of University-operated student accommodation, two of which were completed in 2015.

1.6 Philanthropic income pledged

INSPIRED, the Campaign to Support the University of Sydney continues to be one of Australia's most successful philanthropic campaigns. Including pledges, the University raised \$105 million in 2016. This is the second year in a row that gifts to the University exceeded more than \$100 million. It was the seventh consecutive year of donor growth.

In 2016 the University received its largest ever donation: \$35 million from the Susan and Isaac Wakil Foundation. This gift will enable the construction of the Susan Wakil Building, the most significant building within the University of Sydney's proposed Health Precinct.

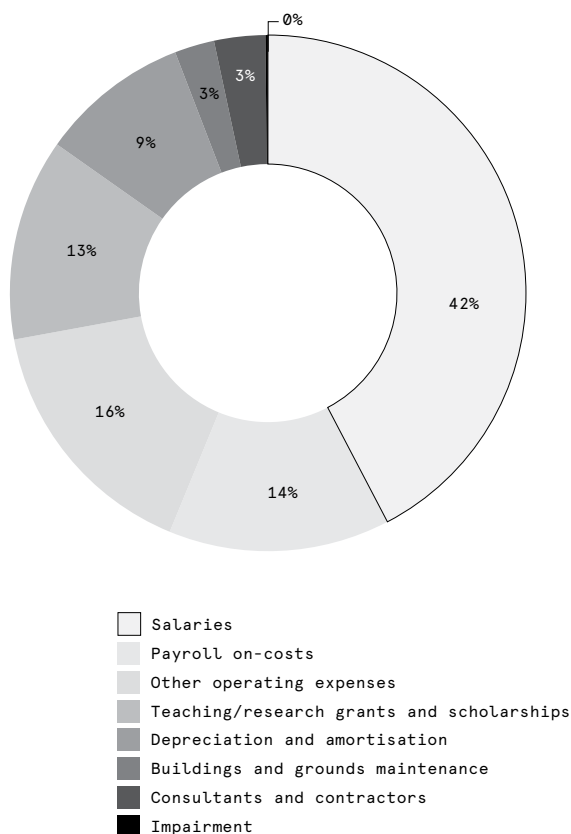
Donor numbers were also at a record level in 2016, with more than 13,000 donors giving to the Campaign. While non-alumni donors only made up about 35 percent of total donors, they gave close to 65 percent of total funds raised, demonstrating strong community engagement in our work.

The University successfully completed eight crowdfunding projects in 2016, with 571 individual gifts made, totalling \$43,000.

2. Operating expenses

The 2016 operating expenditure of \$2,027.0 million was \$154.9 million, or 8.3 percent, higher than in 2015.

	2016 \$M	2015 \$M	Change \$M	Change %
Salaries	848.7	798.7	50.0	6.3
Payroll on-costs	278.2	263.0	15.2	5.8
Total employee benefits	1,126.9	1,061.7	65.2	6.1
Other operating expenses	319.0	284.2	34.8	12.2
Teaching/research grants and scholarships	253.7	234.1	19.6	8.4
Depreciation and amortisation	187.9	173.7	14.2	8.2
Repairs and maintenance	50.0	40.4	9.6	23.9
Consultants and contractors	64.2	54.5	9.7	17.8
Borrowing costs	22.3	22.5	(0.2)	(1.0)
Impairment	3.0	1.0	2.0	200.0
Total non salary expenses	900.1	810.4	89.7	11.1
Total expenses	2,027.0	1,872.1	154.9	8.3



Total operating expenses were \$154.9 million higher in 2016, with the major contributing items being:

- \$65.2 million increase in salaries and payroll on-costs. The University's enterprise agreement drove increased expenditure of \$30.8 million (2.9 percent increase). Increased staffing levels drove the remaining increase to support the growth of international full fee paying students, particularly in the University of Sydney Business School and the Faculty of Engineering and Information Technologies.
- \$34.8 million increase in other operating expenses, mainly comprising a \$27.1 million increase in expenditure from non-capitalisable projects due in part to an increase in the volume of smaller projects completed within the year. There was an increase of \$6.2 million in commissions paid to support the inflow of international student load.
- \$19.6 million increase in teaching and research grants and student scholarships was in part a result of increased student scholarships and support of \$8.1 million in line with the increased growth in student load and \$9.1 million in increased payments to other universities for shared grants.

3. Expenditure on assets

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

In 2016, the University incurred capital expenditure of \$202.2 million, which largely represents the completion of the Abercrombie Building, home to The University of Sydney Business School. The decrease in capital expenditure in 2016 was due to three major projects being completed in 2015.

	2016	2015	Change	Change
	\$M	\$M	\$M	%
Land and buildings	2.0	18.9	(16.9)	(89.3)
Equipment	20.6	31.0	(10.4)	(33.4)
Capital works – software	22.0	25.2	(3.2)	(12.8)
Capital works – buildings	137.0	267.7	(130.7)	(48.8)
Other	20.6	23.6	(3.0)	(12.7)
Total capital expenditure	202.2	366.3	(164.1)	(44.8)

4. Equity

The total equity of the University at 31 December 2016 was \$4,381.9 million, \$179.9 million higher than at 31 December 2015.

	2016	2015	Change	Change
	\$M	\$M	\$M	%
Restricted funds	536.0	483.7	52.3	10.8
Reserves	441.5	405.1	36.4	9.0
Retained earnings	3,404.4	3,313.2	91.2	2.8
Total equity	4,381.9	4,202.0	179.9	4.3

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

- Restricted funds, which total \$536.0 million at 31 December 2016 (2015: \$483.7 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 2016, there was a net increase of \$36.4 million in the reserves, almost all of which arose from the annual revaluation of commercial properties through an independent external valuer. Increased value of our student accommodation properties comprised \$17.9m of the total increase.
- Retained earnings of the University have increased to \$3,404.4 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 2016.

5. Operating statement

	2016	2016	2016	2017
Comparison to Budget	Budget	Forecast	Actual	Budget
Parent Entity (University)	\$'000	\$'000	\$'000	\$'000
Revenue and income from continuing operations				
Australian Government financial assistance:				
Australian Government grants	672.2	686.7	710.0	703.7
HELP - Australian Government payments	278.3	262.7	261.0	267.8
State and local government financial assistance	29.5	32.9	27.5	28.8
Fees and charges	699.8	749.4	752.4	871.9
HECS-HELP - student payments	36.2	35.1	34.8	35.5
Investment revenue	105.0	104.4	121.6	92.4
Consultancy and contracts	112.2	115.7	97.2	106.5
Royalties, trademarks and licences	5.2	5.2	5.5	5.9
Other revenue	169.8	165.9	156.6	165.4
Gains/(losses) on disposal of assets	-	0.8	0.9*	-
Total income from continuing operations	2,108.2	2,158.8	2,167.5	2,277.9
Expenses from continuing operations				
Employee related expenses	1,126.8	1,117.6	1,126.9	1,231.8
Depreciation and amortisation	189.1	198.3	187.9	191.0
Repairs and maintenance	49.8	49.0	50.0	51.9
Borrowing costs	24.0	23.0	22.3**	23.5
Impairment of assets	2.8	2.9	3.0**	3.2
Grant and scholarship expenses	107.9	104.0	105.6	112.5
Consultants and contractors	65.9	67.2	64.2	74.2
Teaching and research grants	134.0	147.1	148.1	134.6
Other expenses	286.6	276.6	319.0	309.0
Total expenses from continuing operations	1,987.0	1,985.7	2,027.0	2,131.7
Operating result before income tax	121.3	173.1	140.5	146.2
Income tax benefit/(expense)	-	-	-	-
Operating result after income tax	121.3	173.1	140.5	146.2
Net result attributable to members of the University of Sydney	121.3	173.1	140.5	146.2

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 University's investment funds generated strong absolute returns in 2016, enjoying the ongoing bull market in risk assets which defied most expectations in a year of political surprises. The Long Term Fund increased by 8.9 percent, bolstered by strong results from listed equities and some of the more mature unlisted assets, including property, infrastructure and private equity. The result was in the upper band of superannuation fund results and outperformed the federal government's Future Fund.

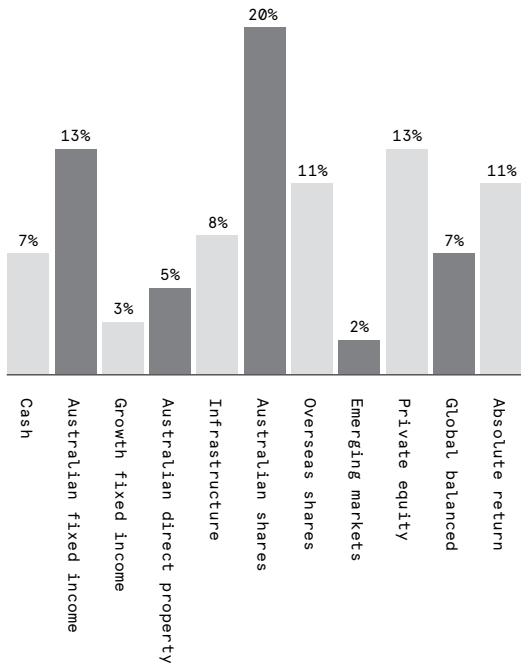
Long Term Fund (LTF)

Value as at 31 December 2016:
\$1,274 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

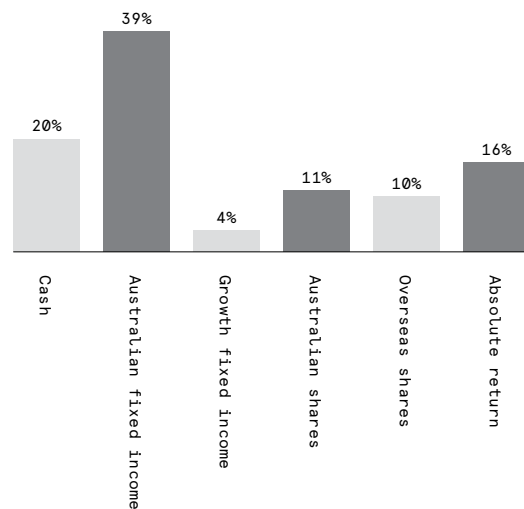


The Medium Term Fund also out-performed expectations as the resurgence in the Australian equity market enabled a solid 4.9 percent return for the year. All asset prices are increasing in an environment in which valuations do not appear particularly attractive. Impending higher interest rates would seem logically to be a potential headwind.

Medium Term Fund (MTF)

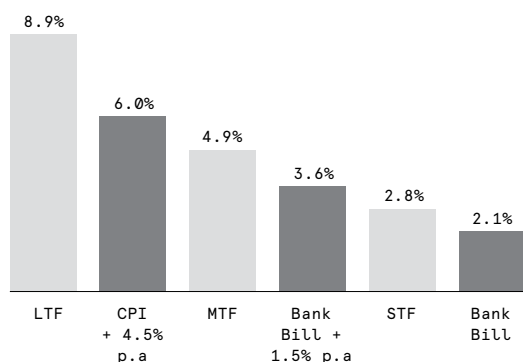
Value as at 31 December 2016:
\$77 million

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

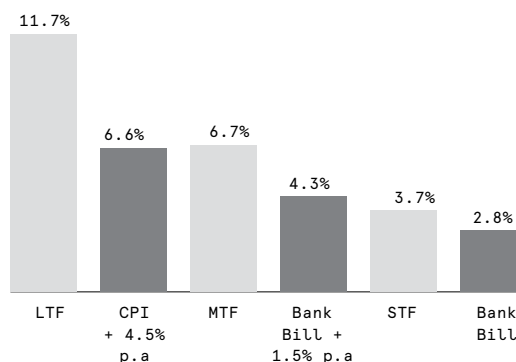


The following table provides a broader comparison (on a 'net of fees' basis) of the University's funds' performances over one-year and five-year periods.

One Year Investment Performance



Five Year Investment Performance



Notes:

- University portfolio returns are after external management fees and include franking credits
- Unless otherwise stated, reference to a benchmark in this report refers to a benchmark approved by the Investment and Commercialisation Committee, a committee of Senate

7. Creditors' payment performance

Quarter 2016	March		June		September		December	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of accounts paid on time:								
By number of invoices	95%	80%	94%	80%	89%	80%	88%	80%
By value of invoices	95%	80%	95%	80%	91%	80%	92%	80%
Amount of accounts paid on time (Excluding investments)	\$171.6M		\$178.1M		\$174.0M		\$234.4M	
Total amount of accounts paid (Excluding investments)	\$180.2M		\$188.1M		\$191.7M		\$254.2M	

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

8. Summary of land owned by the University

	2016 \$M	2015 \$M
Teaching and research land	182.6	178.3
Student accommodation	98.4	80.6
Commercial farm land	14.0	13.4
Investment land	126.0	116.0
Total land	421.0	388.2

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 (veterinary science and agriculture and environment)
- Australian Archaeological Institute at Athens and Thessaloniki, Greece
- University-owned and commercially operated farms throughout eastern Australia (covering a total area of approximately 10,313 hectares) which support teaching and research activities in agriculture and environment, veterinary science and 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
- The Plant Breeding Institute at Narrabri and other field stations
- University teaching and research hospitals
- Science facilities at the Australian Technology Park at Redfern.

Commercial farms

The University operates two commercial farms that support teaching and research activities. The farms, which are located in the Liverpool plains and Southern Highlands 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, along with the two facilities which opened in 2015 (Queen Mary and Abercrombie Student Accommodations). 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 \$22.3 million for staff overseas travel in 2016 (2015: \$24.1 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 25 of the financial statements for details of the University's subsidiaries.



INDEPENDENT AUDITOR'S REPORT

The University of Sydney

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of The University of Sydney (the University), which comprise the statements of financial position as at 31 December 2016, the income statements, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by appointed officers of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2016, 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 2016 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.

The PF&A Act further 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, but precluding the provision of 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 Responsibility 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 must assess the University's ability to continue as a going concern unless the University will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility 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_files/ar7.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

28 March 2017
SYDNEY



Dr Michael Spence, AC
Vice-Chancellor and Principal

25 March 2017

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 2016 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 2016 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

Alec Brennan
Deputy Chancellor
Chair Finance and Audit Committee



THE UNIVERSITY OF
SYDNEY

2016 Annual Financial Statements

The University of Sydney
Income statement
for the year ended 31 December 2016

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2(a)	710,013	708,112	710,013	708,112
HELP - Australian Government payments	2(b)	261,013	259,951	261,013	259,951
State and local government financial assistance		27,674	21,122	27,674	21,122
Fees and charges	3	752,455	608,128	752,318	607,400
HECS-HELP - student payments		34,773	33,051	34,773	33,051
Investment revenue	4	91,078	80,971	91,083	80,477
Consultancy and contracts	5	97,227	102,256	97,214	102,256
Royalties, trademarks and licences		5,525	5,634	5,525	5,634
Other revenue	6	165,824	173,262	156,370	164,666
Total revenue from continuing operations		2,145,582	1,992,487	2,135,983	1,982,669
Gain/(loss) on disposal of assets		918	31,674	918	31,674
Share of profit/(loss) on investments accounted for using the equity method		(3,796)	1,090	0	0
Other investment income	4	30,545	15,950	30,545	15,950
Total income from continuing operations		2,173,249	2,041,201	2,167,446	2,030,293
Expenses from continuing operations					
Employee-related expenses	7	1,131,594	1,066,219	1,126,922	1,061,670
Depreciation and amortisation	13/14	188,086	173,856	187,919	173,659
Repairs and maintenance		50,096	40,550	50,038	40,370
Borrowing costs		22,307	22,532	22,307	22,532
Impairment of assets		3,037	1,231	3,037	974
Grant and scholarship expenses		105,645	97,525	105,645	97,525
Consultants and contractors		65,985	56,780	64,240	54,542
Teaching and research grants		147,391	135,243	148,075	136,567
Other expenses	8	321,496	287,412	318,810	284,224
Total expenses from continuing operations		2,035,637	1,881,348	2,026,993	1,872,063
Net result before income tax		137,612	159,853	140,453	158,230
Less: income tax (benefit)/expense	9	226	55	0	0
Net result after income tax		137,386	159,798	140,453	158,230
Net result attributable to members of The University of Sydney		137,386	159,798	140,453	158,230

The University of Sydney
Statement of comprehensive income
for the year ended 31 December 2016

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result after income tax		137,386	159,798	140,453	158,230
Items that may be reclassified to profit or loss					
Valuation movement on hedge reserve	19	1,171	1,972	1,171	1,972
Exchange differences on translation of foreign operations	19	(65)	0	0	0
Total		1,106	1,972	1,171	1,972
Items that will not be reclassified to profit or loss					
Gains on revaluation of property, plant and equipment	19	35,354	48,094	35,301	48,050
Distributions from subsidiary		0	0	0	320
Net actuarial gains/(losses) recognised in respect of defined benefit plans		2,975	(2,646)	2,975	(2,646)
Reserve transfer relating to associates and joint ventures, net of tax	19	(156)	(425)	0	0
Total		38,173	45,023	38,276	45,724
Total other comprehensive income		39,279	46,995	39,447	47,696
Total comprehensive income		176,665	206,793	179,900	205,926
Total comprehensive income attributable to members of The University of Sydney		176,665	206,793	179,900	205,926

The University of Sydney
Statement of financial position
as at 31 December 2016

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	411,496	354,672	408,906	351,725
Receivables	11	159,794	66,430	160,159	67,874
Other financial assets	12	11,761	36,344	11,761	36,344
Other non-financial assets	15	35,266	24,094	35,093	23,965
Total current assets		618,317	481,540	615,919	479,908
Non-current assets					
Receivables	11	1,491,236	1,570,366	1,491,236	1,570,366
Other financial assets	12	1,311,104	1,138,392	1,321,555	1,146,392
Property, plant and equipment	13	3,327,627	3,341,252	3,325,549	3,340,352
Intangible assets	14	186,179	167,314	180,049	161,185
Deferred tax assets		294	291	0	0
Other non-financial assets	15	30,037	19,338	30,037	19,338
Investments accounted for using the equity method	27	3,046	5,998	0	0
Total non-current assets		6,349,523	6,242,951	6,348,426	6,237,633
Total assets		6,967,840	6,724,491	6,964,345	6,717,541
LIABILITIES					
Current liabilities					
Trade and other payables	16	213,408	183,625	214,100	183,922
Derivative financial instruments		948	1,186	948	1,186
Provisions	18	327,715	209,691	326,874	208,881
Total current liabilities		542,071	394,502	541,922	393,989
Non-current liabilities					
Borrowings	17	504,961	504,336	504,961	504,336
Derivative financial instruments		835	1,767	835	1,767
Provisions	18	1,534,850	1,615,428	1,534,706	1,615,428
Total non-current liabilities		2,040,646	2,121,531	2,040,502	2,121,531
Total liabilities		2,582,717	2,516,033	2,582,424	2,515,520
Net assets		4,385,123	4,208,458	4,381,921	4,202,021
EQUITY					
Parent entity interest					
Restricted funds		536,024	483,759	536,024	483,759
Reserves	19	442,870	406,566	441,526	405,054
Retained earnings		3,406,229	3,318,133	3,404,371	3,313,208
Total equity		4,385,123	4,208,458	4,381,921	4,202,021

The University of Sydney
Statement of changes in equity
for the year ended 31 December 2016

2015

Economic entity (Consolidated)

	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2015	987,721	356,925	2,657,019	4,001,665
Adjustment from change in policy*	(553,376)	0	553,376	0
Balance as restated	434,345	356,925	3,210,395	4,001,665
Net result after income tax	69,641	0	90,157	159,798
Adjustment to net result after income tax*	(20,227)	0	20,227	0
Restated net result after income tax*	49,414	0	110,384	159,798
Revaluation of property, plant and equipment	0	48,094	0	48,094
Reserve transferred to retained earnings	0	(425)	0	(425)
Actuarial gains/(losses) on defined benefit plans	0	0	(2,646)	(2,646)
Valuation movement on hedge reserve	0	1,972	0	1,972
Distribution from subsidiary	0	0	0	0
Total comprehensive income	49,414	49,641	107,738	206,793
Balance at 31 December 2015	483,759	406,566	3,318,133	4,208,458

2016

Economic entity (Consolidated)

	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2016	483,759	406,566	3,318,133	4,208,458
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 exchange	0	(65)	0	(65)
Reserve transfer relating to joint venture and associates	0	(156)	0	(156)
Actuarial gains/(losses) 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	3,406,229	4,385,123

* The University has revised its accounting policy in relation to the classification of restricted funds. Refer to Note 1(e) for further details.

Parent entity (University)

	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
	987,721	355,032	2,653,342	3,996,095
	(553,376)	0	553,376	0
	434,345	355,032	3,206,718	3,996,095
	69,641	0	88,589	158,230
	(20,227)	0	20,227	0
	49,414	0	108,816	158,230
	0	48,050	0	48,050
	0	0	0	0
	0	0	(2,646)	(2,646)
	0	1,972	0	1,972
	0	0	320	320
	49,414	50,022	106,490	205,926
	483,759	405,054	3,313,208	4,202,021

Parent entity (University)

	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
	483,759	405,054	3,313,208	4,202,021
	52,265	0	88,188	140,453
	0	35,301	0	35,301
	0	0	0	0
	0	0	0	0
	0	0	2,975	2,975
	0	1,171	0	1,171
	52,265	36,472	91,163	179,900
	536,024	441,526	3,404,371	4,381,921

The University of Sydney
Statement of cash flows
for the year ended 31 December 2016

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities					
Australian Government grants received	2(c)	977,375	972,712	977,375	972,712
State and local government grants received		27,674	21,122	27,674	21,122
HECS-HELP student payments		34,773	33,051	34,773	33,051
Receipts from student fees and others (inclusive of GST)		1,048,244	1,015,137	1,038,725	998,469
Dividends received		70,766	60,678	70,766	60,678
Interest received		19,865	19,440	20,317	19,436
Interest and other costs of finance		(22,307)	(22,257)	(22,307)	(21,550)
Other investment funds received/(paid)		11,192	(22,635)	11,192	(22,635)
Payments for employee-related expenses		(1,130,915)	(1,056,563)	(1,126,922)	(1,048,064)
Payments to suppliers (inclusive of GST)		(647,803)	(700,715)	(643,506)	(693,076)
Income tax paid		(298)	17	0	0
Net cash provided by/(used in) operating activities	28	388,566	319,987	388,087	320,143
Cash flows from investing activities					
Proceeds from sale of financial assets		764,509	681,973	764,509	681,962
Proceeds from sale of property, plant and equipment		1,795	191	1,795	191
Proceeds from sale of assets held for sale		0	46,000	0	46,000
Payments for property, plant and equipment		(203,025)	(366,390)	(202,217)	(366,337)
Payments for financial assets		(895,736)	(777,649)	(895,736)	(777,639)
Net cash provided by/(used in) investing activities		(332,457)	(415,875)	(331,649)	(415,823)
Cash flows from financing activities					
Proceeds from borrowings		0	276,276	0	276,276
Repayment of borrowings		0	(210,000)	0	(210,000)
Intercompany financing		0	0	0	(1,475)
Net cash provided by/(used in) financing activities		0	66,276	0	64,801
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of year		56,109	(29,612)	56,438	(30,879)
Effects of exchange rate changes on cash and cash equivalents		354,672	383,722	351,725	382,042
		715	562	743	562
Cash and cash equivalents at end of year	10	411,496	354,672	408,906	351,725
Financing facilities and balances	29(d)				

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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 25 March 2017.

(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 include separate financial statements for the University of Sydney as the parent entity and the consolidated entity comprising the University of Sydney and its controlled entities. 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

(b) Basis of consolidation

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

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 are contained in Note 25 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 2015-2 - 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'

The standard makes amendment to AASB 101 'Presentation of Financial Statements' arising from the IASB's disclosure initiative project.

- The amendments are designed to further encourage entities to apply professional judgment in determining what information to disclose in the financial statements.
- The amendments also clarify that entities should use professional judgment in determining where and what order information is presented in the financial disclosures.

(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) Restricted funds

During the current financial year the University revised its accounting policy in relation to the classification of restricted funds. The change has resulted in only those funds with a capital preservation obligation being classified as restricted funds. The University considers that classifying only those funds for which the University has an obligation to maintain the principal more appropriately reflects the nature of restricted funds.

In accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', the change in accounting policy has been applied retrospectively and the 2015 comparative financial information has been restated. The effects of the change to the previously reported financial information are disclosed in the Statement of Changes in Equity.

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

(a) Australian Government grants

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Commonwealth Grant Scheme	33(a)	310,487	297,991	310,487	297,991
Other grants	33(a)	5,623	6,410	5,623	6,410
Australian Postgraduate Awards	33(c)	27,373	27,416	27,373	27,416
Other scholarships	33(c)	2,277	2,867	2,277	2,867
Joint Research Engagement Program	33(d)	32,850	32,051	32,850	32,051
Research Training Scheme	33(d)	67,804	67,901	67,804	67,901
Research Infrastructure Block Grants	33(d)	27,119	27,760	27,119	27,760
JRE Engineering Cadetships	33(d)	544	510	544	510
Sustainable Research Excellence in Universities	33(d)	22,953	22,684	22,953	22,684
Australian Research Council	33(e)	56,106	64,070	56,106	64,070
National Health and Medical Research Council		93,472	96,987	93,472	96,987
Other Commonwealth research funding		25,362	25,341	25,362	25,341
Other Commonwealth non-research funding		38,043	36,124	38,043	36,124
Total Australian Government grants		710,013	708,112	710,013	708,112

(b) Higher Education Loan Programs

HECS-HELP		169,831	172,947	169,831	172,947
FEE-HELP		87,110	82,755	87,110	82,755
SA-HELP		4,072	4,249	4,072	4,249
Total Higher Education Loan Programs	33(b)	261,013	259,951	261,013	259,951
Total Australian Government financial assistance		971,026	968,063	971,026	968,063

(c) Australian Government grants received - cash basis

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Commonwealth Grant Scheme and other grants	33(a)	320,716	307,905	320,716	307,905
Higher Education Loan Programs	33(b)	263,790	260,157	263,790	260,157
Scholarships	33(c)	29,650	30,283	29,650	30,283
Education research	33(d)	151,270	150,906	151,270	150,906
Australian Research Council	33(e)	56,106	64,070	56,106	64,070
Other Australian Government financial assistance		156,627	158,453	156,627	158,453
Total Australian Government grants received - cash basis		978,159	971,774	978,159	971,774
OS-HELP (net)	33(f)	(784)	938	(784)	938
Total Australian Government funding received - cash basis		977,375	972,712	977,375	972,712

The University recognises operating grants received from Australian Government entities, which includes Commonwealth grants, Higher Education Contribution Scheme (HECS-HELP) Commonwealth payments, Higher Education Loan Program (FEE-HELP) 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

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Course fees and charges					
Fee-paying onshore overseas students		610,884	479,607	610,884	479,607
Continuing education		17,699	16,027	17,606	15,383
Fee-paying domestic postgraduate students		30,047	30,923	30,047	30,923
Fee-paying domestic undergraduate students		3,682	4,044	3,682	4,044
Students undertaking non-award courses		1,061	1,237	1,061	1,237
Other course fees and charges		39,124	38,927	39,124	38,927
Total course fees and charges		702,497	570,765	702,404	570,121
Other non-course fees and charges					
Student residences		25,673	13,850	25,673	13,850
Student Services and Amenities Fees from students	33(g)	10,519	9,633	10,519	9,633
Other non-course fees and charges		13,766	13,880	13,722	13,796
Total non-course fees and charges		49,958	37,363	49,914	37,279
Total fees and charges		752,455	608,128	752,318	607,400

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.

4 Investment revenue and income

	Economic entity (Consolidated)		Parent entity (University)	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Distributions from managed funds	50,908	44,741	50,908	44,741
Dividends received	19,858	16,164	19,858	16,164
Interest received	20,312	20,066	20,317	19,572
Total investment revenue	91,078	80,971	91,083	80,477
Change in fair value of financial assets designated as fair value through profit or loss	19,353	37,614	19,353	37,614
Realised gains/(losses)	11,192	(21,664)	11,192	(21,664)
Total other investment income	30,545	15,950	30,545	15,950
Total investment income	121,623	96,921	121,628	96,427

Investment income is recognised as it is earned.

5 Consultancy and contracts

	Economic entity (Consolidated)		Parent entity (University)	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Consultancy	7,378	8,742	7,365	8,742
Contract research	89,849	93,514	89,849	93,514
Total consultancy and contracts	97,227	102,256	97,214	102,256

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

	Economic entity (Consolidated)		Parent entity (University)	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Bequests and donations	69,881	75,054	69,761	74,899
Contributions (external organisations)	37,242	41,874	37,510	41,874
Farms	5,196	4,219	5,196	4,219
Reimbursement income	13,601	14,595	13,895	14,557
Shop sales	13,343	13,607	4,038	4,325
Veterinary/medical practice income	15,734	13,931	15,734	13,931
Other revenue	10,827	9,982	10,236	10,861
Total other revenue	165,824	173,262	156,370	164,666

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

7 Employee-related expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	446,800	420,828	446,800	420,828
Contributions to superannuation schemes	72,187	67,956	72,187	67,956
Payroll tax and workers compensation	30,634	29,174	30,634	29,174
Long service leave expense	15,877	15,118	15,877	15,118
Annual leave	31,029	29,864	31,029	29,864
Termination payments	2,936	2,069	2,936	2,069
Total academic	599,463	565,009	599,463	565,009
Non-academic				
Salaries	395,824	369,748	392,773	366,441
Contributions to superannuation schemes	62,815	58,177	62,041	57,520
Payroll tax and workers compensation	26,878	25,009	26,363	24,614
Long service leave expense	12,398	11,405	12,177	11,334
Annual leave	27,941	26,111	27,830	25,992
Termination payments	6,180	10,709	6,180	10,709
Total non-academic	532,036	501,159	527,364	496,610
Deferred employment benefits for superannuation*	95	51	95	51
Total employee related expenses	1,131,594	1,066,219	1,126,922	1,061,670

* Includes expense of \$95k (2015: expense \$51k) for the Professorial Superannuation Scheme.

8 Other expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Advertising, marketing and promotional expenses	8,912	8,759	8,738	8,517
Audit fees, bank charges, legal costs, insurance and taxes	12,915	14,505	12,727	14,214
Communications	10,898	10,448	10,833	10,377
Farm operations	7,324	7,882	7,324	7,882
Library materials	7,895	6,454	7,894	6,452
Laboratory, medical supplies and materials	28,290	28,507	27,206	27,282
Licences, patents, copyright and commissions	30,552	25,998	30,517	25,940
Non-capitalised equipment	33,062	33,242	33,062	33,208
Non-capitalised project costs	39,868	12,765	39,868	12,765
Operating leases and rental expenses	18,274	17,933	18,274	17,926
Printing and stationary	13,651	13,027	13,573	12,956
Rent and room hire	12,230	13,175	11,555	12,578
Travel, staff development and training	46,872	46,700	46,810	46,514
Utilities and cleaning	30,467	30,455	30,434	30,354
Other expenses	20,286	17,562	19,995	17,259
Total other expenses	321,496	287,412	318,810	284,224

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 22. 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.

9 Income tax

Numerical reconciliation of income tax expense to prima facie tax payable

	Economic entity (Consolidated)	
	2016 \$'000	2015 \$'000
Net result before income tax expense	137,612	159,853
Tax at the Australian tax rate of 30% (2015: 30%)	41,284	47,956
Tax effect on net result of tax exempt entities	(40,988)	(47,464)
Other adjustments	(70)	(437)
Total income tax expense	226	55

The University is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. Within the consolidated entity there are entities that are not exempt from income tax. For these entities, the income tax expense or revenue for the period is the tax payable on the current period's taxable income, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

10 Cash and cash equivalents

	Economic entity (Consolidated)		Parent entity (University)	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	135,079	150,213	133,998	147,266
Short term deposits	276,417	204,459	274,908	204,459
Total cash and cash equivalents in the statement of financial position and statement of cash flow*	411,496	354,672	408,906	351,725

As at 31 December 2015, the amount of cash and cash equivalents held by the University that was subject to capital preserved trust restrictions was \$21.5m (2015: \$13.4m).

* These are interest bearing at a variable average rate of 2.35% (2015: 2.47%).

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.

11 Receivables

		Economic entity (Consolidated)		Parent entity (University)	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Current					
Trade receivables		24,720	27,847	24,121	26,911
Student fees and loans		23,080	22,006	23,080	22,006
Less: provision for impaired receivables		(3,427)	(2,695)	(3,370)	(2,565)
Total trade receivables		44,373	47,158	43,831	46,352
Amount due from controlled entities		0	0	1,119	2,200
Accrued income and other receivables		15,952	19,272	15,740	19,322
Deferred government benefits for superannuation	24(d)	99,469	0	99,469	0
Total other receivables		115,421	19,272	116,328	21,522
Total current receivables		159,794	66,430	160,159	67,874
Non-current					
Deferred government benefits for superannuation*	24(d)	1,482,168	1,564,430	1,482,168	1,564,430
Super Asset Plan (State Authorities Superannuation Trustee Corporation)	24(d)	4,413	4,890	4,413	4,890
Super Asset Plan (Professorial Superannuation System)	24(d)	4,314	595	4,314	595
Other receivables		341	451	341	451
Total non-current receivables		1,491,236	1,570,366	1,491,236	1,570,366

* The University contributes to three superannuation schemes within the State Authorities Superannuation Trustee Corporation, see Note 24(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 State Governments respectively.

Impaired receivables

As at 31 December 2016 current receivables of the University with a nominal value of \$3,427k (2015: \$2,695k) were impaired.

The amount of the provision that relates to specific provisions was \$3,208k (2015: \$2,589k). The individually impaired receivables mainly relate to private sector organisations which are in unexpectedly difficult economic situations.

The remaining provision of \$219k (2015: \$106k) 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.

As at 31 December 2016 trade receivables of \$25,931k (2015: \$24,883k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

11 Receivables

Impaired receivables

The ageing analysis of these receivables is as follows:

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Under 3 months	4,940	7,564	4,549	7,095
3 to 6 months	12,745	9,176	12,727	9,061
6 to 12 months	4,799	5,267	4,799	5,229
Over 12 months	3,447	2,876	3,447	2,876
Total past due but not impaired receivables	25,931	24,883	25,522	24,261

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

At 1 January	2,695	1,671	2,564	1,671
Provision for impairment recognised	2,336	1,084	2,357	954
Receivables written off	(1,604)	(60)	(1,551)	(60)
At 31 December	3,427	2,695	3,370	2,565

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.

12 Other financial assets

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Financial assets at fair value through profit or loss				
Fixed interest bonds	15,290	5,194	15,290	5,194
Short term holdings	(3,529)	31,150	(3,529)	31,150
Total current other financial assets through profit or loss	11,761	36,344	11,761	36,344
Non-current				
Financial assets at fair value through profit or loss				
Listed securities	204,118	234,243	204,118	234,243
External fund managers*	914,468	730,301	914,468	730,301
Fixed interest bonds	171,437	148,267	171,437	148,267
Floating rate notes	0	5,955	0	5,955
Convertible notes	3,562	3,452	3,562	3,452
Shares in unlisted companies	13,062	11,158	22,062	19,158
Total other financial assets at fair value through profit or loss	1,306,647	1,133,376	1,315,647	1,141,376
Financial assets at amortised cost				
Secured loan	4,457	5,016	4,457	5,016
Loan to/investment in subsidiary	0	0	1,451	0
Total other financial assets at amortised cost	4,457	5,016	5,908	5,016
Total non-current other financial assets	1,311,104	1,138,392	1,321,555	1,146,392
Total other financial assets	1,322,865	1,174,736	1,333,316	1,182,736

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

Fixed rate bonds are at an average rate of 2.42% (2015: 2.61%), 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.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2016
(continued)

13 Property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Parent entity (University)	Teaching research land \$'000	Teaching and research building \$'000	Teaching research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Total \$'000
At 1 January 2015												
Cost	161,686	1,521,609	168,781	0	0	0	560,991	76,338	372,407	0	537,007	3,398,819
Valuation	0	0	0	182,372	162,898	542	0	0	0	288,785	0	634,597
Accumulated depreciation and impairment	0	(361,069)	(53,702)	0	(64)	(5)	(220,379)	(20,959)	0	0	(252,996)	(909,174)
Net book amount	161,686	1,160,540	115,079	182,372	162,834	537	340,612	55,379	372,407	288,785	284,011	3,124,242
Year ended 31 December 2015												
Cost and valuation:												
Additions	16,413	922	0	0	0	0	31,332	1,208	292,851	189	2,226	345,141
Transfer from work in progress	225	80,265	0	0	83,720	2,121	83,318	3,243	(259,364)	0	0	(6,472)
Donations	0	0	0	0	0	0	51	0	0	0	208	259
Asset disposals	0	0	0	0	0	0	(584)	0	0	0	0	(584)
Asset retirements	0	(457)	0	0	0	0	(9,129)	(1,406)	0	(14)	0	(11,006)
Revaluation increment/(decrement)	0	0	0	4,633	34,673	(89)	0	0	0	3,443	0	42,660
Non-capitalisable costs	0	0	0	0	0	0	0	0	(12,765)	0	0	(12,765)
Transfers/reclassification*	0	(209)	0	22,912	(23,304)	0	1,335	0	0	0	0	734
Depreciation												
Depreciation	0	(50,158)	(3,560)	0	(5,281)	(39)	(46,030)	(4,268)	0	0	(47,150)	(156,486)
Write back accumulated depreciation on asset:												
Disposals	0	0	0	0	0	0	480	0	0	0	0	480
Retirements	0	152	0	0	0	0	8,203	1,740	0	0	0	10,095
Revaluations	0	0	0	0	5,345	44	0	0	0	0	0	5,389
Transfers/reclassification*	0	0	0	0	0	0	(1,335)	0	0	0	0	(1,335)
Closing net book amount	178,324	1,191,055	111,519	209,917	257,987	2,574	408,253	55,896	393,129	292,403	239,295	3,340,352
At 31 December 2015												
Cost	178,324	1,602,130	168,781	0	0	0	667,314	79,383	393,129	0	539,441	3,628,502
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	(259,061)	(23,487)	0	0	(300,146)	(1,051,031)
Net book amount	178,324	1,191,055	111,519	209,917	257,987	2,574	408,253	55,896	393,129	292,403	239,295	3,340,352

* Includes the transfer of assets to asset held for sale

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Notes to the financial statements
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(continued)

13 Property, plant and equipment

Parent entity (University)	Teaching and research building \$'000	Teaching and research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Total \$'000
At 1 January 2016											
Cost	178,324	1,602,130	0	0	0	667,314	79,383	393,129	0	539,441	3,628,502
Valuation	0	0	209,917	257,987	2,574	0	0	0	292,403	0	762,881
Accumulated depreciation and impairment	0	(411,075)	0	0	0	(259,061)	(23,487)	0	0	(300,146)	(1,051,031)
Net book amount	178,324	1,191,055	209,917	257,987	2,574	408,253	55,896	393,129	292,403	239,295	3,340,352
Year ended 31 December 2016											
Cost and valuation:											
Additions	0	0	0	0	0	20,644	2,010	158,971	170	1,779	183,574
Transfer from work in progress	5,178	217,092	0	6,093	0	84,904	379	(344,293)	0	0	(23,021)
Donations	0	0	0	0	0	0	0	0	133	0	133
Asset disposals	0	0	0	0	0	(867)	0	0	0	0	(867)
Asset retirements	0	(6,108)	0	0	0	(8,589)	(1,436)	0	(113)	0	(16,246)
Revaluation increment/(decrement)	0	0	27,907	1,278	1	0	0	0	(855)	0	28,331
Non-capitalisable costs	0	0	0	0	0	0	0	(39,868)	0	0	(39,868)
Transfers/reategorisation	(855)	(547)	601	448	0	(22)	0	289	0	0	(86)
Depreciation											
Depreciation	0	(51,754)	0	(6,918)	(52)	(55,604)	(4,283)	0	0	(47,381)	(169,590)
Write back accumulated depreciation on asset:											
Disposals	0	0	0	0	0	590	0	0	0	0	590
Retirements	0	6,024	0	0	0	7,816	1,437	0	0	0	15,277
Revaluations	0	0	0	6,918	52	0	0	0	0	0	6,970
Closing net book amount	182,647	1,355,762	238,425	265,806	2,575	457,125	54,003	168,228	291,738	193,693	3,325,549
At 31 December 2016											
Cost	182,647	1,812,567	0	0	0	763,385	80,336	168,228	0	541,220	3,724,790
Valuation	0	0	238,425	265,806	2,575	0	0	0	291,738	0	788,544
Accumulated depreciation and impairment	0	(456,805)	0	0	0	(306,260)	(26,333)	0	0	(347,527)	(1,197,785)
Net book amount	182,647	1,355,762	238,425	265,806	2,575	457,125	54,003	168,228	291,738	193,693	3,325,549

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(continued)

13 Property, plant and equipment

Economic entity (Consolidated)	Teaching and research land \$'000	Teaching and research building \$'000	Teaching and research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Total \$'000
At 1 January 2015												
Cost	161,686	1,522,271	168,781	0	0	0	563,409	76,338	372,407	0	537,007	3,401,899
Valuation	0	0	0	182,372	162,899	542	0	0	0	288,785	0	634,598
Accumulated depreciation and impairment	0	(361,118)	(53,702)	0	(64)	(5)	(222,374)	(20,959)	0	0	(252,996)	(911,218)
Net book amount	161,686	1,161,153	115,079	182,372	162,835	537	341,035	55,379	372,407	288,785	284,011	3,125,279
Year ended 31 December 2015												
Cost and valuation:												
Additions	16,413	900	0	0	0	0	31,341	1,208	292,851	189	2,226	345,128
Transfer from work in progress	225	80,266	0	0	83,719	2,121	83,318	3,243	(259,364)	0	0	(6,472)
Donations	0	0	0	0	0	0	51	0	0	0	208	259
Asset disposals	0	0	0	0	0	0	(2,112)	0	0	0	0	(2,112)
Asset retirements	0	(457)	0	0	0	0	(9,128)	(1,406)	0	(14)	0	(11,005)
Revaluation increment/(decrement)	0	0	0	4,633	34,673	(89)	0	0	0	3,443	0	42,660
Non-capitalisable costs	0	0	0	0	0	0	0	0	(12,765)	0	0	(12,765)
Transfers/recategorisation*	0	(209)	0	22,912	(23,304)	0	1,147	0	0	0	0	546
Depreciation												
Depreciation charge	0	(50,312)	(3,560)	0	(5,281)	(39)	(46,073)	(4,268)	0	0	(47,150)	(156,683)
Write back accumulated depreciation on asset:												
Disposals	0	0	0	0	0	0	1,976	0	0	0	0	1,976
Retirements	0	152	0	0	0	0	8,204	1,740	0	0	0	10,096
Revaluations	0	45	0	0	5,345	44	0	0	0	0	0	5,434
Transfers/recategorisation*	0	158	0	0	0	0	(1,247)	0	0	0	0	(1,089)
Closing 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
At 31 December 2015												
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

* Includes the transfer of assets to asset held for sale

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 (continued)

13 Property, plant and equipment

Economic entity (Consolidated)	Teaching and research land \$'000	Teaching and research building \$'000	Teaching and research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Total \$'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
Year ended 31 December 2016												
Cost and valuation:												
Additions	0	0	0	0	0	0	21,118	2,787	188,971	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/reclassification	(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/reclassification*	0	0	0	0	0	0	(189)	0	0	0	0	(189)
Closing net book amount	182,647	1,355,762	115,547	238,425	266,526	2,575	457,724	54,762	168,228	291,738	193,693	3,327,627
At 31 December 2016												
Cost	182,647	1,812,567	176,407	0	0	0	764,761	81,113	168,228	0	541,220	3,726,943
Valuation	0	0	0	238,425	266,526	2,575	0	0	0	291,738	0	799,264
Accumulated depreciation and impairment	0	(456,805)	(60,860)	0	0	0	(307,037)	(26,351)	0	0	(347,527)	(1,198,580)
Net book amount	182,647	1,355,762	115,547	238,425	266,526	2,575	457,724	54,762	168,228	291,738	193,693	3,327,627

13 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 provided by the curators of each collection. The valuation of the University's rare books collection was as at 31 December 2016. 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 by the Museum of Contemporary Art Limited and is recorded on the University's books at a value of \$42,926k (2015: \$31,271k). The valuations for the other collections are provided annually by the curators of each collection and are based on current market value using a combination of prices at auction of similar works, the curator's experience and appropriate indexation. Where assets are valued in a foreign currency they are translated into their Australian dollar equivalent at reporting date. These assets are not subject to depreciation.

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 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.

13 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:

	2016	2015
Plant and equipment	5%-20%	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.*

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2016
(continued)

14 Intangible assets

	Economic entity (Consolidated)				Parent entity (University)				
	Computer software \$'000	Other intangibles \$'000	Digitalised library collections \$'000	Goodwill on consolidation \$'000	Total \$'000	Computer software \$'000	Other intangibles \$'000	Digitalised library collections \$'000	Total \$'000
At 1 January 2015									
Cost	130,995	3,255	66,342	6,129	206,721	130,995	3,255	66,342	200,592
Accumulated amortisation and impairment	(43,132)	(673)	0	0	(43,805)	(43,132)	(673)	0	(43,805)
Net book amount	87,863	2,582	66,342	6,129	162,916	87,863	2,582	66,342	156,787
Year ended 31 December 2015									
Additions	126	800	14,236	0	15,162	126	800	14,236	15,162
Transfer from work in progress	6,471	0	0	0	6,471	6,471	0	0	6,471
Asset retirements/recategorisation	(969)	0	0	0	(969)	(969)	0	0	(969)
Amortisation									
Amortisation charge	(17,006)	(167)	0	0	(17,173)	(17,006)	(167)	0	(17,173)
Asset retirements/recategorisation	907	0	0	0	907	907	0	0	907
Closing net book amount	77,392	3,215	80,578	6,129	167,314	77,392	3,215	80,578	161,185
At 31 December 2015									
Cost	136,623	4,055	80,578	6,129	227,385	136,623	4,055	80,578	221,256
Accumulated amortisation and impairment	(59,231)	(840)	0	0	(60,071)	(59,231)	(840)	0	(60,071)
Net book amount	77,392	3,215	80,578	6,129	167,314	77,392	3,215	80,578	161,185
Year ended 31 December 2016									
Balance 1 January	77,392	3,215	80,578	6,129	167,314	77,392	3,215	80,578	161,185
Additions	1	0	14,085	0	14,086	0	0	14,085	14,085
Transfer from work in progress	23,022	0	0	0	23,022	23,022	0	0	23,022
Transfers and recategorisation	88	9	0	0	97	88	0	0	88
Amortisation									
Amortisation charge	(18,162)	(167)	0	0	(18,329)	(18,162)	(167)	0	(18,329)
Asset retirements/recategorisation	0	(11)	0	0	(11)	0	(2)	0	(2)
Closing net book amount	82,341	3,046	94,663	6,129	186,179	82,340	3,046	94,663	180,049
At 31 December 2016									
Cost	159,734	4,064	94,663	6,129	264,590	159,733	4,055	94,663	258,451
Accumulated amortisation and impairment	(77,393)	(1,018)	0	0	(78,411)	(77,393)	(1,009)	0	(78,402)
Net book amount	82,341	3,046	94,663	6,129	186,179	82,340	3,046	94,663	180,049

14 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 acquisition. 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.

15 Other non-financial assets

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Prepaid expense	34,269	23,315	34,096	23,186
Inventories	997	179	997	179
Assets held for sale	0	600	0	600
Total current other non-financial assets	35,266	24,094	35,093	23,965
Non-current				
Livestock				
Balance 1 January	4,571	3,509	4,571	3,509
Purchases and natural increase/revaluation	1,462	2,800	1,462	2,800
Sales and natural decrease	(666)	(1,738)	(666)	(1,738)
Total livestock	5,367	4,571	5,367	4,571
Prepaid lease				
Prepaid lease	24,670	14,767	24,670	14,767
Total prepaid lease	24,670	14,767	24,670	14,767
Total non-current other non-financial assets	30,037	19,338	30,037	19,338
Total other non-financial assets	65,303	43,432	65,130	43,303

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

16 Trade and other payables

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Creditors	28,332	23,579	27,449	23,410
Prepaid income	100,318	81,638	100,188	81,405
Income tax payable	32	0	0	0
Accrued expenses	84,726	78,408	85,435	78,943
Amounts owed to related parties	0	0	1,028	164
Total current trade and other payables	213,408	183,625	214,100	183,922
Total trade and other payables	213,408	183,625	214,100	183,922

Foreign currency risk

The total trade and other payables of the economic entity shown above includes \$1,031k (2015: \$651k) denominated in currencies other than Australian dollars.

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to Note 29.

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.

17 Borrowings

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current				
Unsecured bank loans	110,000	110,000	110,000	110,000
Bonds payable	394,961	394,336	394,961	394,336
Total non-current borrowings	504,961	504,336	504,961	504,336
Total borrowings	504,961	504,336	504,961	504,336

The fair value of borrowings at balance date was \$523,934k (2015: \$522,062k). Refer to Note 30 for fair value measurement.

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

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.

18 Provisions

(a) Provisions

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	70,077	65,838	69,623	65,449
Long service leave	30,990	31,280	30,990	31,280
Defined benefit obligation	99,469	0	99,469	0
Provision for severance payment	3,581	1,637	3,581	1,637
Provision for make good	765	1,181	765	1,181
Subtotal	204,882	99,936	204,428	99,547
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	3,301	2,897	3,301	2,897
Long service leave	119,532	106,858	119,145	106,437
Subtotal	122,833	109,755	122,446	109,334
Total current provisions	327,715	209,691	326,874	208,881
Non-current provisions				
Employee benefits				
Long service leave	33,292	31,960	33,148	31,960
Defined benefit obligation	1,490,035	1,572,635	1,490,035	1,572,635
Provision for make good	9,602	8,919	9,602	8,919
Deferred lease provision	1,921	1,914	1,921	1,914
Total non-current provisions	1,534,850	1,615,428	1,534,706	1,615,428
Total provisions	1,862,565	1,825,119	1,861,580	1,824,309

(b) Movements in provisions

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

	Economic entity (Consolidated)		Parent entity (University)	
	Deferred lease \$'000	Make good provisions \$'000	Deferred lease \$'000	Make good provisions \$'000
2015				
Carrying amount at 1 January	1,843	8,868	1,843	8,868
Additional provisions recognised	248	1,232	248	1,232
Amount used	(177)	0	(177)	0
Carrying amount at 31 December	1,914	10,100	1,914	10,100
2016				
Carrying amount at 1 January	1,914	10,100	1,914	10,100
Additional provisions recognised	266	1,710	266	1,710
Amount used	(259)	(266)	(259)	(266)
Unused amounts reversed	0	(1,177)	0	(1,177)
Carrying amount at 31 December	1,921	10,367	1,921	10,367

18 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.

19 Reserves

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property, plant and equipment revaluation reserve	443,405	408,051	443,308	408,007
Hedging reserve - cash flow hedges	(1,782)	(2,953)	(1,782)	(2,953)
Associates' reserves	1,312	1,468	0	0
Foreign currency translation reserve	(65)	0	0	0
Balance at 31 December	442,870	406,566	441,526	405,054
Movements:				
Property, plant and equipment revaluation reserve				
Balance at 1 January	408,051	359,957	408,007	359,957
Revaluation increments/(decrements)	35,354	48,094	35,301	48,050
Balance at 31 December	443,405	408,051	443,308	408,007
Hedging reserve - cash flow hedges				
Balance at 1 January	(2,953)	(4,925)	(2,953)	(4,925)
Less: expired hedges	401	1,126	401	1,126
Valuation movement on hedge reserve	770	846	770	846
Balance at 31 December	(1,782)	(2,953)	(1,782)	(2,953)
Associates' reserve				
Balance at 1 January	1,468	1,893	0	0
Less: transfers from reserves	(156)	(425)	0	0
Balance at 31 December	1,312	1,468	0	0
Foreign currency translation reserve				
Balance at 1 January	0	0	0	0
Currency translation differences arising during the year	(65)	0	0	0
Balance at 31 December	(65)	0	0	0

The University has the following reserves:

(i) Property, plant and equipment revaluation reserve

This reserve is used to account for the increases or decreases in the value of assets as a result of revaluations. Increases in the value of reserves are in accordance with the valuation of assets policies stated in Note 13. 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 29(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 27).

(iv) Foreign currency translation reserve

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

20 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 S Houston
Professor S Garton	Professor D Ivison
Professor T Carlin	Ms R Murray
Mr T Dolan	Professor P Pattison
Mr R Fisher AM	Ms S Watts (until 01 July 2016)

	Economic entity (Consolidated)		Parent entity (University)	
	2016	2015	2016	2015
Remuneration of principal officers*				
\$200,000 to \$209,999	0	1	0	1
\$220,000 to \$229,999	0	0	0	0
\$280,000 to \$289,999	0	1	0	1
\$380,000 to \$389,999	1	0	1	0
\$410,000 to \$419,999	0	1	0	1
\$420,000 to \$429,999	1	1	1	1
\$430,000 to \$439,999	0	2	0	2
\$460,000 to \$469,999	2	2	2	2
\$470,000 to \$479,999	3	0	3	0
\$480,000 to \$489,999	1	0	1	0
\$580,000 to \$589,999	1	1	1	1
\$1,380,000 to \$1,389,999	0	1	0	1
\$1,440,000 to \$1,449,999	1	0	1	0
	10	10	10	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. Since 1 July 2013 this housing benefit has been liable for fringe benefits tax which has been included in the remuneration calculation.

(b) Key management personnel compensation

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Short-term employee benefits	5,461	5,087	5,461	5,087
Post-employment benefits	212	160	212	160
Total key management personnel compensation	5,673	5,247	5,673	5,247

(c) Loans to key management personnel

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

21 Remuneration of auditors

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Audit services				
Fees paid to the Audit Office of NSW				
Audit and review of financial statements and other audit work.	621	618	524	526
Audit fees for subsidiaries paid by parent entity	5	5	5	5
Audit services by private sector contractors	118	79	77	79
Total remuneration for audit services	744	702	606	610
(b) Other audit and assurance services				
Audit-related services				
Fees paid to the Audit Office of NSW				
Audit of regulatory returns	36	165	36	165
Fees paid to other audit firms	29	55	20	55
Total remuneration paid for audit related services	65	220	56	220
Total remuneration of auditors	809	922	662	830

22 Commitments

(a) Capital commitments

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

	Economic entity (Consolidated)		Parent entity (University)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property, plant and equipment				
Within one year	158,396	86,152	158,396	86,152
Between one year and five years	25,769	0	25,769	0
Total PPE commitments	184,165	86,152	184,165	86,152
Intangibles				
Within one year	1,282	5,803	1,282	5,803
Between one year and five years	0	1,286	0	1,286
Total intangible asset commitments	1,282	7,089	1,282	7,089

(b) Operating lease commitments

Within one year	26,135	24,380	26,093	24,372
Between one and five years	45,836	51,685	45,257	51,682
Later than five years*	9,192	10,501	8,788	10,501
Total future minimum lease payments	81,163	86,566	80,138	86,555

* 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.

23 Contingencies

(i) Proceedings against the University

An estimate of the maximum exposure on proceedings against the University amounts to \$930k for 2016 (2015: \$1,572k). It is estimated that the University's insurance policies would provide reimbursement of \$220k (2015: \$975k) 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 \$32,000k of which \$16,593k was used during 2016. 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 \$3,850k of which \$1,988k was utilised.

(iv) Letters of comfort to subsidiaries

The University has provided certain controlled entities, Sydney Learning 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.

At the date of this report the net assets of the controlled entities covered by a letter of comfort total \$1,920k (2015: \$395k).

24 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 SASS, SANCS and 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 2016.

Liability

A net unfunded liability for retirement benefits of \$1,581m (2015: \$1,567m) is included in the statement of financial position as \$9m (2015: \$6m) within non-current receivables and \$1,490m (2015: \$1,573m) within non-current provisions and \$100m (2015: Nil) within current provisions; \$1,582m (2015: \$1,564m) of this is payable by the Commonwealth and New South Wales Governments (refer to Note 11).

The valuation methodology and principal actuarial assumptions as at 31 December 2016 are as follows:

(i) Valuation method

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

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

24 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):

	2016 %	2015 %
Discount rate(s)*	2.78%	2.90%
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 2016 used 2.80% (2015: 2.9%) as the discount rate assumption.

** The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2016 used 2.50% (2015: 2.90%) as the salary increase assumption. The actuarial calculation for SASS, SANCS and SSS funds in 2016 used 2.50% (2015: 2.50%) as the salary increase assumption.

The University expects to make a contribution of \$4,396k (2015: \$5,596k) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation is 11 years (2015: 11.3 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 2016	102,123	102,631	305,693	1,676,661	2,187,108
Defined benefit obligations - 31 December 2015	100,273	100,290	301,998	1,674,812	2,177,373

(b) Categories of plan assets

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

	2016 (\$)		2015 (\$)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and cash equivalents	11,889	1,448	20,645	207
Equity instruments	97,846	17,922	127,239	21,198
Debt instruments	8,377	13,000	8,267	20,170
Property	4,076	11,406	6,059	14,042
Other	5,059	36,319	6,412	42,045
Total	127,247	80,095	168,622	97,662

(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 9.7%	Increase by 11.6%
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.

24 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 benefit 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 financial demographic	0	0	0	0	0
Actuarial losses/(gains) arising from changes in financial assumptions	584	130	3,802	(705)	3,811
Experience losses/(gains)	838	1,063	(32,856)	(554)	(31,509)
	<u>1,422</u>	<u>1,193</u>	<u>(29,054)</u>	<u>(1,259)</u>	<u>(27,698)</u>
Contributions					
Plan participants	1,642	0	756	0	2,398
	<u>1,642</u>	<u>0</u>	<u>756</u>	<u>0</u>	<u>2,398</u>
Payments from plan					
Benefits paid	(5,653)	(1,895)	(75,075)	(3,340)	(85,963)
	<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	127,345	773	102,930	35,237	266,285
Past service cost	0	0	0	0	0
	<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	1,627	23	604	2,555	4,809
	<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	1,642	0	757	0	2,399
	<u>4,815</u>	<u>854</u>	<u>2,260</u>	<u>0</u>	<u>7,929</u>
Payments from plan					
Benefits paid	(5,653)	(1,895)	(75,075)	(3,340)	(85,963)
Taxes, premiums and expenses paid	(89)	(462)	8,551	(110)	7,890
	<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	(598)	(113)	(129)	0	(840)
	<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	(131,615)	714	(41,128)	(35,314)	(207,343)
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	(6,426)	22,566	1,565,497	0	1,581,637
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>

24 Defined benefit plans

(d) Statement of financial position amounts

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations - 2015					
Opening defined benefit obligation	126,377	26,619	1,639,121	37,102	1,829,219
Current cost	4,226	949	1,736	70	6,981
Taxes, premiums and expenses paid	(209)	364	6,414	(70)	6,499
Interest expense/(income)	3,376	694	45,289	989	50,348
	<u>133,770</u>	<u>28,626</u>	<u>1,692,560</u>	<u>38,091</u>	<u>1,893,047</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	1,554	(759)	57,252	0	58,047
Actuarial losses/(gains) arising from changes in financial assumptions	(105)	3	(13,773)	(268)	(14,143)
Experience losses/(gains)	3,539	(2,466)	(7,552)	410	(6,069)
	<u>4,988</u>	<u>(3,222)</u>	<u>35,927</u>	<u>142</u>	<u>37,835</u>
Contributions					
Plan participants	1,588	0	971	0	2,559
	<u>1,588</u>	<u>0</u>	<u>971</u>	<u>0</u>	<u>2,559</u>
Payments from plan					
Benefits paid	(17,891)	(3,350)	(75,174)	(3,591)	(100,006)
	<u>(17,891)</u>	<u>(3,350)</u>	<u>(75,174)</u>	<u>(3,591)</u>	<u>(100,006)</u>
Closing defined benefit obligation	<u>122,455</u>	<u>22,054</u>	<u>1,654,284</u>	<u>34,642</u>	<u>1,833,435</u>
Present value of plan assets - 2015					
Opening fair value of plan assets	142,740	(7,939)	166,845	37,830	339,476
	<u>142,740</u>	<u>(7,939)</u>	<u>166,845</u>	<u>37,830</u>	<u>339,476</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	3,774	(115)	3,599	1,008	8,266
Actuarial losses/(gains) arising from changes in financial assumptions	1,958	(137)	2,002	60	3,883
	<u>5,732</u>	<u>(252)</u>	<u>5,601</u>	<u>1,068</u>	<u>12,149</u>
Contributions					
Employers	(4,615)	11,950	(1,727)	0	5,608
Plan participants	1,588	0	971	0	2,559
	<u>(3,027)</u>	<u>11,950</u>	<u>(756)</u>	<u>0</u>	<u>8,167</u>
Payments from plan					
Benefits paid	(17,891)	(3,350)	(75,174)	(3,591)	(100,006)
Taxes, premiums and expenses paid	(209)	364	6,414	(70)	6,499
	<u>(18,100)</u>	<u>(2,986)</u>	<u>(68,760)</u>	<u>(3,661)</u>	<u>(93,507)</u>
Closing fair value of plan assets	<u>127,345</u>	<u>773</u>	<u>102,930</u>	<u>35,237</u>	<u>266,285</u>
Reimbursement rights - 2015					
Opening value of reimbursement right	(16,363)	34,559	1,472,275	0	1,490,471
Expected return on reimbursement rights	8,443	(10,194)	45,153	0	43,402
Actuarial remeasurements	3,030	(3,084)	33,926	0	33,872
Remeasurement through profit or loss	(132)	(25)	(594)	0	(751)
Restatement of opening balance	(1,402)	(315)	(847)	0	(2,564)
Closing value of reimbursement right	<u>(6,424)</u>	<u>20,941</u>	<u>1,549,913</u>	<u>0</u>	<u>1,564,430</u>
Net liability - 2015					
Defined benefit obligation	122,455	22,054	1,654,284	34,642	1,833,435
Fair value of plan assets	(127,345)	(773)	(102,930)	(35,237)	(266,285)
Net liability	<u>(4,890)</u>	<u>21,281</u>	<u>1,551,354</u>	<u>(595)</u>	<u>1,567,150</u>
Reimbursement right	(6,424)	20,941	1,549,913	0	1,564,430
Total net liability/(asset) in statement of financial position	<u>1,534</u>	<u>340</u>	<u>1,441</u>	<u>(595)</u>	<u>2,720</u>

24 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 the 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 of the parent entity 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 2016, the assets of UniSuper in aggregate, were estimated to be \$2,252m above vested benefits, after allowing for various reserves. As at 30 June 2015 the total assets of UniSuper were estimated to be \$1,479m 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 2016, the assets of UniSuper were estimated to be \$3,757m above accrued benefits, after allowing for various reserves. As at 30 June 2015 the assets of the fund were estimated to be \$3,377m 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.

25 Subsidiaries

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

Name of Entity	Principal place of business	Ownership interest	
		2016 %	2015 %
A14 Holdings Pty Limited	Camperdown, NSW	100	100
Suzhou Xi Su Commercial Consulting Co., Limited*	Suzhou, China	100	0
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

* Registered 8 January 2016

26 Joint operations

Name of joint operations	Nature of relationship	Principle place of business	Ownership interest/ voting rights held	
			2016 %	2015 %
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.

27 Investments accounted for using the equity method

(a) Associates

Name of Entity	Place of business	Measurement method	Ownership Interest	
			2016 %	2015 %
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

27 Investments accounted for using the equity method

(a) Associates

* 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.

The total carrying value of associates as at 31 December 2016 is \$2,741k (2015: \$5,693k). The University has assessed that none of the above associates are individually material to the financial statements.

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 in the consolidated financial statements using the equity method of accounting.

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

(b) Joint ventures

Name of Entity	Place of business	Measurement method	Ownership Interest %	
			2016	2015
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

The total value of joint ventures accounted for using the equity method at 31 December 2016 is \$305k (2015: \$305k). The University has assessed that none of the above joint ventures are individually material to the financial statements.

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 gains or losses arising from transactions between a venturer and its joint venture 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.

28 Reconciliation of net result after income tax to net cash provided by/(used in) operating activities

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net operating result after income tax		137,386	159,798	140,453	158,230
Depreciation and amortisation	13/14	188,086	173,856	187,919	173,660
Retired assets written off		970	973	970	973
(Gain)/loss on disposal of property, plant and equipment		(918)	(86)	(918)	(86)
(Gain)/loss on sale of asset held for sale		0	(31,588)	0	(31,588)
Non-cash investment income		(19,353)	(37,614)	(19,353)	(37,614)
Non-cash impairment of receivables	11	3,037	1,052	3,038	974
Non-cash other (income)/expenses		47,882	13,968	44,059	15,052
(Increase)/decrease in inventories		(818)	101	(818)	70
(Increase)/decrease in receivables		(10,873)	(50,578)	(13,156)	(50,373)
(Increase)/decrease in other assets		(10,414)	(1,423)	(10,699)	(744)
(Increase)/decrease in current non-financial assets		(10,910)	3,960	(10,910)	3,960
(Increase)/decrease in assets held for sale		600	(600)	600	(600)
Increase/(decrease) in payables		27,224	4,867	30,176	5,379
Increase/(decrease) in other liabilities		(589)	(1,911)	(545)	(1,972)
Increase/(decrease) in tax liabilities		0	948	0	948
Increase/(decrease) in provisions		37,256	84,264	37,271	83,874
Net cash provided by/(used in) operating activities		388,566	319,987	388,087	320,143

29 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 risks 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.

29 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 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 29(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 to interest rate risk, foreign exchange risk and other price risk. The disclosures are materially the same for both the parent and economic entity.

Economic entity (Consolidated)

31 December 2016

	2016 Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
Financial assets													
Cash and cash equivalents	411,496	0	0	0	0	4,328	0	(3,541)	0	0	0	0	
Financial assets at fair value through profit or loss	1,318,407	2,730	0	(2,729)	0	7,466	0	(6,109)	0	(111,471)	0	111,471	
Sub total		2,730	0	(2,729)	0	11,794	0	(9,650)	0	(111,471)	0	111,471	
Financial liabilities													
Borrowings	510,000	125	0	(125)	0	0	0	0	0	0	0	0	
Derivative financial instruments	1,782	0	(190)	0	190	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	

Economic entity (Consolidated)

31 December 2015

	2015 Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
Financial assets													
Cash and cash equivalents	354,672	0	0	0	0	1,176	0	(962)	0	0	0	0	
Financial assets at fair value through profit or loss	1,169,720	2,314	0	(2,313)	0	4,509	0	(3,690)	0	(101,541)	0	101,542	
Sub total		2,314	0	(2,313)	0	5,685	0	(4,652)	0	(101,541)	0	101,542	
Financial liabilities													
Borrowings	510,000	0	0	0	0	0	0	0	0	0	0	0	
Derivative financial instruments	2,953	0	(468)	0	466	0	0	0	0	0	0	0	
Total increase/(decrease)		2,314	(468)	(2,313)	466	5,685	0	(4,652)	0	(101,541)	0	101,542	

29 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 11. 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 mismatches of revenue inflows and expense outflows.

In addition, the University maintains lines of credit as disclosed below in Note 29(d).

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

The following tables details the economic entity's maturity profile as at 31 December 2016 and as at 31 December 2015:

Economic entity (Consolidated)

31 December 2016

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
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	948	835	0	1,783
Total financial liabilities	113,864	310,835	200,000	624,699

31 December 2015

Financial liabilities

Other current liabilities	80,912	0	0	80,912
Creditors	21,074	0	0	21,074
Borrowings	0	110,000	400,000	510,000
Derivative financial instruments	1,186	1,767	0	2,953
Total financial liabilities	103,172	111,767	400,000	614,939

(d) Financial facilities and balances

The University has access to an unsecured overdraft facility of \$25,000k which is unutilised as at 31 December 2016. 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 \$5,184k has been used as at 31 December 2016, a letter of credit facility of up to \$400k which was unutilised during 2016 and an additional letter of credit facility of up to \$3,850k of which \$1,862k is unutilised as at 31 December 2016. The University also has access to a \$32,000k bank guarantee facility of which \$16,593k has been utilised at 31 December 2016.

The University has access to two new 5 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 2016 was nil (2015: nil). The unutilised balance on the Westpac Banking Corporation revolving debt facility at 31 December 2016 was \$90m (2015: \$90m).

29 Financial risk management

(e) Derivatives

Interest rate swap contracts - cash flow hedges

At the balance date approximately 54.5% (2015: 100%) of the variable loan principal outstanding was hedged by variable interest rate swaps at a fixed average interest rate of 4.00% (2015: 3.70%). Also at balance date approximately 90.2% of total borrowings (unsecured borrowings from National Australia Bank and Westpac Banking Corporation and bonds on issue) was hedged by interest rate swaps and fixed interest debt (bonds) at a weighted average rate of 4.37% (2015: 4.27%).

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 29(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.

Derivative 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 changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other 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 shall be 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. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or other expenses.

30 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 17.

The University measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Commercial properties and infrastructure
- Heritage assets
- Livestock
- Borrowings
- Derivative financial instruments

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

30 Fair value measurement

(b) Fair value hierarchy

(i) Recognised fair value measurements

Fair value measurements are categorised into the following levels at 31 December 2016.

	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	12	204,141	204,141	0	0
Fixed interest securities	12	186,727	0	186,727	0
Convertible notes	12	3,562	3,562	0	0
Managed funds	12	914,468	0	914,468	0
Unlisted securities	12	13,062	0	0	13,062
Discount securities	12	2,963	0	2,963	0
Forwards and futures	12	(6,516)	0	(6,516)	0
Total financial assets at fair value through profit or loss		1,318,407	207,703	1,097,642	13,062
Non-financial assets					
Land and buildings	13	507,524	0	313,441	194,083
Heritage assets	13	291,738	0	291,738	0
Livestock	15	5,367	0	5,367	0
Total non-financial assets		804,629	0	610,546	194,083
Financial liabilities					
Borrowings	17	523,934	0	523,934	0
Derivative financial instruments		1,783	0	1,783	0
Total liabilities		525,717	0	525,717	0
Recurring fair value measurements					
Financial assets at fair value through profit or loss					
Listed securities	12	234,803	234,803	0	0
Fixed interest securities	12	153,461	0	153,461	0
Convertible notes	12	3,452	3,452	0	0
Floating rate notes	12	5,955	0	5,955	0
Managed funds	12	730,301	0	730,301	0
Unlisted securities	12	11,158	0	0	11,158
Term deposits	12	30,590	0	30,590	0
Total financial assets at fair value through profit or loss		1,169,720	238,255	920,307	11,158
Non-financial assets					
Land and buildings	13	470,478	0	316,744	153,734
Heritage assets	13	292,403	0	292,403	0
Livestock	15	4,571	0	4,571	0
Total non-financial assets		767,452	0	613,718	153,734
Financial liabilities					
Borrowings	17	522,062	0	522,062	0
Derivative financial instruments		2,953	0	2,953	0
Total liabilities		525,015	0	525,015	0

30 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 within the bid-ask spread.

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 17 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, commercial buildings and commercial infrastructure which are explained in Note 30(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

30 Fair value measurement

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

All resulting fair value estimates for heritage assets and commercial land are included in Level 2, while 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 2016 and 2015.

Level 3 Fair Value Measurement 2016	Commercial properties \$'000	Unlisted securities \$'000	Managed funds \$'000	Total \$'000
Opening balance	153,734	11,158	0	164,892
Transfers from level 2**	25,879	0	0	25,879
Transfers from WIP	5,909	0	0	5,909
Revaluation	0	0	0	0
Recognised in profit or loss*	0	1,904	0	1,904
Recognised in other comprehensive income	8,561	0	0	8,561
Balance at 31 December	<u>194,083</u>	<u>13,062</u>	<u>0</u>	<u>207,145</u>

Level 3 Fair Value Measurement 2015	Commercial properties \$'000	Unlisted securities \$'000	Managed funds \$'000	Total \$'000
Opening balance	0	7,565	254	7,819
Transfers from level 2**	124,891	0	0	124,891
Transfers out of level 3	0	0	(254)	(254)
Recognised in profit or loss*	0	3,593	0	3,593
Recognised in other comprehensive income	28,843	0	0	28,843
Balance 31 December	<u>153,734</u>	<u>11,158</u>	<u>0</u>	<u>164,892</u>

*This includes gains/(losses) of \$1,904k (2015: \$3,339k) attributable to the change in the valuation of the underlying assets.

** The operating activities of the company changed during 2016 to require fair value valuation based on unobservable 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 2016 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Shares - unquoted	13,062	Discount rate	30%	The higher the discount rate, the lower the fair value
Commercial buildings and infrastructure	194,083	Remaining useful life	1-100 years	A one year increase/(decrease) in the remaining life of each asset would cause a 3% increase/(decrease) the total FV.
Total	<u>207,145</u>			

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

31 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.

32 Other accounting policies

(a) New accounting standards and AASB interpretation

A number of new accounting standards, amendments and interpretations have been issued during 2016 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) 2015-6 - 'Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities'

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

AASB 2015-6 is mandatory for adoption from 1 July 2016.

(iii) 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 sector entities from certain requirements of the standard.

AASB 2015-7 is mandatory for adoption 1 July 2016.

(iv) 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. Early adoption is permitted, provided the new revenue standard, AASB 15 'Revenue from Contracts with Customers' has been applied or is applied at the same date as AASB 16 'Leases'.

(v) AASB 2016-2 - 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107'

This standard amends AASB 107 'Statement of Cash Flows' (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

AASB 2016-2 is mandatory for adoption from 1 January 2017.

(vi) 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. Earlier application is permitted, provided entities also apply AASB 15 'Revenue from Contracts with Customers' to the same period.

32 Other accounting policies

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.

33 Acquittal of Australian Government financial assistance

(a) Education - CGS and other grants

	Commonwealth Grant Scheme ¹		Indigenous Support Program		Partnership and Participation Program		Disability Support Program		Promotion of Excellence in learning and teaching awards	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only										
Financial assistance received in cash during the reporting period	315,093	301,495	1,205	1,169	2,863	3,283	128	71	0	70
Net accrual adjustments	(4,606)	(3,504)	0	0	0	0	0	0	0	0
Revenue for the period	310,487	297,991	1,205	1,169	2,863	3,283	128	71	0	70
Surplus/(deficit) from the previous year	0	0	0	0	10,167	12,694	(89)	0	70	0
Total revenue including accrued revenue	310,487	297,991	1,205	1,169	13,030	15,977	39	71	70	70
Less expenses including accrued expenses	(310,487)	(297,991)	(1,205)	(1,169)	(3,527)	(5,810)	(251)	(160)	(70)	0
Surplus/(deficit) for the reporting period	0	0	0	0	9,503	10,167	(212)	(89)	0	70

Promotion of Excellence in Learning and Teaching and Science Partnership grant

	Promotion of Excellence in Learning and Teaching grant		Australian Mathematics and Science Partnership Program		Total	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only						
Financial assistance received in cash during the reporting period	752	978	675	839	320,716	307,905
Net accrual adjustments	0	0	0	0	(4,606)	(3,504)
Revenue for the period	752	978	675	839	316,110	304,401
Surplus/(deficit) from the previous year	1,079	632	1,407	877	12,634	14,203
Total revenue including accrued revenue	1,831	1,610	2,082	1,716	328,744	318,604
Less expenses including accrued expenses	(85)	(531)	(1,261)	(309)	(316,886)	(305,970)
Surplus/(deficit) for the reporting period	1,746	1,079	821	1,407	11,858	12,634

¹ Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading and CGS-Medical Student Loading.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2016
 (continued)

33 Acquittal of Australian Government financial assistance

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

Parent entity (University) only

Cash payable/(receivable) at beginning of year
 Financial assistance received in cash during the reporting period

Cash available for the period

Revenue earned

Cash payable/(receivable) at the end of the year

	HECS-HELP (Australian Government payments)		FEE-HELP		SA-HELP		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	3,893	3,695	1,260	1,154	25	123	5,178	4,972
	<u>173,240</u>	<u>173,145</u>	<u>86,408</u>	<u>82,861</u>	<u>4,142</u>	<u>4,151</u>	<u>263,790</u>	<u>260,157</u>
	<u>177,133</u>	<u>176,840</u>	<u>87,668</u>	<u>84,015</u>	<u>4,167</u>	<u>4,274</u>	<u>268,968</u>	<u>265,129</u>
2(b)	<u>(169,831)</u>	<u>(172,947)</u>	<u>(87,110)</u>	<u>(82,755)</u>	<u>(4,072)</u>	<u>(4,249)</u>	<u>(261,013)</u>	<u>(259,951)</u>
	<u>7,302</u>	<u>3,893</u>	<u>558</u>	<u>1,260</u>	<u>95</u>	<u>25</u>	<u>7,955</u>	<u>5,178</u>

(c) Scholarships

Parent entity (University) only

Financial assistance received in cash during the reporting period

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

	Australian Postgraduate Awards		International Postgraduate Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarship		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
2(a)	27,373	27,416	2,206	2,193	12	610	20	20	39	44	29,650	30,283
	<u>27,373</u>	<u>27,416</u>	<u>2,206</u>	<u>2,193</u>	<u>12</u>	<u>610</u>	<u>20</u>	<u>20</u>	<u>39</u>	<u>44</u>	<u>29,650</u>	<u>30,283</u>
	5,581	5,931	0	0	310	(15)	7	(1)	(2)	(7)	5,896	5,908
	<u>32,954</u>	<u>33,347</u>	<u>2,206</u>	<u>2,193</u>	<u>322</u>	<u>595</u>	<u>27</u>	<u>19</u>	<u>37</u>	<u>37</u>	<u>35,546</u>	<u>36,191</u>
	<u>(28,133)</u>	<u>(27,766)</u>	<u>(2,205)</u>	<u>(2,193)</u>	<u>(249)</u>	<u>(285)</u>	<u>(41)</u>	<u>(12)</u>	<u>(44)</u>	<u>(39)</u>	<u>(30,672)</u>	<u>(30,295)</u>
	<u>4,821</u>	<u>5,581</u>	<u>1</u>	<u>0</u>	<u>73</u>	<u>310</u>	<u>(14)</u>	<u>7</u>	<u>(7)</u>	<u>(2)</u>	<u>4,874</u>	<u>5,896</u>

33 Acquittal of Australian Government financial assistance

(d) Education Research

	Joint Research Engagement		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		JRE Engineer Cadetships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only	32,850	32,051	67,804	67,901	27,119	27,760	22,953	22,684	544	510	151,270	150,906
Financial assistance received in cash during the reporting period	0	0	0	0	0	0	0	0	0	0	0	0
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0	0	0
Revenue for the period	32,850	32,051	67,804	67,901	27,119	27,760	22,953	22,684	544	510	151,270	150,906
Surplus/(deficit) from the previous year	0	0	0	0	(141)	(314)	0	0	1,187	677	1,046	363
Total revenue including accrued revenue	32,850	32,051	67,804	67,901	26,978	27,446	22,953	22,684	1,731	1,187	152,316	151,269
Less expenses including accrued expenses	(32,850)	(32,051)	(67,804)	(67,901)	(27,118)	(27,587)	(22,953)	(22,684)	(1,211)	0	(151,936)	(150,223)
Surplus/(deficit) for the reporting period	0	0	0	0	(140)	(141)	0	0	520	1,187	380	1,046

2(a)

(e) Australian Research Council Grants

(i) Discovery

	Projects		Fellowships		DECRA		Indigenous researchers development		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	22,992	26,523	6,742	10,289	3,641	4,211	413	493	33,788	41,516
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0
Revenue for the period	22,992	26,523	6,742	10,289	3,641	4,211	413	493	33,788	41,516
Surplus/(deficit) from the previous year	(2,855)	176	(2,729)	3,008	(680)	1,807	524	414	(5,740)	5,405
Total revenue including accrued revenue	20,137	26,699	4,013	13,297	2,961	6,018	937	907	28,048	46,921
Less expenses including accrued expenses	(18,866)	(29,554)	(10,321)	(16,026)	(3,906)	(6,698)	(574)	(383)	(33,667)	(52,661)
Surplus/(deficit) for reporting period	1,271	(2,855)	(6,308)	(2,729)	(945)	(680)	363	524	(5,619)	(5,740)

2(a)

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2016
 (continued)

33 Acquittal of Australian Government financial assistance

(e) Australian Research Council Grants

(ii) Linkages

Parent Entity (University) Only

Financial assistance received in cash during the reporting period

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

2(a)

	Industrial Research Program						Projects			Laureate Fellowships			Total			
	Linkage infrastructure		2016		2015		2016		2015		2016		2015		2016	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	2,180	1,280	3,144	2,832	5,396	5,857	4,355	5,118	15,075	15,087	15,087	15,087	15,087	15,087	15,087	
	(766)	48	3,334	1,780	5,128	5,738	(3,071)	(649)	4,625	6,917	6,917	6,917	6,917	6,917	6,917	
	1,414	1,328	6,478	4,612	10,524	11,595	1,284	4,469	19,700	22,004	22,004	22,004	22,004	22,004	22,004	
	(296)	(2,094)	(3,089)	(1,278)	(4,752)	(6,467)	(6,844)	(7,540)	(14,981)	(17,379)	(17,379)	(17,379)	(17,379)	(17,379)	(17,379)	
	1,118	(766)	3,389	3,334	5,772	5,128	(5,560)	(3,071)	4,719	4,625	4,625	4,625	4,625	4,625	4,625	

(iii) Networks and Centres

Parent Entity (University) Only

Financial assistance received in cash during the reporting period

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

2(a)

	Networks and centres			Total		
	2016		2015		2016	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	7,243	7,467	7,243	7,467	7,243	7,467
	(7,149)	(2,541)	(7,149)	(2,541)	(7,149)	(2,541)
	94	4,926	94	4,926	94	4,926
	(7,542)	(12,075)	(7,542)	(12,075)	(7,542)	(12,075)
	(7,448)	(7,149)	(7,448)	(7,149)	(7,448)	(7,149)

33 Acquittal of Australian Government financial assistance

(f) OS-HELP

	2016	2015
	\$'000	\$'000
Parent Entity (University) only		
Cash received during the reporting period	3,466	4,306
Cash spent during the reporting period	<u>(4,250)</u>	<u>(3,368)</u>
Net cash received	2(c) (784)	938
Cash surplus/(deficit) from the previous period	<u>2,504</u>	<u>1,566</u>
Cash surplus/(deficit) for the reporting period	<u>1,720</u>	<u>2,504</u>

(g) Student Services and Amenities Fee

	2016	2015
	\$'000	\$'000
Parent Entity (University) Only		
Unspent/(overspent) revenue from previous period	26	0
SA-HELP revenue earned	2(b) 4,072	4,249
Student services fees direct from students	3 <u>10,519</u>	<u>9,633</u>
Total revenue expendable in period	<u>14,617</u>	<u>13,882</u>
Student services expenses during period	<u>(14,522)</u>	<u>(13,856)</u>
Unspent/(overspent) student services revenue	<u>95</u>	<u>26</u>

Wayne Andrews

Chief Financial Officer

END OF AUDITED FINANCIAL STATEMENTS

AUDITED BY THE AUDIT OFFICE OF NEW SOUTH WALES



THE UNIVERSITY OF
SYDNEY

The University of Sydney

NSW 2006 Australia

+61 2 9351 2222

sydney.edu.au

About the annual report

This report was produced by the University of Sydney's Marketing and Communications unit in line with the University's reporting obligations. To find out more about the University's current activities, please visit

– sydney.edu.au/about

The Annual Report is also available online at

– sydney.edu.au/about/annual_report

For further information, please contact:

Information Management Officer

Marketing and Communications

The University of Sydney NSW 2006

02 9351 4625

wpp.info@sydney.edu.au

Financial statements for subsidiaries

The 2014 financial statements for the subsidiaries of the University have been published as a separate volume of this annual report and provided to the Minister for Education. This volume can be downloaded from

– sydney.edu.au/about/publications/annual_report

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