

# THE UNIVERSITY OF SYDNEY

## SENATE FELLOWS REPORT 2006





# REPORT BY THE FELLOWS OF THE SENATE

The Senate presents its 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 2006.

## Fellows

The following were Fellows of the University of Sydney Senate at the date of this report:

**The Hon Justice Kim Santow OAM, Chancellor**, was appointed a Fellow from 2 October 2001 and continues in office at the date of this report.

**Emeritus Professor Ann E Sefton AO**, Deputy Chancellor, was elected a Fellow from 1 December 2001 and Deputy Chancellor from 20 February 2004 and continues in office at the date of this report.

**Professor Gavin Brown, Vice-Chancellor and Principal**, was appointed a Fellow from 1 July 1996 and continues in office at the date of this report.

**Professor Bruce Sutton, Chair, Academic Board**, was appointed a Fellow from 13 April 2006 and continues in office at the date of this report.

**Ms Kim E W Anderson** was appointed a Fellow from 1 March 2004 and continues in office at the date of this report.

**The Hon John J Aquilina MP** was appointed a Fellow from 4 May 2005 and continues in office at the date of this report.

**Dr Roslyn Bohringer** was elected a Fellow from 1 December 2005 and continues in office at the date of this report.

**Mr Alexander N Brennan** was appointed a Fellow from 1 January 2006 and continues in office at the date of this report.

**Mr Alan Cameron AM** was appointed a Fellow from 20 February 2004 and continues in office at the date of this report.

**Dr Norman W Chan** was elected a Fellow from 1 December 2006 and continues in office at the date of this report.

**Mr Jack Clegg** was a Fellow from the beginning of the year until the end of his term of office on 30 November 2006.

**Dr Michael C Copeman** was elected a Fellow 1 December 2005 and continues in office at the date of this report.

**Dr Robin B Fitzsimons** was elected a Fellow from 1 December 1997 and continues in office at the date of this report.

**Professor Margaret A Harris** was elected a Fellow from 1 December 2001 and continues in office at the date of this report.

**Ms Rose Jackson** was elected a Fellow from 1 December 2005 and continues in office at the date of this report.

**Associate Professor Anthony F Masters** was elected a Fellow from 1 December 2003 and continues in office at the date of this report.

**Mr John A McCarthy QC** was appointed a Fellow from 4 August 1995 and continues in office at the date of this report.

**Ms Irene K Moss AO** was elected a Fellow from 1 December 2005 and continues in office at the date of this report.

**Professor Iqbal Ramzan** was elected a Fellow from 1 December 2005 and continues in office at the date of this report.

**Mr Adam B Spencer** was elected a Fellow from 1 December 2001 and continues in office at the date of this report.

**Mr Joseph Skrzynski AM** was appointed a Fellow from 1 January 2006 and continues in office at the date of this report.

**Dr Margaret Varady AO** was appointed a Fellow from 1 January 2002 and continues in office at the date of this report.

**Ms Kim E W Wilson** was elected a Fellow from 1 December 2001 and continues in office at the date of this report.

## Meetings of Fellows

The number of meetings of the Fellows of the University of Sydney Senate and of each Senate committee held during the year ended 31 December 2006, and the number of meetings attended by each Fellow are set out in the following table.



# MEETINGS OF THE SENATE

Attendance at Senate in 2006 was as follows:

Name	Senate		Hon Awards		Audit & Risk Mgt		Chair Appts		Finance & Infrastructure		Investment & Commercialisation		Remuneration		Senate/ Sports Liaison*		Senate/ SRC Liaison*		Senate/ SUPRA Liaison*		Student Appeals – Exclusion & Re-admission*	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
The Hon Justice Kim Santow	9	9	2	3			-	7	3	4			4	4			1	3	2	3	-	8
Emeritus Professor A Sefton	8	9	3	3			6	7	4	4			4	4			2	3	2	3	-	8
Professor G Brown	9	9	3	3			7	7	4	4	-	4			2	4	3	3	1	3	-	8
Professor B Sutton	6	6	2	2			6	6	3	4					2	3					3	3
Ms K Anderson	7	9	1	3					1	1	2	4										
The Hon J Aquilina	7	9	1	1					3	3			4	4								
Dr R Bohringer	8	9							3	4							2	3				
Mr A Brennan	6	9							4	4			4	4								
Mr A Cameron	9	9			5	5	6	7									1	3	2	3		
Dr N Chan	1	1																				
Mr J Clegg	8	8							2	4					2	4			3	3	8	8
Dr M Copeman	8	9																				
Dr R Fitzsimons	9	9	3	3			7	7														
Professor M Harris	8	9	3	3			6	7													4	8
Ms R Jackson	8	9													-	4	1	3			1	8
Associate Professor A Masters	9	9	1	1			1	1	4	4					4	4	1	1			5	5
Mr J McCarthy	9	9	3	3					3	4					4	4						
Ms I Moss	8	9			5	5																
Professor I Ramzan	9	9					6	6			4	4							1	3	3	8
Mr J Skrzynski	7	9									4	4										
Mr A Spencer	9	9													-	4	-	3	-	3	4	8
Dr M Varady	9	9	2	2	3	5	6	6														
Ms K Wilson	8	9																			3	8

A: Number of meetings attended B: Number of meetings held during the time the Fellow was a member of the committee.

\* VC represented by a member of the Senior Executive Group \*\* The Committee met as a sub-committee including some members from the various categories.





# PRINCIPAL ACTIVITIES

The object of the University is the promotion, within the limits of the University's resources, of scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence.

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

- (a) the provision of facilities for education and research of university standard
- (b) the encouragement of the dissemination, advancement, development and application of knowledge informed by free inquiry
- (c) 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
- (d) the participation in public discourse
- (e) the conferring of degrees, including those of bachelor, master and doctor, and the awarding of diplomas, certificates and other awards
- (f) the provision of teaching and learning that engage with advanced knowledge and inquiry
- (g) 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:

- (a) 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
- (b) the University may develop and provide cultural, sporting, professional, technical and vocational services to the community
- (c) 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
- (d) 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.





# RESULTS FOR THE YEAR

The University recorded a net operating result of \$193.4 million for the year ended 31 December 2006 (\$109.9 million in 2005) – an increase of \$83.5 million or 76% on 2005.

\$128.2 million of the 2006 Net Operating result was applied to fund capital expenditure.

A comparison of the results to Year 2005 is set out hereunder:

	2006		2005		Increase for 2006
	\$m	\$m	\$m	\$m	\$m
Operating revenue	1,081.1		1,020.4		60.7
(deduct)/add non-cash revenue for contributions to deferred government superannuation	129.4		11.9		117.5
<b>Net operating revenue</b>		<b>1,210.5</b>		<b>1,032.3</b>	<b>178.2</b>
LESS					
Operating expenses	887.7		910.5		(22.8)
(deduct)/add non-cash expense for deferred superannuation costs	129.4		11.9		117.5
<b>Net operating expenses</b>		<b>(1,017.1)</b>		<b>(922.4)</b>	<b>(94.7)</b>
<b>Net operating result</b>		<b>193.4</b>		<b>109.9</b>	<b>83.5</b>
Adjusted for					
Realised revaluation gain on disposal of the internally managed share pool and its replacement with externally managed funds portfolio	(53.5)		(8.9)		
Unexpended research income received in the year with specific restrictions on use	(8.8)		(8.4)		
		<b>(62.3)</b>		<b>(17.3)</b>	<b>(45.0)</b>
<b>Net operating result available for appropriation</b>		<b>131.1</b>		<b>92.6</b>	<b>38.5</b>
Less expenditure on assets					
Capital works program (including the acquisition of buildings)	77.0		72.5		
Equipment/IT	51.2		29.6		
<b>Expenditure on assets</b>		<b>(128.2)</b>		<b>(102.1)</b>	<b>(26.1)</b>
<b>Net operating result after appropriation</b>		<b>2.9</b>		<b>(9.5)</b>	<b>12.4</b>

## Net operating result (\$193.4 million)

This general purpose financial report has been prepared and is based on DEST guidelines, which include adopting the Australian equivalents to International Financial Reporting Standards (AIFRS).

The net operating result was derived from operating revenue of \$1,210.5 million (excluding \$129.4 million for deferred government contributions to superannuation), less operating expenditure of \$1,017.1 million (excluding the \$129.4 million expenditure side of the deferred superannuation transaction).

## Net operating result available for appropriation (\$131.1 million)

During the year the University re-organised part of its investment portfolio by disposing of its internally managed share pool and re-investing the proceeds in externally managed funds. In accordance with current accounting standards, this substitution of investment portfolios required bringing to income

cumulative revaluation gains, previously credited to revaluation reserves of \$53.5 million (2005: \$8.9 million).

In accordance with current accounting standards the University is obliged to record all research income on receipt as income. At year end the University had \$8.8 million (2005: \$8.4 million) as unspent research income with specific restrictions on its use.

## Net operating result after appropriation (\$2.9 million)

The net operating result was utilised for the acquisition of assets totaling \$128.2 million (2005: \$102.1 million). This capital expenditure is reflected in the balance sheet.

The net operating result after appropriation for 2006 of \$2.9 million, as reported in the table above, provides an overall picture of the financial impact of the 2006 operations of the University after taking into account the impact of the realised gains on changes to the investment portfolio, unspent government research grants and expenditure on assets.



# SIGNIFICANT CHANGES IN THE NATURE OF ACTIVITIES IN 2006

## New activities

- The University of Sydney was selected, ahead of fierce competition, to host the new United States Studies Centre, for research into American political, economic and cultural issues. The Commonwealth Government pledged \$25 million in funding and the NSW Government also committed a significant sum.
- The School of Information Technologies re-located to a purpose-built building featuring state-of-the-art laboratories and teaching facilities. The building, designed by the architects Francis-Jones Morehen Thorp, includes four floors dedicated to the teaching and research functions of the School.
- The Brain and Mind Research Institute (BMRI) received a total of \$15 million in government funding (\$9 million from the Commonwealth and \$6 million from the NSW Government) during the year.
- The NSW Government provided \$5 million towards a state-of-the-art chronobiology laboratory to measure breathing and brain activity during sleep, to be established at the Woolcock Institute, an international leader in research into asthma, sleep and respiratory disorders.
- The Australian Centre for Asian Art and Archaeology was established. This centre has cooperative agreements with the Central Academy of Fine Arts in Beijing, the University of Tsukuba in Japan, APSARA in Cambodia and the École Française d' Extrême Orient.

## Ceased activities

- The University withdrew from its formal association with the Australian Graduate School of Management (AGSM) after a six-year joint venture with the University of New South Wales.
- The operation of the Orange Campus, which had formerly been the home of the University's Faculty of Rural Management, was transferred to Charles Sturt University (CSU) effective from 1 July, 2006. Students who were already enrolled in University of Sydney degrees are still completing their studies at Orange. Their degree candidatures are overseen by a Board of Studies in Rural Management (which has representatives from CSU as well as the University of Sydney), which in turn reports to the University of Sydney's Academic Board.
- The University ceased enrolling new undergraduate students in the Faculty of Nursing and Midwifery in 2006. The University's decision to concentrate on graduate-entry nursing taps into an important new workforce market.

## Significant changes in the State of Affairs

The University refined its senior management and administrative structure. The three Colleges – the College of Health Sciences, the College of Humanities and Social Sciences, and the College of Sciences and Technology – were replaced by faculty groupings which are led by Executive

Deans. New positions were created of Provost, to manage the University's academic enterprise, and Chief Operating Officer, to manage the University's administrative operations. All deans now report through the Provost. Other new positions in the senior management structure included a Deputy Vice-Chancellor (Community) and a Deputy Vice-Chancellor (International).

The University of Sydney continued to rise in global rankings, confirming its place in the top 40 universities in the world. The University's humanities teaching and research was ranked fifth best in the world in the UK's Times Higher Education Supplement (THES) World University Rankings published in October 2006, while the University as a whole was ranked 35th in the world in the same league table. In the Newsweek global 100 for 2006, the University of Sydney was one of two Australian universities placed in the top 50 in the world.

The University's Faculty of Economics and Business became the only Australian business school to be admitted into the Community of European Management Schools group (CEMS), one of the world's most prestigious alliances of University business faculties.

The University negotiated arrangements with student organisations, including the University of Sydney Union and Sydney University Sport, to ensure the viability and vibrancy of the student experience following the introduction of the Federal Government's Voluntary Student Unionism legislation.

## Matters subsequent to the end of the financial year

At its meeting on 5 February 2007, the University's Senate approved the entry by the University into a Deed (dated 22 December 2006), to the transactions contemplated under the Deed and to the taking of steps incidental to or contemplated by the Deed.

This Deed relates to the renunciation by St John's College of its rights in relation to certain of the St John's College land. The University proposes to use that land to develop the Sydney Institute of Health and Medical Research Complex.

## Likely developments and expected results of operations

### *The Campus 2010 building program*

Campus 2010 is a major building program to transform the University's Camperdown and Darlington campuses. The first project, the School of Information Technologies, was completed in 2006. Projects beginning in 2007 include a new building to house the Faculty of Law, a new student services building, and a major upgrade of the public domain.

Scheduled for completion between now and 2010, the developments will provide state-of-the-art facilities for students



and teaching staff, including computer-based teaching laboratories, a mock court room and new law and science and technology libraries. Access to the campus will be significantly improved, with a particular focus on providing accessibility for people with disabilities.

### ***The Sydney Institute of Health and Medical Research (SIHMR)***

This project involves the development of the Sydney Institute of Health and Medical Research Complex on land including part of the land formerly held by the St John's College trustees under the terms of the Sub-Grant from the University in accordance with the original Crown Grant to the University.

The SIHMR complex which is expected to cost up to \$350 million, will incorporate eight buildings for biomedical research. It is planned for completion in 2011.

### **Environmental regulation**

The following is a list of significant environmental regulations the University is subject to and a description of how the University is performing in response to these regulations.

The University was gazetted in 2005 to develop a four-year Energy and Water Savings Action Plan for the Camperdown and Darlington campuses. The draft Water Savings Action Plan 2006–2010 has been endorsed by the University Executive and is presently with the NSW Department of Energy Utilities and Sustainability – the University is awaiting sign-off or feedback. The draft Energy Savings Action Plan for Camperdown and Darlington campuses is due for completion by 30 April 2007. The draft Water Savings Action Plan for Camden is due for completion by 30 April 2007.

University activities on all NSW campuses are subject to the *NSW Protection of the Environment and Operations Act 1997*. The University has held an Environment Protection licence for the Camperdown/Darlington campuses since 2004, which is primarily aimed at regulating how the University manages hazardous waste. Other activities including the operation of the University's on-site incinerator are also regulated under the licence. The University maintains a comprehensive program for the management of hazardous waste that has recently been reviewed (early 2006). Since the University was issued with the Environment Protection licence a large high-risk collection of PCBs has been relocated from the University to an appropriately licensed off-site storage facility and monitoring equipment has been installed on the incinerator exhaust stack. The University submits an annual return to the Environment Protection Authority (EPA), which includes a statement on compliance.

The University has Trade Waste Agreements with Sydney Water that regulates what waste can be disposed of to sewer. The most recent review of the University's Guidelines for the Disposal of Hazardous Waste provides detailed guidance on what waste can and cannot be disposed of down the drain.

The University's Camden Campus holds a licence for water extraction under the *NSW Water Act 1912*. It is issued and renewed annually by the NSW Department of Natural Resources. No breaches of this licence have been recorded. The Camden Campus also has a small sewerage treatment plant that is self monitored and consistently meets Sydney Water and NSW Health guidelines.

The University's One Tree Island Marine Research Facility in Queensland is subject to the *Great Barrier Reef Marine Park Act 1975*. It forms part of the Capricornia Cays National Park. All facilities and operations on the island meet the *Queensland Environmental Protection Act 1994*.

### **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 sub-committee members, the University's officers, employees, volunteers and students. The University's insurance program is renewed annually at the end of October with some specialised policies being renewed annually in April.

This report is made in accordance with a resolution of the Senate on 23 April 2007.



**The Hon Justice Kim Santow OAM**

Chancellor





**The University of Sydney**  
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