



THE UNIVERSITY OF
SYDNEY

Annual Report 2018

The University of Sydney
NSW 2006

April 2019

The Honourable Sarah Mitchell, MLC,
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 2018.



Belinda Hutchinson AM
Chancellor



Dr Michael Spence AC
Vice-Chancellor and Principal

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Year in review

In this annual report, compiled at the mid-point of our 2016–20 Strategic Plan, you will see how far we have come. The progress we have made justifies our confidence that we will be able to meet our aspiration to position the University of Sydney as the best university in Australia and a leader globally.

In 2018 the University achieved the unique distinction of being the only Australian institution to rise in all four of the most prestigious global university rankings. We retained the honour of being the best Australian university for graduate employability for the fourth year in a row, and remained within the top five in the world on that metric.

These gains are the result of the considerable hard work of everyone in the University community, and demonstrate how aligned our efforts are behind the three themes that underpin our strategy: excellence, engagement and simplification.

In 2018 we took a substantial step forwards in securing the University's long-term future in Western Sydney with the commencement of formal and exclusive negotiations with the NSW Government to develop a second multidisciplinary campus at Parramatta/Westmead. The University Executive and Senate oversaw the development of a detailed strategic investment plan to establish this new campus on the old Cumberland Hospital site. We also worked closely with the University community and our partners, both locally and beyond, to develop an academic vision for a campus focusing on the opportunities and challenges posed by disruptive changes at the intersection of technology and the human experience.

The response to our new undergraduate curriculum, launched at the beginning of the year, is tremendously exciting. Enrolments for the new Bachelor of Advanced Studies exceeded expectations, the new online Open Learning Environment has proven popular, and almost 700 students have enthusiastically participated in innovative Industry and Community Project Units (ICPUs). In 2019 we look forward to seeing 2000 students taking part in more ICPUs throughout Australia and across Asia, Europe, North America and the Pacific.

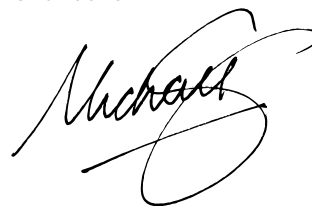
We reached an important milestone in our program to simplify the University's structure in 2018. On 30 April the disciplines of dentistry, medicine, medical science, nursing and midwifery, public health, and pharmacy came together into a single Faculty of Medicine and Health. When the Faculty of Health Sciences becomes a school within this new Faculty of Medicine and Health in January 2020, the University structure will be streamlined to five faculties and three University schools.

The University remains in a position to achieve even more in the second half of the 2016–20 period as we look more broadly at the student experience, including that of our Indigenous students; as we grow our culture of research and teaching excellence and find new ways to engage with our local, regional and international communities.

We appreciate the ongoing and absolutely vital support of our staff, students and alumni and their belief in our University as we implement the remainder of our 2016–20 Strategic Plan.



Belinda Hutchinson AM
Chancellor



Dr Michael Spence AC
Vice-Chancellor and Principal

The University of Sydney 2018 Annual Report

Statutory Report

The University of Sydney

A history of thinking forward

The University of Sydney was founded in 1850 on the principle of providing people from all backgrounds with the opportunity to realise their potential to make a positive impact in the world through education.

We're a world-renowned teaching and research institution – our research combines the expertise and talents of scholars from many disciplines.

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

Our charter

The University of Sydney was incorporated by the Parliament of New South Wales on 1 October 1850, making it the first university to be established in Australia.

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.

Aims and objectives

As a leader in tertiary education, we have been challenging traditions for more than 160 years. We were one of the first universities in the world to admit students solely on academic merit.

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

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

Management and structure

Senate

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

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

Academic Board

The Academic Board, which reports to the Senate, is responsible for safeguarding the quality of the University's academic activities. It is an elected body that includes staff and student representation from across the University's academic communities. The Academic Board provides advice to the Senate and the Vice-Chancellor on all academic matters, including their relation to the University's strategic priorities and policies, the conditions of appointment and employment of academic staff, the approval of new and revised courses, and the maintenance of academic standards.

Executive management

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

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

Principal activities

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

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

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

The University has other functions, as follows.

- The University may exercise commercial functions comprising the commercial exploitation or development, for the University's benefit, of any facility, resource or property of the University or in which the University has a right or interest (including, for example, study, research, knowledge and intellectual property and the practical application of study, research, knowledge and intellectual property), whether alone or with others.
- The University may develop and provide cultural, sporting, professional, technical and vocational services to the community.

- The University has such general and ancillary functions as may be necessary or convenient for enabling or assisting the University to promote the object and interests of the University, or as may complement or be incidental to the promotion of the object and interests of the University.
- The University has such other functions as are conferred or imposed on it by or under this or any other Act.
- The functions of the University may be exercised within or outside the state, including outside Australia.

University officers as at 31 December 2018

CHANCELLOR

Belinda Hutchinson AM
BEc *Sydney*, FCA

DEPUTY CHANCELLOR

Richard Freudenstein
BEc LLB(Hons) *Sydney*

VICE-CHANCELLOR

Dr Michael Spence AC
BA LLB *Sydney*, DPhil PGDipTheol *Oxf*

DEPUTY VICE-CHANCELLORS

Provost and Deputy Vice-Chancellor

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

Vice-Provost (Academic Performance)

Professor Colm Harmon
BA MA *Dublin*, PhD *Keele*

Deputy Vice-Chancellor (Education)

Professor Philippa Pattison AO
PhD *Melbourne*, FASSA

Deputy Vice-Chancellor (Indigenous Strategy and Services)

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

Deputy Vice-Chancellor (Research)

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

PRO-VICE-CHANCELLORS

Pro-Vice-Chancellor

(Education – Enterprise and Engagement)

Professor Richard Miles
BA *Liverpool* PhD *Cambridge*, FSA

Pro-Vice-Chancellor (Educational Innovation)

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

Pro-Vice-Chancellor (Global Engagement)

Professor Kathy Belov
BSc(Hons) PhD *Macquarie*

Pro-Vice-Chancellor

(Research – Enterprise and Engagement)

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

Pro-Vice-Chancellor (Research)

Professor Laurent Rivory
BVSc PhD *Queensland*

VICE-PRINCIPALS

Vice-Principal (Advancement)

Tim Dolan
BA *UCLA*

Vice-Principal (External Relations)

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

Vice-Principal (Operations)

Stephen Phillips
BCom *Wits*

Vice-Principal (Strategy)

Rebecca Murray
BA MSocSc *UON*

General Counsel

Richard Fisher AM
MEc *UNE* LLB *Sydney*

Chair of the Academic Board

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

Secretary to the Senate

David Pacey
BBus GradCertMgmt GradDipBus *CSU*

Faculty and University school leadership as at 31 December 2018

FACULTY DEANS

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

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

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

Faculty of Health Sciences
Professor Kathryn Refshauge
MBiomedE PhD *UNSW* DipPhty
GradDipManipTher *Cumb*

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

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

Heads of school and deans of University schools

The University of Sydney School of Architecture,
Design and Planning
Professor John Redmond
BA *CSAD* MA(RCA) *RCA* DipID(Eng) *CSAD*,
FRSA AADM FDIA

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

The University of Sydney Law School
Professor Joellen Riley
MA LLB PhD *Sydney* BCL *Oxf* DipMgt *MGSM*

Key appointments

The University appointed a number of key senior executive leaders throughout 2018, including a new Deputy Vice-Chancellor (Indigenous Strategy and Services) and Vice-Provost (Academic Performance).

The University also welcomed new deans of the Faculty of Engineering and Information Technologies and the Faculty of Science; the Executive Dean of the Faculty of Medicine and Health, a new Head of School and Dean of Veterinary Science and a new Head of School and Dean of Pharmacy.

Changes to the DVC (Registrar) portfolio were also announced in 2018, including the dis-establishment of the role of DVC (Registrar) and the creation of two new positions to support enhancements to the student experience. In 2019 the positions of Executive Director, Student Recruitment and Admissions, will oversee the Global Student Recruitment and Mobility and Admissions divisions; and Pro-Vice-Chancellor (Student Life) will ensure excellence and ongoing quality improvement across the breadth of the student experience.

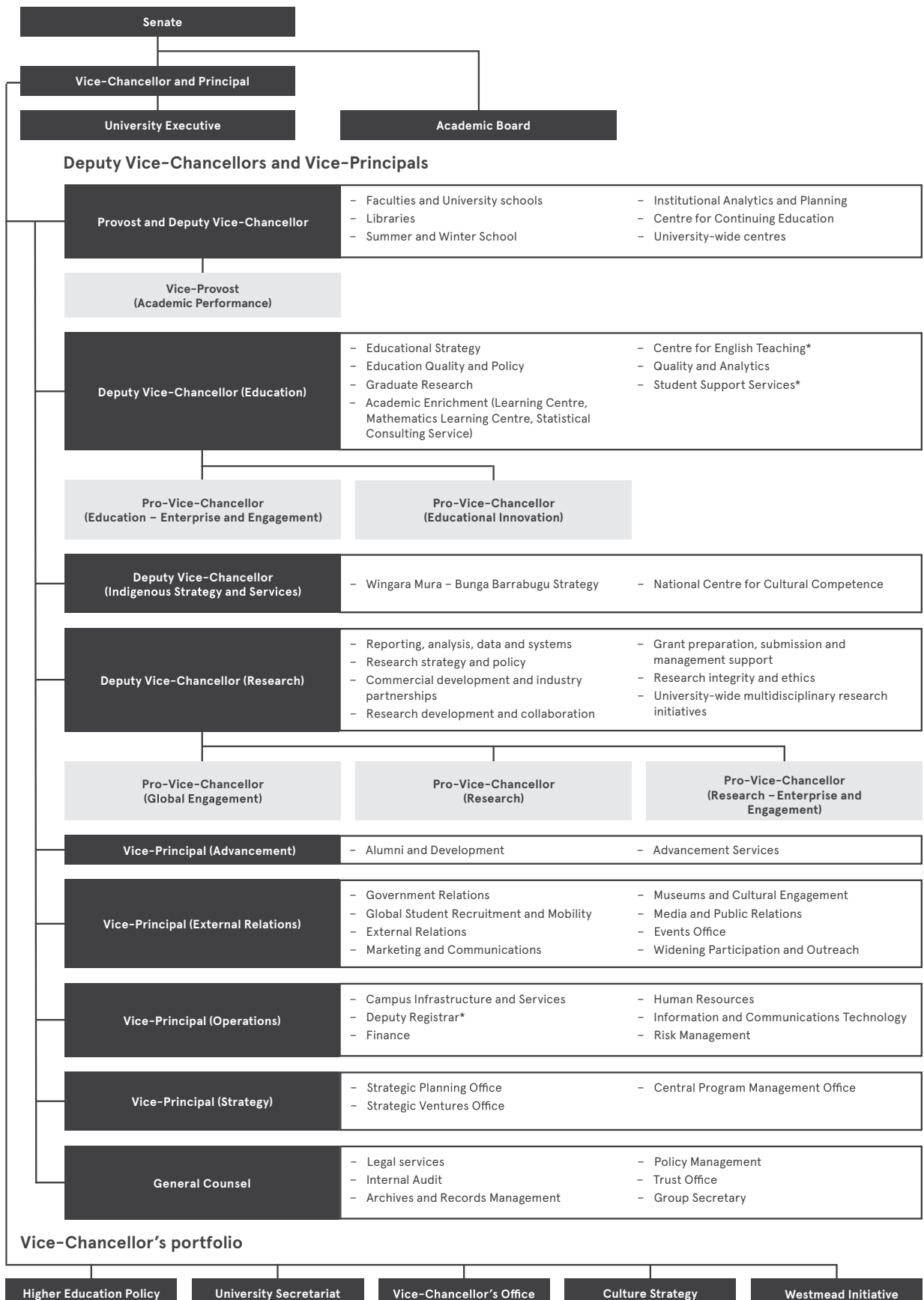
University of Sydney Organisational Structure as at 31 December 2018

sydney.edu.au

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The University of Sydney

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* Interim reporting line while position of DVC (Registrar) vacant.

University of Sydney Senate 2018

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 2018.

The role of the Senate

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

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

In 2018, Senate:

- reviewed the progress of implementing the 2016–20 University Strategic Plan
- considered the future size and shape of the University and encouraged revenue diversification through a more geographically diverse student population; philanthropy; and research commercialisation
- continued to support the transformation of the new undergraduate curriculum, which launched mid-year, noting strong uptake in the new Bachelor of Advanced Studies, Dalyell Scholars program dedicated to high-achieving students, and new Open Learning Environment units
- approved the implementation of a strategy for the student experience, with an aspiration of achieving an outstanding experience, from joining the University community to finishing a degree and transitioning to the next phase
- noted progress on the implementation of the Culture Strategy, including the award of four Payne-Scott Professorial Distinctions to recognise outstanding leadership and mentorship
- delivery of an Effective Leadership development program to establish desirable leadership attributes and behaviours; and release of the Culture Strategy Reports
- supported the implementation of the Elizabeth Broderick & Co *Cultural Renewal at the University of Sydney Residential Colleges* recommendations, and the Respect. Now. Always. Campaign
- monitored the health and safety of the University community through the Senate Strategy and Risk Committee
- supported the development of a Risk Management Framework Operating Model and reviewed the University Risk Appetite and Tolerance Statement
- monitored the University's financial performance and approved the annual budget
- approved the commencement of negotiations to secure land for a new multidisciplinary campus in Western Sydney and supported the shaping of a vision, including the selection of signature academic themes
- oversaw the ongoing progress of the Campus Improvement Plan, noting the significant construction progress achieved across campus, including the opening of the Administration Building (F23), and the Faculty of Arts and Social Sciences Building on the Camperdown Campus, as well as developments in relation to the Life, Earth and Environmental Sciences (LEES1) and Susan Wakil Health Buildings. Both are due to open in 2019.
- supported the improvement of operational processes and systems through the Sydney Operating Model to make the University easier to navigate for staff, students and external stakeholders
- noted the progress on efforts to improve academic performance, including defining aspirational research performance; strengthening mechanisms and processes to accurately and consistently manage academic performance; and the commencement of the new Vice-Provost, Academic Performance
- approved the business case for the relocation of Sydney College of the Arts to the Camperdown Campus as a department within the School of Literature, Art and Media, Faculty of Arts and Social Sciences, to support our drive for research and education excellence.

Fellows of Senate

As at 31 December 2018

Chancellor

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

Deputy Chancellor

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

Vice-Chancellor

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

Chair of the Academic Board

Associate Professor Anthony (Tony) Masters
BSc(Hons) *Melbourne* PhD *ANU*, FRACI CChem GAICD
Current term as Chair of Academic Board:
1 January 2018 – 31 December 2019

Two external persons appointed by the Minister

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

Dr Lisa McIntyre
BSc(Hons) *Sydney*, PhD *CAM*, GAICD
Current term as Fellow of Senate:
16 August 2017 – 30 November 2019

Five external persons appointed by the Senate

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

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

Kate McClymont
BA(Hons) *Sydney*
Current term as Fellow of Senate:
1 December 2017 – 30 November 2019

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

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

Two persons elected by and from the academic staff

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

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

One person elected by and from the non-academic staff

Lisa Carrick
BSoc Stud *Sydney*, MBA AGSM *UNSW*, GAICD
Current term as Fellow of Senate:
15 December 2018 – 30 May 2019

One person elected by and from the undergraduate students

Francis Tamer
Current term as Fellow of Senate:
1 December 2018 – 30 November 2020

One person elected by and from the postgraduate students

Lizzie Miller
BA (Hons) *Sydney*
Current term as Fellow of Senate:
1 December 2018 – 30 November 2020

Register of Interests

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

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

Senate makes available a register of those declared interests and transactions online at: sydney.edu.au/secretariat/senate-committees/senate/fellow-site.shtml

Senate committees

The following committees assist Senate with the exercise of its functions, effective from 1 January 2018.

- Buildings and Estates Committee
- Finance and Audit Committee
- People and Culture Committee
- Strategy and Risk Committee

The table below records attendance for committees that operated in 2018.

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

Attendance by Fellows at Senate and its committees in 2018

Position	Name	Senate			BEC			FAC			PCC			SARC		
		A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Chancellor	Belinda Hutchinson AM	6	6	6	8	8	7	7	7	7	4	4	4	7	7	4
Deputy Chancellor	Mr Richard Freudenstein	6	6	6	8	8	7	7	7	7	4	4	4	7	7	7
Vice-Chancellor	Dr Michael Spence AC	6	6	6	8	8	8	7	7	6	4	4	2	7	7	6
Pro-Chancellors	Ms Kate McClymont	6	6	5							4	4	4			
	Professor Marian Baird AO	6	6	4										7	7	3
Chair of Academic Board	Associate Professor Tony Masters	6	6	6	8	8	7				4	4	4			
Fellows	Ms Ilana Atlas	6	6	5							4	4	4			
	Ms Jordi Austin (^^^)	6	6	6	8	8	7									
	Ms Lisa Carrick (+)	6	0	0	8	0	0									
	Mr David Jordan (^)	6	5	4	8	8	2									
	Mr Jason Yat-sen Li	6	6	6							4	4	2	4	4	2
	Dr Lisa McIntyre	6	6	6				7	7	4				4	4	3
	Ms Karen Moses	6	6	6				7	7	7						
	Professor Christopher Murphy	6	6	5				7	7	4						
	Ms Lizzie Miller (#)	6	1	1												
	Mr Peter Scott	6	6	5	8	8	7	7	7	6						
	Mr Francis Tamer (#)	6	1	1												
	Mr Colin Whitchurch (^)	6	5	4										3	3	2

A No. of meetings held, B No. of meetings eligible to attend C No. of meetings attended
 BEC Buildings and Estates Committee, FAC Finance and Audit Committee,
 PCC People and Culture Committee, SARC Strategy and Risk Committee
 (^) No longer a Fellow of Senate as at 6 November 2018,
 (^^) No longer a Fellow of Senate as at 30 November 2018,
 (^^^) No longer a Fellow of Senate as at 15 December 2018,
 (#) New Fellows of Senate commenced 1 December 2018,
 (+) New Fellow of Senate commenced 15 December 2018

Strategy and operations

At the start of 2018 the University identified seven priorities aligned with the strategic themes of excellence, engagement and simplification as absolutely critical for the institution's performance in 2018. They include:

- student experience and curriculum
- academic aspiration
- Western Sydney
- external engagement
- revenue diversification
- Sydney Operating Model
- research excellence and impact.

The University has made strong progress in all seven areas.

Our seven priorities

1. STUDENT EXPERIENCE AND CURRICULUM (LEARNING AND TEACHING)

Transforming the curriculum and the student experience

The new undergraduate curriculum was successfully launched in the first semester of 2018. Enrolments in the new Bachelor of Advanced Studies exceeded targets by 50 percent and more than 900 high achievers enrolled in the Dalyell stream. The Open Learning Environment also proved popular, with more than 6000 enrolments.

In 2018, work began to develop curricula for the later years of the combined degrees. This work has been supported by the new Sydney Curriculum System, implemented in Semester 2, which documents course changes and ensures program integrity.

The Industry and Community Project Units (ICPU) pilot project engaged almost 700 students and a wide range of government, business, industry and community organisations. ICPUs students work in multidisciplinary teams on projects ranging from cyber security to the impact of climate change and the use of augmented reality in training. The first two offshore ICPUs took place in Hong Kong in July. The ICPUs pilot received excellent feedback from both students and industry partners and scored very highly in student satisfaction surveys.

We are well on track to meet our 2020 goal for 50 percent of students to have a global mobility experience as part of their award course. The University's current mobility percentage is 32 percent, as reported in the AUIDF Learning Abroad

Benchmarking 2017 (in 2018). This volume of student mobility positions us as the largest outbound student mobility program in Australia. The University aims to reach 37 percent mobility in this year's AUIDF report, the final result of which will be released in late 2019.

Transforming the student experience

The Student Experience project, scheduled to run from 2018-20, began with working groups developing proposals for improvements to transition and orientation; academic advising; and career development and transition to career and further study. A random sample of nearly 800 students took part in a large, externally moderated, week-long, online focus group to inform our priorities in improving the student experience. A coherent strategy for the student experience was developed and presented to Senate in December.

Improving educational access and participation in higher education

The Widening Participation and Outreach (WPO) pre-tertiary education program builds academic and cultural capacity, supports innovative learning in schools, and advocates for more inclusive equity-related policy, admissions pathways and practices to support increased higher education access for students from low socio-economic backgrounds, regional and remote areas and Aboriginal and Torres Strait Islander backgrounds. In 2018 WPO reached 12,687 students from 284 schools across 52 unique programs.

In 2018, several key pieces of research identified in the University's Access and Participation Plan commenced: a Longitudinal Evaluation project 2018-2020 began a comprehensive evaluation of the impact of a suite of core WPO-led educational enrichment activities in schools; and we started the National Priority Pool (NPP) HEPPP-funded grant in partnership with the University of Western Sydney, *Individual-based measure of socio-economic disadvantage*. This work informed several review papers that were also commissioned by WPO: *Low SES student access and participation at the University of Sydney* and *First in Family, Student Experiences, Transitions and Support*.

The WPO Schools outreach program launched a suite of reimagined literacy focus areas in partnership with Link WEST and Link Writerly and the Faculty of Arts and Social Sciences, and Sydney Writers Festival, in addition to expanding teacher and principal professional learning opportunities in curriculum development, leadership, cultural competence and school transformation.

STUDENT ENROLMENTS*

Undergraduate enrolments by attendance and gender

Domestic/ international	Attendance type	Gender	Enrolments
Domestic	Full time	Women	12,076
		Others	15
		Men	9,220
	Part time	Women	2,043
		Others	6
		Men	1,816
Domestic total			25,176
International	Full time	Women	5,620
		Others	1
		Men	3,685
	Invalid	Women	0
		Men	0
	Part time	Women	615
		Men	254
	International total		
Grand total			35,351

Postgraduate enrolments by attendance and gender

Domestic/ international	Attendance type	Gender	Enrolments
Domestic	Full time	Women	4,001
		Others	2
		Men	2,945
	Part time	Women	3,984
		Others	8
		Men	3,049
Domestic total			13,989
International	Full time	Women	6,730
		Others	0
		Men	4,184
	Invalid	Women	11
		Men	11
	Part time	Women	653
Men		380	
International total			11,969
Grand total			25,958

Undergraduate enrolments by course level

Domestic/ international	Course type	Enrolments(UG)
Domestic	Bachelor (Graduate Entry)	591
	Bachelor (Honours)	2,805
	Bachelor (Pass)	21,375
	Diploma	211
	Non-Award	107
	Cross-Institutional	62
	Enabling Course	25
Domestic total		25,176
International	Bachelor (Graduate Entry)	70
	Bachelor (Honours)	1,326
	Bachelor (Pass)	7,620
	Diploma	1
	Non-Award	1,157
	Cross-Institutional	1
International total		10,175
Grand total		35,351

Postgraduate enrolments by course level

Domestic/ international	Course type	Enrolments(PG)
Domestic	Higher Doctorate	1
	Doctorate (Research)	3,001
	Doctorate (Coursework)	32
	Master (Research)	753
	Master (Coursework)	8,922
	Graduate Diploma	525
	Graduate Certificate	645
	Non-Award (Postgraduate)	97
	Cross-Institutional	13
Domestic total		13,989
International	Doctorate (Research)	817
	Doctorate (Coursework)	2
	Master (Research)	134
	Master (Coursework)	10,502
	Graduate Diploma	313
	Graduate Certificate	52
	Non-Award (Postgraduate)	146
	Cross-Institutional	3
International total		11,969
Grand total		25,958

Enrolments by faculty of course registration and course level

Domestic/ international	Faculty of registration	Enrolments		Enrolments
		Postgraduate	Undergraduate	
Domestic	University of Sydney Business School	1,064	2,718	3,782
	Faculty of Arts and Social Sciences	2,484	7,259	9,743
	Faculty of Engineering and Information Technologies	791	3,230	4,021
	Faculty of Health Sciences	1,122	2,279	3,401
	Faculty of Medicine and Health	5,085	1,663	6,748
	Faculty of Science	1,500	5,886	7,386
	Sydney Conservatorium of Music	187	773	960
	University of Sydney Law School	1,299	585	1,884
	University of Sydney School of Architecture, Design and Planning	457	754	1,211
	University Programs**		29	29
Domestic total		13,989	25,176	39,165
International	University of Sydney Business School	5,975	1,907	7,882
	Faculty of Arts and Social Sciences	1,341	2,114	3,455
	Faculty of Engineering and Information Technologies	1,934	1,943	3,877
	Faculty of Health Sciences	316	462	778
	Faculty of Medicine and Health	943	689	1,632
	Faculty of Science	440	1,428	1,868
	Sydney Conservatorium of Music	34	49	83
	University of Sydney Law School	389	66	455
	University of Sydney School of Architecture, Design and Planning	455	402	857
	University Programs**	142	1,115	1,257
International total		11,969	10,175	22,144
Grand total		25,958	35,351	61,309

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

STUDENT ENROLMENTS BY DIVERSITY GROUPS

Indigenous and non-Indigenous enrolments

Indigenous indicator	Enrolments
Indigenous	392
Non Indigenous	60,917
Grand total	61,309

Students with Non-English Speaking Backgrounds (NESB)

Non English speaking	Enrolments
ESB	39,504
NESB	21,805
Grand total	61,309

Students with disabilities

Domestic/international	Disability	Disability support services interest	Enrolments
Domestic	Student indicated disability	No support	1,059
		Support	1,412
	Student indicated no disability	No disability	36,694
Domestic total			39,165
International	Student indicated disability	No support	125
		Support	195
	Student indicated no disability	No disability	21,824
International total			22,144
Grand total			61,309

* All statistics in these tables are as at 31 March 2018

2. ACADEMIC ASPIRATION

As part of a broad program of work being undertaken by the Provost and Human Resources to embed a high-performance culture, the University Executive endorsed a plan to implement a consistent and focused approach to managing academic staff.

Professor Colm Harmon was appointed Vice-Provost, Academic Performance in July 2018, and has been charged with building on the work of the last two to three years to define aspirational research and educational performance; enhance mentoring; develop processes for realising career goals; diagnose and manage academic underperformance; and clarify roles and responsibilities for managing performance.

3. WESTERN SYDNEY

Parramatta/Westmead

The two programs of work initiated to fulfil the 2016-20 Strategic Plan's commitment to invest in and expand our footprint at Westmead achieved significant milestones in 2018.

In June, the University Executive endorsed the Westmead Academic Strategy 2018-22. This provides a plan to make Westmead a global centre of excellence in integrated education, research and healthcare, to advance the wellbeing of the people of Western Sydney.

The second program, to develop a major multidisciplinary campus at Parramatta/Westmead, took shape. In July, the University participated in UrbanGrowth NSW's market sounding process for the acquisition of land adjacent to Westmead Hospital. In October, Senate approved a detailed investment plan for the campus development, and on 5 November at a press conference at Westmead, the Premier, the Hon Gladys Berejiklian MP, announced that the NSW Government would enter into formal and exclusive negotiations with the University to establish the campus.

In parallel, the Parramatta/Westmead program team worked to develop the flagship academic themes that will be the focus of the new campus. In July the University Executive approved three themes for further development to deliver an overall vision for a campus focused on the intersection of technology and the human experience: Advanced Manufacturing; Artificial Intelligence, Data and Society; and Power and Participation: solving inequality for the future.

4. EXTERNAL ENGAGEMENT

Reputation

The University climbed in all four of the most prestigious global university rankings this year. While rankings do not measure everything the University values, they are an important indicator of quality and prestige for students, particularly international students. They also give us an indication of how others perceive the quality of our research and teaching. The University moved up as follows:

- 15 places to 68th in the Academic Ranking of World Universities (ARWU)
- two places to 59th in the Times Higher Education World University Rankings
- eight places to 42nd in the QS World University Rankings
- three places to 31st in the US News Best Global Universities rankings.

Our graduates were named the most employable in Australia for the fourth year in a row and in the top five globally in the QS Graduate Employability Rankings, which is predominantly determined by employer reputation, alumni outcomes and partnerships with employers.

Philanthropy

The University's INSPIRED campaign closed the year on an upward trajectory, completing its fourth consecutive year of raising more than \$100 million. Just under \$138 million was raised from 13,373 donors, and we expect to reach our \$1 billion campaign target in early 2019.

Donors have continued to support the breadth of the University's work in 2018, with a \$4.5 million gift from the Li Ka Shing Foundation to launch Australia's first clinical trial testing CAR T-cell immunotherapy in patients with advanced pancreatic and related cancers, a significant gift to establish the Garry and Susan Rothwell Chair in Architectural Design Leadership and a combined \$6.5 million to the University of Sydney Mathematics Research Institute.

Promotion

Overseas visits made by the Vice-Chancellor and members of the Senior Leadership Team in 2018 included the following.

Vice-Chancellor and Principal

2 – 8 May: China

- Peking University 120th Anniversary
- World Universities Presidents Forum
- Chinese media
- Global engagement activities

22 – 28 May: Hong Kong and China

- University Grants Commission meeting
- E-Commerce Summit
- Global engagement activities

16 – 19 September: China

- Establishment of Global AI Academic Alliance
- Global engagement activities

25 – 29 September: Singapore

- Times Higher Education Summit
- Recruitment and alumni activities

17 – 25 November: China

- Graduations and alumni activities
- Suzhou Centre activities

Deputy Vice-Chancellor (Research)

11 – 16 March: China

- Meetings with Fudan University; Suzhou; JITRI; Chinese Academy of Sciences

9 – 11 July: Canada

- Australia/Canada Economic Leadership Forum

17 – 19 October: USA

- Association of Pacific Rim Universities Research Meeting, UC San Diego

12 – 14 December: Vietnam

- Opening of Sydney Centre in Vietnam

Deputy Vice-Chancellor (Education)

17 – 19 October: Hong Kong

- U21 Education Innovation meeting for senior leaders, Hong Kong University

Pro-Vice-Chancellor

(Education – Enterprise and Engagement)

19 – 21 February: India

- Meeting with Tech Mahindra

9 – 13 September: India

- Meetings with IIT Madras, IIT Mumbai and Centurion University

15 – 18 November: Hong Kong

- Meeting with industry partners (Accenture, Deloitte, Infiniti Motor and Schroders)

Pro-Vice-Chancellor (Global Engagement)

19 – 23 February: United States

- Association of International Education Administrators meeting, Washington, and meetings with US partner universities

15 – 27 March: Europe, Hong Kong and Singapore

- Meetings with Sorbonne University and University of Paris-Saclay
- APRU International Policy Advisory Committee Meeting
- Asia Pacific Association for International Education Conference

24 – 26 June: Taiwan

- APRU Presidents Meeting

Vice-Provost (Academic Performance)

25 – 29 September: Singapore

- THE World Summit, National University of Singapore (NUS)
- Bilateral meeting with Singapore Management University
- Participation in University delegation to NUS

Pro-Vice-Chancellor

(Research – Enterprise and Engagement)

24 – 27 July: Germany

- Fifth Global Conference in Economic Geography 2018, University of Cologne, Germany

10 – 14 August: United States

- 2018 Annual Meeting of the Academy of Management, Chicago, Illinois

Vice-Principal (External Relations)

5 – 7 February: China, Shenzhen

- THE Asia Universities Summit

19 – 23 February: Hyderabad

- Visit to the University of Hyderabad
- Meetings with Tech Mahindra re: India Strategy

14 – 18 May: China, Beijing and Shanghai

- Meetings with media
- Meetings re digital marketplace in China
- Manchester University Shanghai
- 2018 Australia-China Business Awards

23 – 28 May: Hong Kong and Guiyang, China

- China E-Commerce Innovation Summit and China Big Data Summit
- Vinda International Holdings – Yen On Chia, Independent Non-Executive Director of Vinda International, incoming member of the Alumni Council
- Schroders Hong Kong

4 – 9 June: Florida

- 2018 Young Universities Summit

18 – 21 June: Korea, Seoul

- Elsevier Research Intelligence Conference

22 September – 1 October: Seattle and Vancouver

- Study Tour – University of Washington, Seattle
- W100 Conference, Vancouver

26 November – 1 December: India, Delhi

- Meeting with the Australian High Commission
- Meetings with Sannam S4

Vice-Principal (Strategy)

27 – 31 July: United Kingdom

- Visit UCL and Imperial College London

5. REVENUE DIVERSIFICATION**Diversification of international fee-paying students**

In 2018 the University progressed its ambitions to diversify its international student cohort. A strategy to recruit high-calibre students from India was endorsed and an in-country team was appointed in early 2019. We will officially launch a campaign in India with a major delegation in February 2019.

A Southeast Asia student recruitment strategy was developed in 2018 and will inform the University's market prioritisation and investments in that region for implementation. These strategies are underpinned by new international and domestic recruitment strategies for 2019-22. The international strategy sets out strategic objectives around building revenue growth along with student quality and a greater diversity among the student cohort. The domestic strategy focuses our strategic efforts and resources on attracting and retaining the brightest students across the nation regardless of background and improving conversion of offers to enrolments.

6. SYDNEY OPERATING MODEL**Simplification of the University's operations**

The new Faculty of Medicine and Health was established on 30 April, marking a significant moment in the life of the University's 2016-20 Strategy. The faculty brings together the disciplines of dentistry, medicine, medical sciences, nursing and midwifery, public health and pharmacy as schools. The Faculty of Health Sciences will become a school within the Faculty of Medicine and Health in January 2020 and at this point the University structure of five faculties and three University schools will be fully implemented. In July Professor Robyn Ward from the University of Queensland began as Executive Dean, Medicine and Health.

In 2018, 13 projects were commenced under the Sydney Operating Model Program, which aims to:

- reduce duplicated and often confusing processes across multiple functional areas
- release effort, increase efficiencies and divert resources to support our education and research endeavours
- establish an improved overall experience for our students and staff.

All of them affect the operations of the University and the day-to-day operational activities.

7. RESEARCH EXCELLENCE AND IMPACT**Excellence in Research for Australia (ERA) submission**

The University submitted its ERA submission in May 2018. ERA measures the quality of research across all of Australia's higher education institutions. It evaluates our 'fields of research' (FoRs) against national and international benchmarks through both citation-based and peer review processes, and rates our performance on a scale from 1-5, where 5 is 'well above world standard'.

Engagement and Impact (EI) submission

EI 2018 is a new assessment that is a companion exercise to ERA, submitted in July 2018. It measures both the engagement of universities with the end-users of their research and the impact of the research – the contribution research makes to the economy, society, environment and culture. Impact is measured through narrative case studies by units of assessment (UoAs), including interdisciplinary and Aboriginal and Torres Strait Islander research case studies.

Engagement is measured through engagement narratives by UoAs, which include specified metrics from ERA 2018. The performance is rated as low, medium and high.

The University's ERA submission included approximately 50,000 research outputs from 2011–16, a 24 percent increase in outputs on the previous ERA submission in 2015. Our submission included 25 impact case studies, captured \$1.066 billion of research income between 2014 and 2016 and included the work of 5685 researchers.

The results of these assessment exercises were due to be released in March 2019. For more details, please visit www.arc.gov.au

A culture of research excellence

In late 2018 University researchers secured more than \$37 million of Australian Research Council funding across 84 projects in a wide range of areas, including food insecurity, gravitational waves and Indigenous disability in rural and remote areas. This was an increase from 2017 ARC funding of \$28 million for 71 projects. We also received notification that 12 Sydney researchers had been included in the 2018 Clarivate Analytics Highly Cited Researchers List.

Sydney Policy Lab

One of the key initiatives in the 2016–20 Strategic Plan, the Sydney Policy Lab, completed its program launch in October 2018. It brings researchers from across the University together with politicians, government agencies, community groups, campaigners and industry to drive creative and collaborative solutions and develop transformative public policy. Professor Marc Stears, formerly of Oxford University and think tank the New Economics Foundation, was appointed in April 2018 as the inaugural director of the lab.

Sydney Knowledge Hub

In 2018 physical space was secured in the University's Merewether Building to build the Sydney Knowledge Hub, an initiative that will provide a service model, including access to dedicated co-working space, for external partners in industry, government, and community organisations at commercial rates.

Recruiting, retaining and supporting talented researchers

In June 2018 the first 10 recipients of the four-year Robinson Fellowships were announced. These fellowships aim to support and retain our best early-career academics by creating a pathway towards continuing teaching and research positions at the University. The structured program includes salary, up to \$150,000 each year for research costs, and mentoring support.

The fellowships are part of a larger program to retain and support talented researchers.

Core research facilities

The continuing development of our core research facilities is an integral part of our research strategy and our search for solutions to the most significant challenges of our time.

The University launched two new core research facilities in 2018:

- Sydney Imaging, which provides the latest pre-clinical and clinical imaging technologies to allow researchers to tackle frontier questions in healthcare and medical research through non-invasive study of complex biological systems and disease processes.
- Sydney Analytical, a state-of-the-art facility that provides researchers and industry with some of the most advanced instrumentation for material, chemical and biological analysis.

Artemis 3, the University's supercomputer in the Sydney Informatics Hub core facility, also underwent its most significant expansion since its original launch in 2015. This substantially increases our capacity for research in computing-intensive fields, including artificial intelligence, humanoid robotics and intergalactic distances and speed limits.

Strengthening our commercialisation of research

Two significant commercialisation events occurred in 2018: the acquisition of Elastagen by Allergan and the spin out of Kinosis Therapeutics, in partnership with Uniseed, to develop a drug to treat addiction.

Six business development managers have been embedded in the faculties to assist academics to commercialise their research and help build long-term capability.

The University has also been quick to react to the rapidly growing potential in defence research funding. We are one of the founding members of the NSW Defence Innovation Network, and we were awarded the highest-value project to date in the network's first round of pilot projects.

The University continues as lead institution in the ARC Training Centre for Cubesats, which will receive more than \$4.5 million in funding over five years, and we have established partnerships with global space leaders.

Performance against other strategic priorities

Safer communities on campus

In 2018 the University took major steps to respond to an important long-term issue – sexual assault and harassment on its campuses. Milestones included:

- adopting a new Student Sexual Assault and Sexual Harassment Policy (2018)
- the launch of a new online form that allows confidential disclosure of an incident by students, without the need to make a formal complaint
- requiring all commencing students to complete a Consent Matters module
- rolling out bystander training to student leaders across our campuses
- appointing two Student Liaison Officers to help students access support
- partnering with Rape and Domestic Violence Services Australia to deliver mandatory Responding with Compassion training to key frontline staff.

Additionally, the University's residential colleges implemented recommendations from the Broderick review on cultural renewal and made substantial changes to many aspects of their activities. A wide-ranging review of the culture at St Paul's College was published in August 2018, with additional

recommendations. Other key changes included the following.

- St John's College and St Paul's College reformed their respective governance arrangements to support robust and modern leadership.
- Student leaders signed agreements outlining their commitment to cultural renewal and standards of behaviour at commencement. Students participated in a comprehensive program on training and development.
- To promote inclusion and gender balance of student leadership teams in the co-educational colleges, the St John's College Students' Club enabled the election of male and female house presidents, and St Andrew's College amended its constitution to give effect to the 40:40:20 gender balance in student leadership.
- Policies and procedures on student misconduct, bullying, hazing and sexual misconduct were reviewed and strengthened and stand-alone sexual assault and sexual harassment policies are in place.
- Throughout the year, there was a significant reduction in the number of events where alcohol was served. Orientation Week in 2019 will be rebranded to align with the University and feature more activities with increased staff involvement and where alcohol is not served.

Aboriginal and Torres Strait Islander students

In 2018 the University:

- expanded regional schools' outreach to include the NSW central west, central coast, south coast and north coast – engaging 2315 senior secondary students, 376 of whom identified as Aboriginal and/or Torres Strait Islander.
- facilitated two flagship Wingara Mura – Bunga Barrabugu Summer Programs. These five-day on-campus immersive residential experiences engaged a total of 355 Aboriginal and Torres Strait Islander students in Years 10, 11 and 12 from across Australia
- facilitated the Bunga Barrabugu Winter Program, engaging 41 Year 12 students from NSW, Queensland, South Australia, the Northern Territory, and Tasmania
- supported student attendance and facilitated key learning activities for the 2018 Indigenous Spring STEM Workshop.
- supported 57 secondary teachers from schools with large cohorts of Aboriginal and Torres Strait Islander students to participate in the STEM Teacher Enrichment Academy.

Fourteen of the Year 12 students who attended the 2018 Wingara Mura – Bunga Barrabugu Summer and Winter Program received offers to study at the University. Ten of them accepted and four deferred enrolment for 2019.

A culture built on our values

Throughout the first half of 2018, Senate and the Senior Executive Team developed and agreed on leadership norms and behaviours. A leadership support framework for heads of school was piloted and a Heads of School network and an approach to executive leadership succession planning was developed for implementation. The delivery of the heads of school leadership support framework complements a suite of other measures.

Four staff were awarded Payne-Scott Professorial Distinctions in recognition of their sustained excellence across leadership, research and teaching and their contribution to the University.

Cultural competence

The National Centre for Cultural Competence Leadership Program, launched in 2017, was conducted again in July and August 2018 with a total of 124 participants.

Long-term operational capability:

The Campus Improvement Program

The University's transformational projects under the \$875 million Campus Improvement Program progressed in 2018 with the completion of three new buildings: Life, Earth and Environmental Sciences (LEES), the Faculty of Arts and Social Sciences building and the Administration Building (also known as F23).

Other buildings under construction include the Biomedical Engineering Building, the Susan Wakil Health Building, the Regiment Student Accommodation (target opening Semester 1, 2019), the Chau Chak Wing Museum, and, in partnership with NSW Health, the Westmead Hospital Central Acute Services Building and Innovation Centre. These projects will deliver a range of research, teaching, industry engagement, culture and student life facilities across our campus in 2020.

In April 2018, the University Executive endorsed the three-year rolling Integrated Infrastructure Program 2018–20, a focused allocation of \$182.8 million to enable the University's priorities across research, education and university experience.

Murray Darling Medical School Network

In December we reached agreement with the Commonwealth Department of Health on funding

terms to allow us to establish a Graduate Rural School of Medicine in Dubbo as part of the federal government's Murray Darling Medical Schools Network. The government will provide \$7.65 million for new educational infrastructure at Dubbo Base Hospital as well as funding to meet the University's costs of establishing our proposed end-to-end medical program for an annual intake of 24 Commonwealth-supported students from 2021 at the earliest.

Other 2018 issues

Funding policy challenges

The federal government announced a freeze on Commonwealth Grants Scheme funding for universities in December 2017, which has created obvious short- and long-term issues for the University of Sydney. The University continued to navigate policy uncertainty in regard to the medium-term government funding model for higher education, including performance funding and an increasingly competitive research funding environment.

China

The University reviewed and began to implement changes to strengthen the performance of our Centre in China. We consistently emphasised the economic and cultural value of a strong Australia-China relationship and promoted Sydney as an attractive destination for study and research for Chinese students and institutions.

The Ramsay Centre for Western Civilisation (Ramsay Centre)

The University's expression of interest in potentially establishing a course funded by the Ramsay Centre attracted widespread media coverage in 2018. In December, following extensive consultation with stakeholders, we presented to the Ramsay Centre board a draft memorandum of understanding that establishes the terms on which we are willing to proceed with negotiations to establish a stream within the Bachelor of Arts focused on the Western Tradition.

Freedom of academic expression

We have vigorously defended our commitment to academic freedom and being a place of debate. We are cooperating fully with a review by former Chief Justice of the High Court Mr Robert French, who has been appointed by the federal government to consider freedom of expression on Australian university campuses.

Legal change

There has been significant legislative and regulatory activity in 2018 that has particular relevance to universities.

The *Foreign Influence Transparency Scheme Act 2018* (Cth) requires those who undertake activities on behalf of a foreign government or political organisation to register if those activities seek to influence political or governmental decision-making in Australia.

Enhancement of transparency about the nature and extent of foreign government influence on Australian political processes is the objective.

In June 2018 the Australian Government released an updated and significantly changed Australian Code for the Responsible Conduct of Research. The code governs how universities approach research and particularly how they manage allegations of research misconduct. It applies to everyone doing research at the University, including honours and higher degree by research students and research-active staff and affiliates at all levels.

While the principles and expectations of the new code have not changed significantly, there are some key differences. These include:

- the definition of research misconduct has changed
- potential breaches of the code now include misuse of funds; concealment or facilitation of breaches by others and failing to offer authorship to those who qualify, and providing authorship to those who do not qualify.

The University of Sydney has updated its own Research Code of Conduct to comply with the new Australian Code for the Responsible Conduct of Research.

The European Union General Data Protection Regulation (GDPR) has extraterritorial application to Australian entities. The GDPR introduces a stringent set of obligations for those (including non-EU entities) who collect or process the personal data of European residents. It will apply in circumstances where the University processes personal data relating to the offering of services to individuals in the EU or monitors the behaviour of individuals in the EU (eg, through University research).

The *Modern Slavery Act 2018* (Cth) introduces modern slavery reporting requirements for organisations with turnovers of more than \$100 million. Those organisations must report on the steps taken to

mitigate the risk of modern slavery impacting their operations and supply chains. Those reports – ‘Modern Slavery Statements’ – must address the following:

- the structure, operations and supply chain of the organisation
- modern slavery risks in their operations and supply chains
- actions taken to assess and address those modern slavery risks, including due diligence and remediation processes
- how they assess the effectiveness of actions taken and
- the process of consultation with subsidiary entities in preparing the Modern Slavery Statement.

Two parallel reporting regimes will exist once the *Modern Slavery Act 2018* (NSW) commences. However, as a government entity with a consolidated revenue of more than \$100 million, the University will only report to the Commonwealth Government.

The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (Cth) responds to recommendations made by the Royal Commission into Institutional Responses to Child Sexual Abuse. The purpose of the scheme is to help people who have experienced institutional child sexual abuse gain access to counselling and psychological services, a direct personal apology, and monetary payment. The University proposes to participate in the scheme under which applications for redress are assessed by the Secretary of the Department of Social Services, who must approve an application for redress if satisfied that there is a reasonable likelihood that the applicant is eligible.

The *Saint John’s College Act 2018* (NSW) repeals the *Saint John’s College Act 1857* and the by-laws made under that Act. The new Act “modernises” the college legislation and provides for changes to the constitution of the college council, including a reduction in numbers from 19 to 13 and a requirement that due consideration be given to gender diversity and the requisite skills for the governance of the college.

The Act also provided that the members of the council will now include the Rector, three appointees of the Archbishop, one appointee of the Vice-Chancellor and four elected by the college alumni, with the remaining four to be appointed by the other Fellows.

Human resources

Enterprise Agreement 2018–21

The Fair Work Commission approved the University of Sydney Enterprise Agreement 2018–21 on 20 April 2018. The agreement will operate from 27 April 2018, with a nominal expiry date of 30 June 2021. Human Resources continues to actively implement and advise on the provisions of the Enterprise Agreement to better enable University outcomes.

HR-related policies and practices

- Amendments were finalised for 16 HR policies in alignment with the 2018–21 Enterprise Agreement. Substantive reviews are underway for a further 10 policies.
- A new Executive Remuneration Policy 2018 was approved in September to provide robust governance around the review, benchmarking, alignment and equity of remuneration for executive leadership roles at the University. This will assist with the attraction and retention of key talent to the University and support the University's achievement of its strategy.
- The substantive review of the Smoke-Free Environment policy was completed, with the new policy approved in December 2018.
- The Staff Sexual Assault and Sexual Harassment Policy was revised and updated. The policy aligns with the student policy and will ensure that there are clear and transparent options for staff to lodge a disclosure or a complaint; and guides the information and support to assist staff. For more information on the University's response to sexual assault and harassment on campus, see page 19.

Staff engagement and culture

A University Culture Survey was undertaken as part of a commitment to embedding values and behaviours outlined in the 2016–20 Strategic Plan. Results were shared with staff and focus groups were conducted. Themes from the survey included gender equity, cultural and linguistic diversity and workplace behaviours.

Supporting staff performance

As part of our commitment to excellence, the Human Resources team engaged with the University community to increase participation in the professional staff performance planning and development process. This work focused on simplifying the process and systems, strengthening participation and building leader and staff engagement and capability in contemporary performance practices. The University also progressed work in academic planning and development, with a focus on academic performance, probation, confirmation and promotion processes and practices. To support this work the Academic Planning and Development system was enhanced.

Strategic talent acquisition and strategic hires

The focus for 2018 included revision of the suite of recruitment and selection policies and procedures, operationalising the Talent Services panel and optimising the recruitment applicant tracking system. We also built University recruitment capability with the introduction of face-to-face workshops and online learning resources, focused on awareness of unconscious bias and contemporary recruitment practices.

In addition, probity practices were strengthened for new academic and professional staff with significant financial delegations.

In support of enabling the attraction and relocation of global strategic appointments, the University entered in a relationship with a specialist provider to support the relocation and commencement of these staff at the University. The University established the Matilda Centre for Research in Mental Health and Substance Use, led by Professor Maree Teesson. The centre brings together world-renowned researchers, clinicians and community to share skills, synergise data, harness new technologies and trial innovative programs for mental and substance use disorders.

Staff level and salary ranges

As at 31 March 2018

Academic staff

Level E and above	\$193,816 +
Level D	\$150,462 - \$165,759
Level C	\$124,961 - \$144,089
Level B	\$102,013 - \$121,138
Level A	\$71,410 - \$96,905

Professional staff (35-hour week)

HEO 10 and above	\$125,100 +
HEO 9	\$117,031 - \$123,486
HEO 8	\$100,915 - \$113,809
HEO 7	\$90,160 - \$98,224
HEO 6	\$82,099 - \$88,545
HEO 5	\$71,349 - \$79,947
HEO 4	\$65,972 - \$69,735
HEO 3	\$57,910 - \$64,360
HEO 2	\$55,220 - \$56,836
HEO 1 and below	<=\$53,609

Workforce diversity

LGBTIQ inclusion initiatives

The University's Pride Network (formerly known as the Ally Network) continued to steadily grow in membership and contributed to:

- developing and promoting the Workplace Gender Transition Guidelines and a suite of inclusive guidelines focused particularly on transgender, gender diverse and intersex staff inclusion
- developing a suite of inclusive guidelines focused particularly on transgender, gender diverse and intersex staff inclusion and 'coming out' at the University.
- reviewing and delivering Sexual and Gender Diversity and Ally Training sessions. More than 230 staff and students completed the training.

The University celebrated several LGBTIQ events through the Pride Network, including the Sydney Gay and Lesbian Mardi Gras Parade and Fair Day and Wear It Purple Day, and hosted an event Celebrating LGBTIQ People in Science, Technology, Engineering, Maths and Medicine (STEMM). The LGBTIQ STEMM event was jointly hosted with the University's SAGE project.

The University maintained its Bronze 'Employer of Choice' status in the Australian Workplace Equality Index.

Disability inclusion

The University of Sydney is committed to being recognised as an employer of choice and a tertiary education provider of choice for people with disability. A range of programs and activities was delivered to promote these aspirations and contribute to a culture of inclusion and diversity.

The University participated in the Stepping into Program, an internship program for University students with a disability managed by the Australian Network on Disability, with four interns being employed across the year. Five hundred and forty-nine staff completed Disability Awareness Training in 2018.

From the Disability Support Fund, a centrally managed fund to support the provision of workplace adjustments for staff with disability, 25 staff made enquiries about a workplace adjustment and four staff received financial assistance for the provision of a workplace adjustment through the fund.

The Disability at Work Staff Network (DAWN) continues to grow, with more than 190 members and a core

group of active and engaged staff. The DAWN was actively involved in the planning for Disability Inclusion Week and welcomed Stephen Phillips, Vice-Principal (Operations), as Executive Sponsor.

Disability Action Plan 2013–18

The University conducted an evaluation of its Disability Action Plan, which concluded at the end of 2018. This evaluation included extensive consultation with staff and students on the impact of the plan, with an online survey sent to all staff and students and an invitation to participate in evaluation focus groups. This evaluation will be used to inform development of the next Disability Action Plan, for 2019–24.

Parents and carers

The staff Parent and Carers Network continued to grow to more than 560 members, with five events held across the year. The Parents at Work Program and the Parents Supporting Parents Buddy Program were also launched during the year.

Culturally and linguistically diverse inclusion

In 2018 the Vice-Chancellor's Sponsorship Program for women from culturally and linguistically diverse (CALD) backgrounds continued to grow, with 20 senior CALD leaders participating in the 2018 program. In total, seven participants from previous cohorts combined have been promoted to more senior positions.

For the first time this program was also complemented by a program called 'Positioning for Promotion for CALD Academics', designed to meet the needs of culturally and linguistically diverse academics who are keen to progress their career and build more influence and impact from their portfolios. This program was well received by the 20 academics who participated. Finally, a committee was established to form the first CALD staff network – Mosaic.

Equity Fellowships

In 2018 the University awarded 10 Equity Fellowships to support flexible career paths – five Brown Fellowships, one Thompson Fellowships and four 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 under-represented at

senior academic levels and assist women seeking academic promotion.

The Laffan Fellowships are awarded to University researchers with disabilities or those who have experienced a significant disability in the past.

Gender equity

Key initiatives in 2018 included the following.

- The University supported the Chief Executive Women Leaders Program, with six senior leaders participating.
- A total of 38 women participated in the Sydney Women's Mentoring Program for both professional and academic staff.
- Inclusive Actions Training was undertaken as a new offering replacing the unconscious bias training. In the second half of the year 153 staff members participated.
- The Positioning for Promotion Program for Academic Women was offered in 2018, with 20 academic women participating.
- The University continued its association with the Founding Group of the Male Champions of Change (MCC), spearheaded by the Vice-Chancellor's involvement. Through the MCC we supported the Challenging Gender Stereotypes: Action Plan.
- The University of Sydney Panel Pledge was initiated in 2018, as part of the Male Champions of Change, to improve gender diversity on discussion panels, discussion forums and other external events.
- The University received compliance status for its annual submission to the Workplace Gender Equality Agency in 2018.

Science in Australia Gender Equity Pilot Program

As part of the University's aim to promote excellence in education and research we are participating in the Science in Australia Gender Equity (SAGE) Pilot Program, which promotes gender equity and diversity in science, technology, engineering, mathematics and medicine (STEMM).

The University's involvement in this pilot is an integral part of the culture component of the 2016-20 Strategic Plan and will enhance our research and education excellence by building an inclusive culture that enables all staff to thrive and achieve their potential. The University will submit its Application for a Bronze Athena SWAN Award in March 2019.

Aboriginal and Torres Strait Islander employment

Professor Lisa Jackson Pulver AM was appointed Deputy Vice-Chancellor, Indigenous Strategy and Services in October 2018. Professor Jackson Pulver is an Aboriginal woman and the first known Aboriginal person to receive a PhD in medicine at the University of Sydney.

The number of staff at the University who identify as Aboriginal or Torres Strait Islander (as at 31 March 2018) reached 84 for fixed-term and continuing positions (40 academic and 44 professional staff).

Eighteen faculties or professional service units within the University employ Aboriginal and Torres Strait Islander staff. The University's Merit Appointment Scheme supports the appointment of new Aboriginal and Torres Strait Islander staff to ongoing and/or five-year fixed-term positions. A total of 44 staff currently employed have come through this scheme.

The University received an exemption from the NSW Anti-Discrimination Board in 2018 to undertake targeted employment activities for Aboriginal and Torres Strait Islander people. For details about Aboriginal and Torres Strait Islander students, see page 19.

Community engagement

The University established a memorandum of understanding in 2018 with the National Rugby League School to Work program to promote Aboriginal and Torres Strait Islander opportunities for employment and student recruitment.

Staff positions by diversity groups

Academic and professional staff positions 2018 by occupation classification and diversity group

Occupation classification	Number	(%) of total staff
Academic		
Women	1667	46.8
Aboriginal and Torres Strait Islander	40	1.1
Ethnic/racial/religious minority	264	7.4
People whose first language was not English	382	10.7
People with a disability	52	1.5
Professional		
Women	2895	66
Aboriginal and Torres Strait Islander	44	1
Ethnic/racial/religious minority	376	8.6
People whose first language was not English	422	9.6
People with a disability	73	1.7

All statistics in these tables are as at 31 March 2018

Consumer response

In 2018 the University of Sydney made substantial enhancements to its complaints processes. The University's Student Affairs Unit (SAU) handles complaints from and/or about students, and misconduct by students. In 2018 an overall improvement in the University's capacity to identify and capture both complaints and misconduct – and particularly cases of fraud and academic dishonesty – led to a markedly increased SAU case load.

The University's Workplace Relations Unit deals with complaints made about staff that relate to alleged bullying, harassment and discrimination. Such complaints may be made by staff, affiliates, students or members of the public. During 2018 the unit made the following improvements.

- It recorded complaint matter types more accurately and these types were better defined (as opposed to just being labelled a 'grievance', for example).
- University staff embedded a new electronic case management system more effectively, which has resulted in more accurate reporting of complaints.

Student complaints

In 2018, the SAU handled a total of 605 cases: 261 complaints and 344 misconducts. Improved awareness of the SAU services contributed to case load increases and additional SAU staff were engaged to handle that load. By the end of the year, the rate of case closure was at its highest.

Student complaint categories included staff conduct, teaching quality and unfair treatment. Misconduct categories included assault, bullying, discrimination, fraud (which includes academic dishonesty, such as cheating and plagiarism) and harassment. The largest category of complaints was fraud, followed by process disputes.

Some 57 cases resulted in feedback, which is provided to lead service improvements in the respective areas. In 2019, plans are in development for a means of measuring this service improvement.

In 2018 the University implemented the Student Sexual Assault and Sexual Harassment Policy 2018 and established an online sexual assault and sexual harassment form, which allows confidential disclosure of an incident by students, without the need to make a formal complaint.

For more information about the University's response to sexual assault and harassment on campus, visit sydney.edu.au/about-us/vision-and-values/safer-communities.html

Staff complaints

There was a total of 119 complaints (this total excludes disciplinary action matters such as misconduct and unsatisfactory performance). The largest category of complaints was allegations of bullying. Complaints about a staff member's behaviour was the second most common category. The time taken by workplace relations staff to process complaints in accordance with relevant University policy and procedure remained similar to what it was during the previous year.

Infrastructure issues

Campus Infrastructure and Services are implementing new complaints guidelines – developed in 2018 – which will improve its processes for receiving and responding to infrastructure issues. The University received 103 complaints regarding issues associated with infrastructure in 2018.

The majority of these complaints related to noise and then parking issues. The complaints were received from students, University staff members and the surrounding community.

Risk management

The University continued to implement its Risk Management Framework, highlighting the importance of integrating risk management into business activities. The implementation was enabled by delivering a number of key risk management initiatives, including:

- conducting the first University-wide Risk Management Health Check
- reviewing and revising the Risk Appetite and Tolerance Statement
- introducing a new risk management system while maintaining regular risk monitoring and reporting of the institutional risk register.

The Health Check complements the Risk Owners' control self-assessment process, allowing a bottom-up view of the plans and controls put in place to mitigate institutional risks. The Risk Appetite and Tolerance Statement was reviewed and revised to address the maturing risk culture among the University's leadership. A new risk management system has been selected and is being implemented to increase operational effectiveness of the enterprise risk management function.

Reports on the institutional risk reduction trends, mitigation status and emerging risks have been provided to the University Executive, Strategy and Risk Committee and Senate throughout 2018, where risks are reviewed and accepted by the University leadership. Where necessary, the Risk Owners have provided deep-dive risk reports to the Strategy and Risk Committee and the relevant committees of the University Executive and Senate as well as Project Control Boards to ensure alignment of the University's risk management approach with our strategic objectives and priorities.

Work health and safety

Strategy

The University's Safety Health and Wellbeing strategy 2017-20 aims to create a positive safety culture that enables staff and students to thrive and realise their full potential while they "safely explore dangerous ideas".

The Mentally Healthy Workplace program completed its current state analysis. Key themes to focus on are increasing the consistency of management awareness of building a psychologically healthy environment, supporting an overall positive workplace culture and continuing to enhance wellbeing based on strong workplace connections and resilience.

Work health and safety governance

The People and Culture Committee of Senate, chaired by Ilana Atlas, met throughout 2018 to oversee governance of WHS risk.

Work health and safety management

The University Executive Work Health and Safety Committee, chaired by the Provost, met five times throughout 2018 to monitor University-wide WHS performance and optimise the committee's decision-making processes for University-wide WHS issues.

Safety Management System audit

The three-year rolling Safety Management System audit program commenced in 2018 and included an expansion of the existing audit tools to incorporate an appreciative inquiry approach.

WHS training

During 2018, 4134 workers completed online WHS induction. This included 3065 employees and 1069 other workers (affiliates, contractors and volunteers). Online WHS induction for Higher Degree by Research (HDR) students via student learning management systems (Blackboard and Canvas) achieved a 64 percent completion rate (1094 HDR students). In 2018, 387 workers attended WHS for Managers and Supervisors training and 984 and 353 workers completed laboratory and emergency training respectively.

Operational risks

The University participated in the review of draft Australian Standard 2243 Safety in Laboratories and a Safework Australia workplace monitoring program under the hazardous chemicals baseline exposure and reduction strategy.

The Legislative and Governance Forum on Gene Technology endorsed the final report for the Review of the National Gene Technology Scheme, with recommendations to be implemented in a coordinated and consultative way. The Office of Gene Technology Registration conducted an inspection of five areas of gene technology holdings, and the University achieved zero non-compliances and a rating of best practice.

The University's Ionising Radiation Safety Standard, which describes the minimum performance standards for the management of University activities involving the use of ionising radiation, was finalised in 2018. Compliance with these performance standards assists the University to meet the specific legislative requirements.

Work health and safety incidents

In 2018, there were a total of 1907 incidents and hazards reported via RiskWare. This represents a 13 percent increase in overall reporting from the previous year, with the entire increase being reports of hazards or near misses. Sixty 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, 59 percent involved employees, 31 percent involved students and 10 percent involved contractors, affiliates and visitors.

Cut, puncture or graze (23 percent) was the most frequent mechanism of injury reported during 2018, followed by slip or trip and fall (14 percent), acute illness (6 percent), body stress from repetitive movement (6 percent) and body stress from handling objects (5 percent).

The most frequent reported injury differed between staff and students. For staff, the most frequent injury was due to slip or trip and fall on a slippery or uneven surface. 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	76	18
Cut puncture or graze	57	13
Body stress from repetitive movement	39	9

Students

Mechanism	Number	% of total
Cut puncture or graze	102	41
Acute illness	22	9
Slip trip and fall	17	7

Wellbeing

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

Physical wellbeing at work was promoted via free flu vaccinations, with 3207 staff taking advantage of this service. The Global Challenge 100-day team-based walking challenge had 122 participating teams.

Musculoskeletal injuries have increased and remained a key focus for sedentary work. Ninety-eight face-to-face workstation assessments were completed in 2018.

Psychological wellbeing is being addressed through provision of mindfulness practice and training opportunities. In 2018, 1160 staff participated in mindfulness initiatives to build resilience. The University continued to provide an employee assistance program for staff.

Workers compensation

In 2018, the University maintained its performance in workers compensation. A total of 316 incidents reported involved injury or illness involving staff and only 112 resulted in workers compensation claims.

	2018	2017	2016	2015
Total cost of claims	\$337,402	\$453,300	\$114,564	\$111,536
Average cost of claim	\$4,205	\$5,596	\$4,270	\$2,613
Average time (days) lost per claim	8.49*	7.36*	4.69*	3.24*
Injuries reported (WC claims)	112	91	71	84
Premium payable (\$million)	\$1.49	\$1.43	\$1.38	\$1.33

* Change to calculation method to include sick leave days taken

Psychological injury claims account for eight percent of all workers compensation claims, demonstrating the importance of early intervention practices. In 2018, 213 staff were supported with personal ill-health issues.

Employee Assistance Program use by University staff has increased to 8.3 percent, more than in 2017 (6.2 percent), which is a positive indicator of staff taking help-seeking steps to access support services.

Insurance arrangements

The University has completed its seventh successive year in the NSW LPR Workers Compensation Scheme. Cost of claims and premium costs for 2018 were maintained at the minimum premium payable. The University will remain in the NSW Workers Compensation Scheme in 2019.

Privacy and personal information

The University complied with the requirements of the *Privacy and Personal Information Protection Act* as outlined in its Privacy Management Plan, *Privacy Policy 2017*, and *Privacy Procedures 2018*.

We responded to eight requests for access to information and completed two internal reviews under Part 5 of the Act. Three privacy events were reported to the Privacy Commissioner concerning unauthorised access and disclosure. No privacy matters were decided by the NSW Civil and Administrative Tribunal. No matters were investigated by the NSW Privacy Commissioner.

Government Information (Public Access) Act

Program for the release of information

We reviewed our program for the release of information, to confirm its adequacy. We assessed access applications, the University's Contracts Register, information made available under the Open Access requirements, and the University website. No patterns regarding information sought were identified, and the types of requests received were not generated by gaps in the program of proactive release.

Our website provides for the proactive release of information where there is no overriding public interest against disclosure. We promulgated policy and procedures as well as changes, such as new buildings, units, staff appointments or events with webpages, updated media releases and contact details for further information.

Access applications received during the year

We received 50 new access applications: 24 were for the personal information of the applicant; 20 were for information other than personal information; three were for a combination of personal information and information other than personal information; and three were withdrawn. The number of new applications received increased slightly compared with 44 new applications last reporting year.

One access application was invalid; one was transferred to another agency; six were refused, 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). Four internal reviews were conducted.

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector businesses	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	3	3	0	1	0	0	2	2
Members of the public (application by legal representative)	2	0	1	1	0	1	0	0
Members of the public (other)	12	20	1	4	3	2	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	6	17	1	1	0	0	0	0
Access applications (other than personal information applications)	8	6	0	4	3	2	2	3
Access applications that are partly personal information applications and partly other	3	0	1	1	0	1	0	0

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

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	6
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

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

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

	Number of occasions when application not successful
Responsible and effective government	19
Law enforcement and security	0
Individual rights, judicial processes and natural justice	22
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)	15
Decided after 35 days (by agreement with applicant)	14
Not decided within time (deemed refusal)	16
Total	45

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

	Decision varied	Decision upheld	Total
Internal review	0	3	3
Review by Information Commissioner*	1	2	3
Internal review following recommendation under section 93 of the Act	0	1	1
Review by NCAT	1	1	2
Total	2	7	9

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

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

	No of applications for review
Applications by access applicants	8
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

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

	Number of applications transferred
Agency-initiated transfers	1
Applicant-initiated transfers	0

Financial review of 2018

The University of Sydney's parent only financial statements for the year ended 31 December 2018 show a modest underlying margin of \$27.4 million (2017: \$17.2 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 2018 operating result of \$169.6 million (2017: \$192.5 million).

While an operating result of \$169.6 million reflects the University's financial position in accordance with Australian accounting standards, it does not represent a surplus that can be spent freely. The operating result can be reconciled to the underlying result as follows:

	2018 \$M	2017 \$M	Change \$M	Change %
Operating revenue ¹	2,500.5	2,345.2	155.3	6.6
Operating expenses ²	2,330.9	2,152.7	178.2	8.3
Parent operating result per financial statements	169.6	192.5	(22.9)	(11.9)
Adjusted for:				
Philanthropic funds ³	(93.1)	(118.3)	25.2	21.3
Investment funds ³	(17.3)	(25.2)	7.9	31.3
Specific purpose grants	(31.8)	(31.8)	0.0	0.0
Parent underlying margin	27.4	17.2	10.2	59.3
Contributions from associates and controlled entities	1.5	0.6	0.9	150.0
Consolidated underlying margin	28.9	17.8	11.1	62.4

¹ For further information, see Section 1 on operating revenue (page 36)

² For further information, see Section 2 on operating expenses (page 40)

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

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

- **Philanthropic funds:** A large proportion of the philanthropic funds managed by the University must be invested in perpetuity. Under the terms of many of the endowments, some investment income derived from these investments must be retained to maintain the real value of the endowment and is not therefore available to fund day-to-day operations.
- **Investment funds:** These must be held in reserve to meet capital requirements for a collateral fund to support the University's borrowing program and protect against any unforeseen circumstances. These reserves also support our obligation to meet employee entitlements and will assist in providing accommodation for our students.
- **Specific purpose grants:** These grants include a range of unspent but committed research and education grants, such as National Health and Medical Research Council, Australian Research Council grants and student scholarship funds.

1. Operating revenue

The 2018 operating revenue of \$2,500.5 million was \$155.3 million greater than 2017. The following table and chart show the major components of this increased revenue.

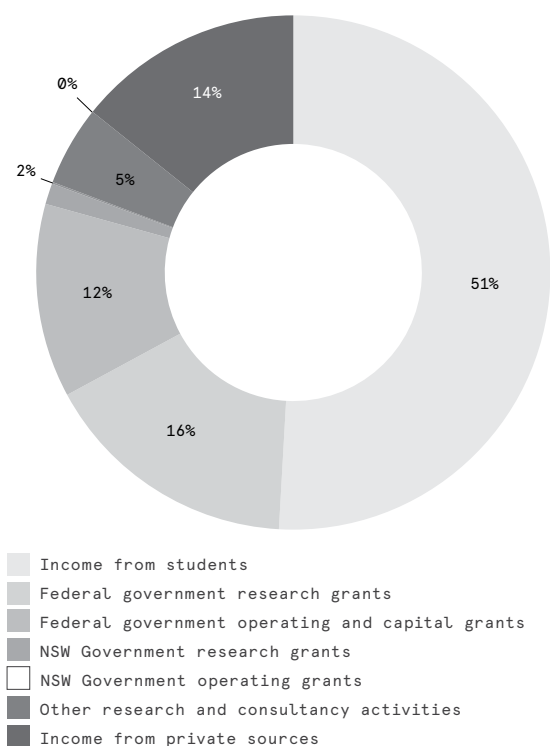
	2018 \$M	2017 \$M	Change \$M	Change %
Income from students (including HECS-HELP and FEE-HELP)	1,272.6	1,144.9	127.7	11.2
Federal government research grants	405.4	394.3	11.1	2.8
NSW Government research grants	32.9	28.9	4.0	13.8
Other research and consultancy activities	125.6	112.4	13.2	11.7
Total research income	563.9	535.6	28.3	5.3
Federal government operating and capital grants	304.9	309.1	(4.2)	(1.4)
NSW Government operating grants	2.6	3.3	(0.7)	(21.2)
Income from private sources	356.5	352.3	4.2	1.2
Total	2,500.5	2,345.2	155.3	6.6

1.1 Income from students

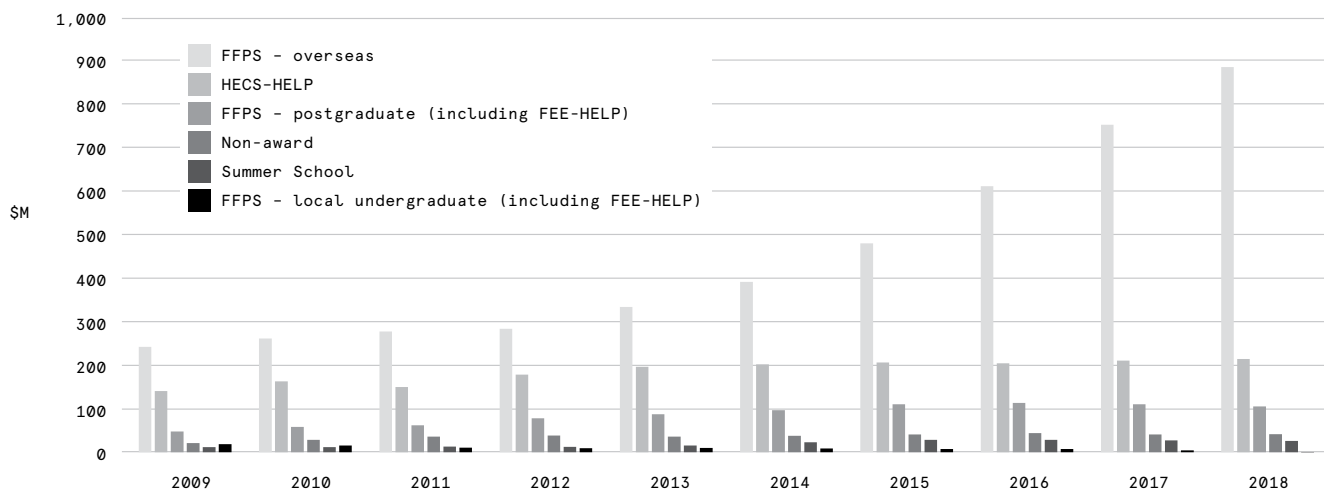
Overseas full fee-paying (FFP) students continue to provide significant income to the University. Once again, overseas FFP student income accounted for the largest proportion of student income representing 70 percent of total student income.

The 2018 growth in income from students of \$127.7 million was mainly attributable to additional course fees generated from FFP overseas students of \$132.5 million, an increase of 17.6 percent.

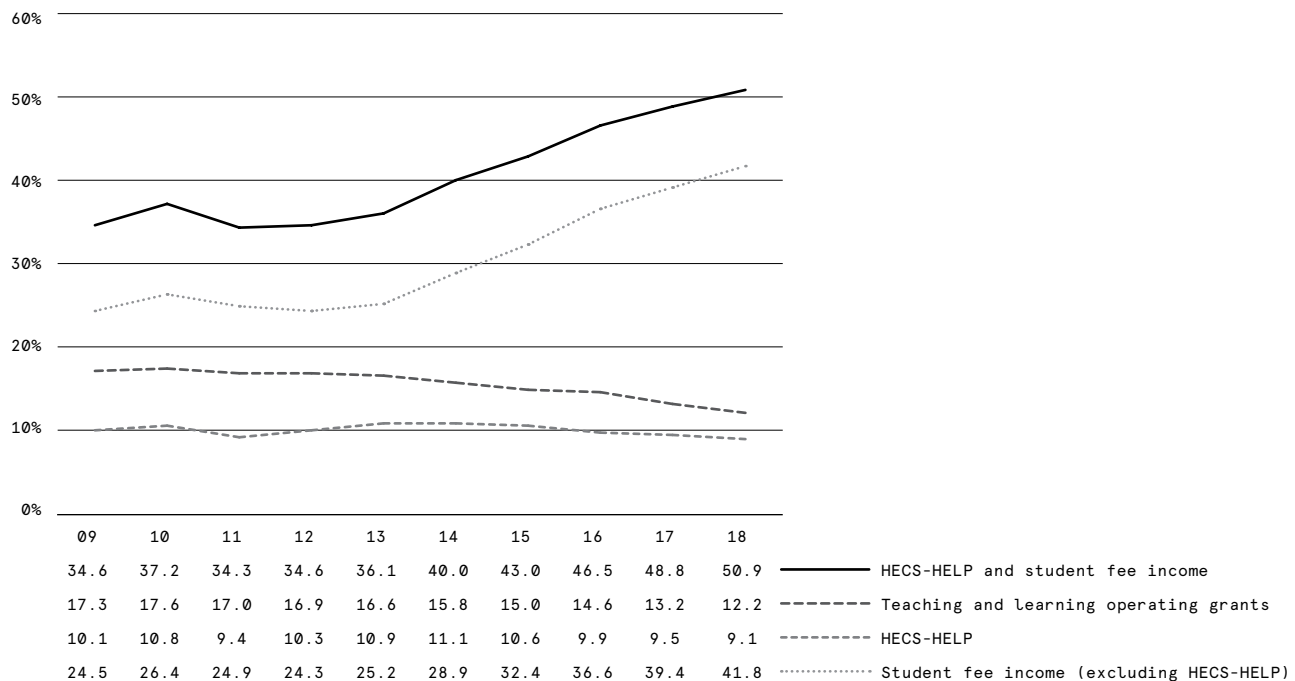
	2018 \$M	2017 \$M	Change \$M	Change %
FFPS - overseas	884.7	752.2	132.5	17.6
HECS-HELP	214.2	210.4	3.8	1.8
FFPS - postgraduate (including FEE-HELP)	105.5	110.3	(4.8)	(4.4)
Non-award	41.3	40.8	0.5	1.2
Summer School	26.2	27.0	(0.8)	(3.0)
FFPS - local undergraduate (including FEE-HELP)	0.7	4.2	(3.5)	(83.3)
Total income from students	1,272.6	1,144.9	127.7	11.2



Income from students



University education revenue sources as a percentage of total revenue



The continued growth in income from student fees, together with the decline in funding received from federal teaching and learning operating grants, means that the proportion of University revenue received from HECS and student fee income has grown considerably since 2009 (2018: 50.9 percent; 2009: 34.6 percent). The majority of this increase is attributable to income from FFP overseas students.

1.2 Federal government funding

Declining federal financial support in real terms has continued to intensify pressure on the University and has increased the University's reliance on fee-paying students. Federal operating and capital support decreased by \$4.2 million, although research funding increased by \$11.1 million. The decrease in operating grants is mainly attributable to a \$5.8 million decrease in Partnership and Participation Program funding.

	2018 \$M	2017 \$M	Change \$M	Change %
Teaching and learning operating grants	304.9	309.1	(4.2)	(1.4)
Capital funding	0.0	0.0	0.0	0.0
Federal government operating and capital grants	304.9	309.1	(4.2)	(1.4)
Research program funding	185.8	184.5	1.3	0.7
Australian Research Council	45.8	55.1	(9.3)	(16.9)
National Health and Medical Research Council	85.5	92.2	(6.7)	(7.3)
Other federal agencies - research	50.0	24.9	25.1	100.8
Other federal agencies - non-research	38.3	37.6	0.7	1.9
Federal research funding	405.4	394.3	11.1	2.8
Total federal funding	710.3	703.4	6.9	1.0

1.3 NSW Government grants

Grants provided by the NSW Government increased by \$3.3 million, or 10.2 percent, to \$35.5 million in 2018. The majority of this increase is from medical research grants, including substantial funding for onshore medical clinical trials.

	2018 \$M	2017 \$M	Change \$M	Change %
NSW Government operating grants	2.6	3.3	(0.7)	(21.2)
NSW Government research grants	32.9	28.9	4.0	13.8
Total NSW Government grants	35.5	32.2	3.3	10.2

1.4 Research and consultancy activities

Income received by the University for research and consultancy activities increased by \$28.3 million in 2018, or 5.3 percent, to \$563.9 million. Federal research funding of \$405.4 million represented 72 percent of the total funding in this category. Contributions by non-federal government external funding bodies accounted for \$17.2 million of the \$28.3 million total increase. In 2018 overseas collaborations contributed a \$17.9 million increase, with \$3.3 million coming from increased overseas clinical trial funding.

	2018 \$M	2017 \$M	Change \$M	Change %
Federal research funding	405.4	394.3	11.1	2.8
NSW Government research grants	32.9	28.9	4.0	13.8
Industry research grants	19.4	16.7	2.7	16.2
Foundations and individual research grants	53.9	57.4	(3.5)	(6.1)
Local collaborative research funds	0.5	2.9	(2.4)	(82.8)
Overseas collaborative research funds	46.6	28.7	17.9	62.4
Consultancies	5.2	6.7	(1.5)	(22.4)
Non-federal research and consultancy funding	158.5	141.3	17.2	12.2
Total research and consultancy income	563.9	535.6	28.3	5.3

1.5 Income from private sources

The major components of this income group were as follows:

	2018 \$M	2017 \$M	Change \$M	Change %
Investment income	135.5	141.8	(6.3)	(4.4)
Philanthropic income	75.4	74.0	1.4	1.9
Commercial and other activities	59.4	54.6	4.8	8.8
Contributions from external organisations	34.9	34.3	0.6	1.7
Other fees and charges	45.8	41.2	4.6	11.1
Sponsorship income	5.5	6.4	(0.9)	(14.1)
Total income from private sources	356.5	352.3	4.2	1.2

Investment income decreased in 2018 by \$6.3 million, mainly due to decreased returns in the global markets.

The long-term portfolio returned 8.7 percent, with the medium-term fund returning -0.3 percent. As at 31 December 2018, of the total investment income of \$135.5 million (2017: \$141.8 million), \$27.9 million (2017: \$9.9 million) represented non-cash unrealised gains on investments held by the University at balance date.

Philanthropic income increased by \$1.4 million.

1.6 Philanthropic income pledged

The INSPIRED campaign continues to lead higher education fundraising in Australia. In December 2018 the campaign had raised more than \$982 million toward its goal of \$1 billion.

In 2018 the University received an extraordinary level of support from its community of alumni and friends, raising \$138 million, including 106 gifts over \$100,000.

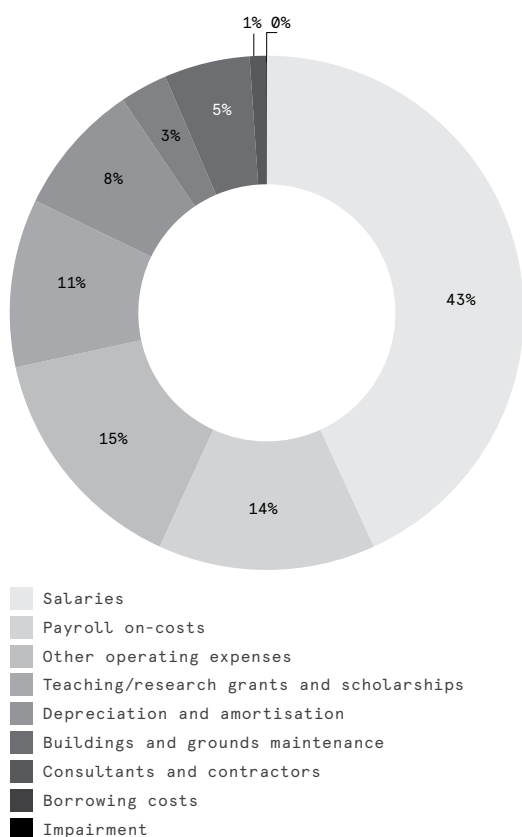
2. Operating expenses

The 2018 operating expenditure of \$2,330.9 million was \$178.2 million, or 8.3 percent, higher than in 2017.

	2018 \$M	2017 \$M	Change \$M	Change %
Salaries	1,006.3	943.3	63.0	6.7
Payroll on-costs	318.7	293.3	25.4	8.7
Total employee benefits	1,325.0	1,236.6	88.4	7.1
Other operating expenses	343.8	308.1	35.7	11.6
Teaching/research grants and scholarships	246.9	229.6	17.3	7.5
Depreciation and amortisation	194.7	200.0	(5.3)	(2.7)
Repairs and maintenance	69.8	62.9	6.9	11.0
Consultants and contractors	125.7	92.6	33.1	35.7
Borrowing costs	23.9	22.5	1.4	6.2
Impairment	1.1	0.4	0.7	175.0
Total non-salary expenses	1,005.9	916.1	89.8	9.8
Total expenses	2,330.9	2,152.7	178.2	8.3

The major items contributing to the increase were:

- an \$88.4 million increase in salaries and payroll on-costs. The University's enterprise agreement drove increased expenditure of \$33.7 million (being a 2.1 percent increase in base rate, which combined with grade escalations of 0.4 percent drove a total cost of 2.5 percent). Increased staffing levels and associated on-costs drove an increase of \$18 million, largely required to support the growth in international FFP students. The remaining \$36.7 million relates to resourcing associated with the University's discretionary and capital programs.
- a \$33.1 million increase in consultants and contractors' expenses, driven by a \$15.5 million increase in Campus Infrastructure and Services and Information and Communications Technology infrastructure and transformation projects and an increase of \$17.0 million in non-capitalised projects and programs, with a progression towards expensed cloud platforms.
- a \$35.7 million increase in other operating expenses, mainly comprising \$14.7 million of non-capitalised equipment costs such as \$2.6 million growth in software licenses, \$13.6 million for utilities and cleaning, \$4.3 million for travel and accommodation and \$4.3 million in agent commissions.
- a \$17.3 million increase in teaching and research grants and scholarships resulting from increased funding for specific research projects.



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 2018, the University incurred capital expenditure of \$420.8 million, which is a \$147.4 million increase. The increase in capital expenditure in 2018 largely represents the ongoing implementation of the Campus Improvement Plan, including major building projects such as the new Faculty of Arts and Social Sciences Building, the Life, Earth and Environmental Sciences Building, the Engineering Precinct, the new Administration Building on City Road, the Health and Medical Research Precinct and the Regent Student Accommodation Building.

	2018 \$M	2017 \$M	Change \$M	Change %
Land and buildings	10.7	2.7	8.0	296.3
Equipment	32.3	37.5	(5.2)	(13.9)
Capital works - software	24.7	21.2	3.5	16.5
Capital works- buildings	314.9	209.7	105.2	50.2
Other	38.2	2.3	35.9	1,560.9
Total capital expenditure	420.8	273.4	147.4	53.9

4. Equity

The total equity of the University at 31 December 2018 was \$4,714.5 million, \$215.4 million higher than at 31 December 2017.

	2018 \$M	2017 \$M	Change \$M	Change %
Restricted funds	613.4	575.3	38.1	6.6
Reserves	482.0	434.1	47.9	11.0
Retained earnings	3,619.1	3,489.7	129.4	3.7
Total equity	4,714.5	4,499.1	215.4	4.8

The three major components of total equity were as follows.

- **Restricted funds**, which total \$613.4 million at 31 December 2018 (2017: \$575.3 million). These are funds with a capital preservation obligation and are quarantined from use to support the University's day-to-day operations.
- **Reserves**, which largely comprise revaluation adjustments for the University's land. In 2018, there was a net increase of \$47.9 million in the reserves, which largely arose from the revaluation of the farm land owned by the University in close proximity to the second Sydney Airport site at Badgerys Creek.
- **Retained earnings** of the University have increased to \$3,619.1 million, made up of the initial revaluation reserve of \$1,660.5 million created in 1992 (when the NSW Government transferred the land and buildings to the University) together with the cumulative net operating surpluses generated, excluding reserves, in the periods up to 31 December 2018.

5. Operating statement

	2018 Budget \$'000	2018 Forecast \$'000	2018 Actual \$'000	2019 Budget \$'000
Revenue and income from continuing operations				
Australian Government financial assistance				
Australian Government grants	693.4	698.7	710.4	707.8
HELP - Australian Government payments	267.1	263.3	256.9	256.4
State and local government financial assistance	25.8	31.6	35.5	30.5
Fees and charges	1,005.4	1,028.4	1,027.9	1,189.0
HECS-HELP - student payments	34.1	34.6	33.5	34.6
Investment revenue	46.3	87.9	96.0	47.7
Consultancy and contracts	89.9	110.8	125.6	104.3
Royalties, trademarks and licences	10.7	10.1	8.3	8.3
Other revenue	204.6	179.8	208.0	185.8
Gains/(losses) on disposal of assets	-	0.7	(0.0) ⁽¹⁾	-
Total income from continuing operations	2,377.4	2,445.9	2,502.0	2,564.6
Expenses from continuing operations				
Employee-related expenses	1,300.3	1,305.5	1,325.0	1,396.1
Depreciation and amortisation	197.0	198.5	194.7	218.9
Repairs and maintenance	72.4	72.7	69.8	46.4
Borrowing costs	23.0	23.0	23.9 ⁽²⁾	32.0
Impairment of assets	1.4	1.5	1.1 ⁽²⁾	1.9
Grant and scholarship expenses	128.6	127.4	116.9	132.9
Consultants and contractors	92.0	101.1	125.7	131.2
Teaching and research grants	99.3	118.4	130.0	108.5
Other expenses	326.38	357.60	343.8	374.4
Total expenses from continuing operations	2,240.3	2,305.7	2,330.9	2,442.4
Net result attributable to members of the University of Sydney	137.1	140.2	171.1	122.2

Notes:

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

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

6. Investments and investment performance

The Long-Term Fund (LTF) finished the calendar year with an 8.7 percent return in 2018. Exposure to unlisted assets, including private equity, together with favourable currency positioning, assisted the fund’s overall returns for the year.

Long Term Fund (LTF)

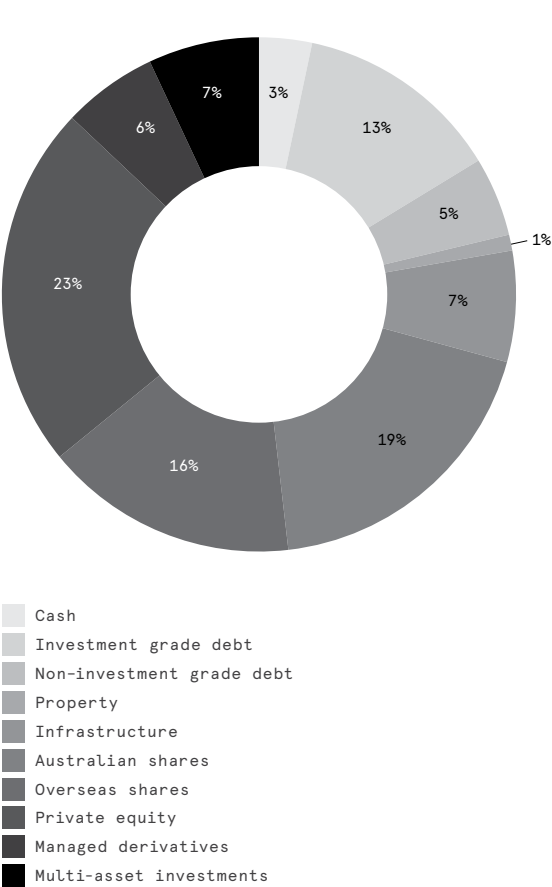
Value as at 31 December 2018:
\$1,467.35 million

Cash flow objective:
4.5% per annum

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

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

LTF Asset Allocation as at end December 2018



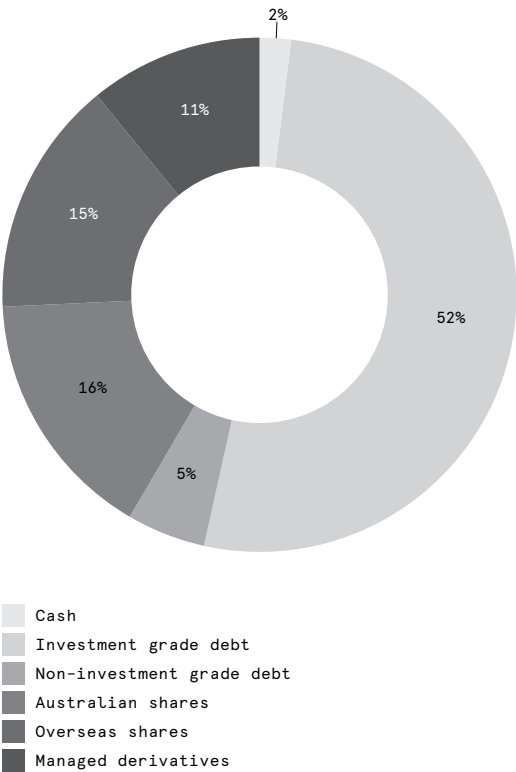
The Medium-Term Fund (MTF) produced -0.3 percent returns in 2018 due to exposure with poorly performing asset classes, including Australian shares, which caused the fund to register a small fall in value for the year. Despite this, the fund has generated annualised returns of 4.1 percent over the last five years.

Medium Term Fund (MTF)

Value as at 31 December 2018:
\$94.38 million

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

MTF Asset Allocation as at end December 2018



7. Creditor's payment performance

2018 quarter	March		June		September		December	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of accounts paid on time:								
By number of Invoices	88%	80%	86%	80%	84%	80%	88%	80%
By value of invoices	93%	80%	89%	80%	83%	80%	94%	80%
Amount of accounts paid on time (excluding investments)	\$245.5M		\$238.1M		\$231.1M		\$229.0M	
Total amount of accounts paid (excluding investments)	\$262.7M		\$266.2M		\$279.2M		\$243.8M	

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

8. Summary of land owned by the University

	2018 \$M	2017 \$M	Change \$M	Change %
Teaching and research land	182.7	182.6	0.1	0.1
Student accommodation	106.8	109.1	(2.3)	(2.1)
Commercial land	21.3	15.0	6.3	42.0
Investment land	191.2	135.4	55.8	41.2
Total land	502.0	442.1	59.9	13.5

Teaching and research land

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

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

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

- Sydney 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. 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 \$21.9 million for staff overseas travel in 2018 (2017: \$22.1 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 24 of the financial statements for details of the University's subsidiaries.



INDEPENDENT AUDITOR'S REPORT

The University of Sydney

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the University of Sydney (the University), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information and the responsible entity's declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2018, 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 2018 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*
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (the ACNC Act) and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the University's annual report for the year ended 31 December 2018, other than the financial statements and my Independent Auditor's Report thereon. The members of the Senate of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Appointed Officers.

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

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

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

I have nothing to report in this regard.

University Senate's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Senate is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the University will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor-General of NSW

27 March 2019
SYDNEY



To the Vice-Chancellor
The University of Sydney

Auditor's Independence Declaration

As auditor for the audit of the financial report of the University of Sydney for the year ended 31 December 2018, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

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

Margaret Crawford
Auditor-General of NSW

27 March 2019
SYDNEY



Dr Michael Spence, AC
Vice-Chancellor and Principal

22 March 2019

RESPONSIBLE ENTITIES' DECLARATION

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

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

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

Dr Michael Spence
Vice-Chancellor and Principal

Karen Moses
Chair, Finance and Audit Committee



Dr Michael Spence, AC
Vice-Chancellor and Principal

22 March 2019

STATEMENT BY APPOINTED OFFICERS

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

1. The financial statements present a true and fair view of the financial position of the University at 31 December 2018 and the financial performance of the University for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, the "Financial Statement Guidelines for Australian Higher Education Providers for the 2018 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

Karen Moses
Chair, Finance and Audit Committee



THE UNIVERSITY OF
SYDNEY

2018 **Annual Financial Statements**

**The University of Sydney
Income statement
for the year ended 31 December 2018**

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2(a)	710,378	703,421	710,378	703,421
HELP - Australian Government payments	2(b)	256,901	261,040	256,901	261,040
State and local government financial assistance		35,497	32,228	35,497	32,228
Fees and charges	3	1,027,860	890,673	1,027,860	890,673
HECS-HELP - student payments		33,487	34,191	33,487	34,191
Investment revenue	4	96,023	103,205	96,023	103,205
Consultancy and contracts	5	125,593	112,509	125,593	112,509
Royalties, trademarks and licences		8,264	4,698	8,264	4,698
Other revenue	6	166,969	164,582	166,969	164,582
Total revenue from continuing operations		2,460,972	2,306,547	2,460,972	2,306,547
Gain/(loss) on disposal of assets		(12)	297	(12)	297
Share of profit/(loss) on investments accounted for using the equity method		1,529	594	0	0
Other investment income	4	39,521	38,338	39,521	38,338
Total income from continuing operations		2,502,010	2,345,776	2,500,481	2,345,182
Expenses from continuing operations					
Employee-related expenses	7	1,324,991	1,236,593	1,324,991	1,236,593
Depreciation and amortisation	12/13	194,731	200,009	194,731	200,009
Repairs and maintenance		69,764	62,908	69,764	62,908
Borrowing costs		23,879	22,462	23,879	22,462
Impairment of assets		1,128	426	1,128	426
Grant and scholarship expenses		116,862	111,701	116,862	111,701
Consultants and contractors		125,753	92,591	125,753	92,591
Teaching and research grants		130,038	117,882	130,038	117,882
Other expenses	8	343,737	308,162	343,737	308,162
Total expenses from continuing operations		2,330,883	2,152,734	2,330,883	2,152,734
Net result before income tax		171,127	193,042	169,598	192,448
Less: income tax (benefit)/expense		0	0	0	0
Net result after income tax		171,127	193,042	169,598	192,448
Net result attributable to members of The University of Sydney		171,127	193,042	169,598	192,448

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

The University of Sydney
Statement of comprehensive income
for the year ended 31 December 2018

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result after income tax		171,127	193,042	169,598	192,448
Items that may be reclassified to profit or loss					
Valuation movement on hedge reserve	18	<u>648</u>	<u>1,134</u>	<u>648</u>	<u>1,134</u>
Total		<u>648</u>	<u>1,134</u>	<u>648</u>	<u>1,134</u>
Items that will not be reclassified to profit or loss					
Transfers from reserves to retained earnings		0	(31)	0	0
Gains/(Loss) on revaluation of property, plant and equipment	18	<u>47,258</u>	<u>(9,880)</u>	<u>47,258</u>	<u>(9,880)</u>
Distributions from subsidiary		<u>(1,633)</u>	<u>1,249</u>	<u>(1,633)</u>	<u>1,249</u>
Net actuarial gains/(losses) recognised in respect of defined benefit plans		<u>(1,964)</u>	<u>(380)</u>	<u>(1,964)</u>	<u>(380)</u>
Total		<u>43,661</u>	<u>(9,042)</u>	<u>43,661</u>	<u>(9,011)</u>
Total other comprehensive income		<u>44,309</u>	<u>(7,908)</u>	<u>44,309</u>	<u>(7,877)</u>
Total comprehensive income		<u>215,436</u>	<u>185,134</u>	<u>213,907</u>	<u>184,571</u>
Total comprehensive income attributable to members of The University of Sydney		<u>215,436</u>	<u>185,134</u>	<u>213,907</u>	<u>184,571</u>

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

The University of Sydney
Statement of financial position
as at 31 December 2018

		Economic entity (Consolidated)		Parent entity (University)	
		2018	2017 (restated)	2018	2017 (restated)
	Notes	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	534,165	483,630	534,165	483,630
Receivables	10	152,552	176,846	152,552	176,846
Other financial assets	11	3,702	277	3,702	277
Other non-financial assets	14	58,289	37,531	58,289	37,531
Total current assets		748,708	698,284	748,708	698,284
Non-current assets					
Receivables	10	1,489,629	1,448,215	1,489,629	1,448,215
Other financial assets	11	1,527,755	1,384,311	1,538,755	1,394,311
Property, plant and equipment	12	3,499,711	3,331,639	3,499,711	3,331,639
Intangible assets	13	192,722	187,172	186,593	181,043
Other non-financial assets	14	72,606	46,329	72,606	46,329
Investments accounted for using the equity method		10,163	7,634	0	0
Total non-current assets		6,792,586	6,405,300	6,787,294	6,401,537
Total assets		7,541,294	7,103,584	7,536,002	7,099,821
LIABILITIES					
Current liabilities					
Trade and other liabilities	15	302,437	226,740	302,437	226,740
Derivative financial instruments		9,925	1,436	9,925	1,436
Provisions	17	338,529	352,623	338,529	352,623
Total current liabilities		650,891	580,799	650,891	580,799
Non-current liabilities					
Borrowings	16	596,295	505,614	596,295	505,614
Provisions	17	1,579,559	1,518,058	1,579,559	1,518,058
Total non-current liabilities		2,175,854	2,023,672	2,175,854	2,023,672
Total liabilities		2,826,745	2,604,471	2,826,745	2,604,471
Net assets		4,714,549	4,499,113	4,709,257	4,495,350
EQUITY					
Parent entity interest					
Restricted funds*		613,360	575,331	613,360	575,331
Reserves	18	481,999	434,093	480,686	432,780
Retained earnings		3,619,190	3,489,689	3,615,211	3,487,239
Total equity		4,714,549	4,499,113	4,709,257	4,495,350

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

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

The University of Sydney
Statement of changes in equity
for the year ended 31 December 2018

	Economic entity (Consolidated)				Parent entity (University)			
	Restricted funds	Reserves	Retained earnings	Total	Restricted funds	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017								
Balance at 1 January 2017	536,024	442,870	3,378,964	4,357,858	536,024	441,526	3,377,108	4,354,658
Prior period correction*	0	0	(43,879)	(43,879)	-	-	(43,879)	(43,879)
Balance as restated	536,024	442,870	3,335,085	4,313,979	536,024	441,526	3,333,229	4,310,779
Net result after income tax	39,307	0	153,735	193,042	39,307	0	153,141	192,448
Revaluation of property plant and equipment	0	(9,880)	0	(9,880)	0	(9,880)	0	(9,880)
Actuarial gain/(loss) on defined benefit plans	0	0	(380)	(380)	0	0	(380)	(380)
Valuation movement on hedge reserve	0	1,134	0	1,134	0	1,134	0	1,134
Distribution from subsidiary	0	0	1,249	1,249	0	0	1,249	1,249
Transfers from reserves to retained earnings	0	(31)	0	(31)	0	0	0	0
Total comprehensive income	39,307	(8,777)	154,604	185,134	39,307	(8,746)	154,010	184,571
Balance at 31 December 2017	575,331	434,093	3,489,689	4,499,113	575,331	432,780	3,487,239	4,495,350
2018								
Balance at 1 January 2018	575,331	434,093	3,489,689	4,499,113	575,331	432,780	3,487,239	4,495,350
Net result after income tax	38,029	0	133,098	171,127	38,029	0	131,569	169,598
Revaluation of property, plant and equipment	0	47,258	0	47,258	0	47,258	0	47,258
Actuarial gain/(loss) on defined benefit plans	0	0	(1,964)	(1,964)	0	0	(1,964)	(1,964)
Valuation movement on hedge reserve	0	648	0	648	0	648	0	648
Distribution from subsidiary	0	0	(1,633)	(1,633)	0	0	(1,633)	(1,633)
Total comprehensive income	38,029	47,906	129,501	215,436	38,029	47,906	127,972	213,907
Balance at 31 December 2018	613,360	481,999	3,619,190	4,714,549	613,360	480,686	3,615,211	4,709,257

* The University has recognised a number of adjustments in 2018 resulting in a correction to prior period retained earnings. Refer to Note 1(d) for further details.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

The University of Sydney
Statement of cash flows
for the year ended 31 December 2018

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash flows from operating activities					
Australian Government grants received		970,739	944,917	970,739	944,917
State and local government grants received		35,497	32,228	35,497	32,228
HECS-HELP student payments		33,487	34,191	33,487	34,191
Receipts from student fees and others (inclusive of GST)		1,356,503	1,200,104	1,356,503	1,200,104
Dividends received		75,868	82,496	75,868	82,496
Interest received		17,566	20,709	17,566	20,709
Interest and other costs of finance		(23,879)	(22,462)	(23,879)	(22,462)
Other investment funds received/(paid)		11,574	28,404	11,574	28,404
Payments for employee-related expenses		(1,307,255)	(1,236,593)	(1,307,255)	(1,236,593)
Payments to suppliers (inclusive of GST)		(672,303)	(693,872)	(672,303)	(691,282)
Net cash provided by/(used in) operating activities	27	497,797	390,122	497,797	392,712
Cash flows from investing activities					
Proceeds from sale of financial assets		802,182	1,220,022	802,182	1,220,022
Proceeds from sale of property, plant and equipment		430	430	430	430
Payments for property, plant and equipment		(420,776)	(273,361)	(420,776)	(273,361)
Payments for financial assets		(919,173)	(1,265,296)	(919,173)	(1,265,296)
Net cash provided by/(used in) investing activities		(537,337)	(318,205)	(537,337)	(318,205)
Cash flows from financing activities					
Proceeds from borrowings		200,000	0	200,000	0
Repayment of borrowings		(110,000)	0	(110,000)	0
Net cash provided by/(used in) financing activities		90,000	0	90,000	0
Net increase/(decrease) in cash and cash equivalents		50,460	71,917	50,460	74,507
Cash and cash equivalents at beginning of year		483,630	411,496	483,630	408,906
Effects of exchange rate changes on cash and cash equivalents		75	217	75	217
Cash and cash equivalents at end of year	9	534,165	483,630	534,165	483,630

Financing facilities and balances

28(d)

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

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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 22 March 2019.

(a) Basis of preparation

These financial statements represent the audited general purpose financial statements of the University of Sydney (the University) 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, the Public Finance and Audit Regulation 2015, the Australian Charities and Not-for-profits Commission Act 2012, and the Australian Charities and Not-for-profits Commission Regulation 2013.

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

The University of Sydney applies Tier 1 reporting requirements.

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

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

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, 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 differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the income statement.

(vii) Income tax

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

(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 the involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

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

A list of controlled entities is contained in Note 24(b) to the financial statements.

1 Basis of preparation of the financial statements

(c) Goods and services tax (GST)

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

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

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

(d) Correction of prior period adjustments

The University is required to provide for employee benefits including annual leave and long service leave. The basis for the estimation of these provisions was reviewed in 2018 and it was recognised that certain employees and employment related allowances had not been included in prior year estimations. The estimation base has now been amended to include these elements. The impact of the adjustment has been reflected as a reduction to opening retained earnings of \$15.3m and an increase in employee related provisions of \$15.3m.

The University is required to accrue for certain indirect tax obligations arising from employer contributions to defined benefits superannuation funds. This requirement was not identified in 2014 at the time that the University received a guarantee in respect to government funding for that purpose. The impact of the adjustment has been reflected as a reduction to opening retained earnings of \$27.8m and an increase in deferred payroll tax provisions \$27.8m.

In the prior years, the University made capital contributions to third parties to fund the construction of certain buildings, a portion of which were then occupied by the University. The capital contributions have previously been treated as operating expenses. In 2018, in preparation for the implementation of AASB 16 'Leases', the University reviewed a number of long-standing occupation agreements and concluded that these capital contributions should have been treated as prepaid leases. The impact of the adjustment has been reflected as an increase in opening retained earnings and an increase in prepaid leases of \$6.5m.

The University has funded the construction of the Linley Point boat shed in 2015/2016 and has negotiated an occupation licence with Sydney University Sport and Fitness at a peppercorn rental. The ten-year occupation licence represents the entire useful life of the asset due to a limitation imposed by the underlying Roads and Maritime Services sea-bed lease having a ten-year term. The occupation licence qualifies as a finance lease with the impact that the entire carrying value of the property is impaired. The impact of the adjustment has been reflected as a reduction to property, plant and equipment and opening retained earnings of \$7.3m.

These matters have been applied retrospectively to the year ended 31 December 2017 opening balance of retained earnings in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'. The table below summarises the above corrections:

	Economic entity (Consolidated)			Parent entity (University)		
	Balance as at 31 December 2017	Adjustment	Balance restated 31 December 2017	Balance as at 31 December 2017	Adjustment	Balance restated 31 December 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statement of financial position						
Assets						
Current other non-financial assets	36,680	851	37,531	36,680	851	37,531
Non-current other non-financial assets	40,707	5,622	46,329	40,707	5,622	46,329
Property, plant and equipment	3,338,918	(7,279)	3,331,639	3,338,918	(7,279)	3,331,639
Liabilities						
Current provision	335,989	16,634	352,623	335,989	16,634	352,623
Non-current provision	1,491,619	26,439	1,518,058	1,491,619	26,439	1,518,058
Equity						
Retained earnings	3,533,568	(43,879)	3,489,689	3,531,118	(43,879)	3,487,239

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

(a) Australian Government grants

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Commonwealth Grant Scheme	32(a)	306,096	304,420	306,096	304,420
Other grants	32(a)	(1,220)	4,650	(1,220)	4,650
Research Training Program	32(c)	97,660	97,441	97,660	97,441
Research Support Program	32(c)	88,150	87,105	88,150	87,105
Australian Research Council	32(e)	45,802	55,056	45,802	55,056
National Health and Medical Research Council		85,539	92,201	85,539	92,201
Other Commonwealth research funding		50,013	24,921	50,013	24,921
Other Commonwealth non-research funding		38,338	37,627	38,338	37,627
Total Australian Government grants		710,378	703,421	710,378	703,421

(b) Higher Education Loan Programs

HECS-HELP		180,699	176,171	180,699	176,171
FEE-HELP		72,097	80,698	72,097	80,698
SA-HELP		4,105	4,171	4,105	4,171
Total Higher Education Loan Programs	32(b)	256,901	261,040	256,901	261,040
Total Australian Government financial assistance		967,279	964,461	967,279	964,461

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

3 Fees and charges

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Course fees and charges					
Fee-paying onshore overseas students		884,693	752,211	884,693	752,211
Continuing education		14,533	13,985	14,533	13,985
Fee-paying domestic postgraduate students		33,583	31,905	33,583	31,905
Fee-paying domestic undergraduate students		502	1,867	502	1,867
Students undertaking non-award courses		1,208	1,202	1,208	1,202
Other course fees and charges		35,662	37,087	35,662	37,087
Total course fees and charges		970,181	838,257	970,181	838,257
Other non-course fees and charges					
Student residences		26,639	25,753	26,639	25,753
Student Services and Amenities Fees from students	32(h)	12,117	11,270	12,117	11,270
Other non-course fees and charges		18,923	15,393	18,923	15,393
Total non-course fees and charges		57,679	52,416	57,679	52,416
Total fees and charges		1,027,860	890,673	1,027,860	890,673

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

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2018
(continued)

4 Investment revenue and income

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Distributions from managed funds	57,562	60,602	57,562	60,602
Dividends received	20,895	21,894	20,895	21,894
Interest received	17,566	20,709	17,566	20,709
Total investment revenue	96,023	103,205	96,023	103,205
Change in fair value of financial assets designated at fair value through profit or loss	27,948	9,934	27,948	9,934
Realised gain/(loss) on financial assets at fair value through profit or loss	11,573	28,404	11,573	28,404
Total other investment income	39,521	38,338	39,521	38,338
Total investment income	135,544	141,543	135,544	141,543

Investment income is recognised as it is earned.

5 Consultancy and contracts

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Consultancy	5,187	6,704	5,187	6,704
Contract research	120,406	105,805	120,406	105,805
Total consultancy and contracts	125,593	112,509	125,593	112,509

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)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Bequests and donations	80,943	80,301	80,943	80,301
Contributions (external organisations)	34,908	34,338	34,908	34,338
Farms	4,110	4,533	4,110	4,533
Reimbursement income	21,330	15,241	21,330	15,241
Shop sales	4,601	4,070	4,601	4,070
Veterinary/medical practice income	8,968	13,098	8,968	13,098
Other revenue	12,109	13,001	12,109	13,001
Total other revenue	166,969	164,582	166,969	164,582

Other revenue is brought to account as it is earned and is recognised when the goods and services are provided, or when received if related to bequests and donations.

7 Employee-related expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	517,373	487,371	517,373	487,371
Contributions to superannuation schemes	83,935	78,200	83,935	78,200
Payroll tax	36,045	32,305	36,045	32,305
Workers' compensation	1,179	1,007	1,179	1,007
Long service leave expense	16,353	10,674	16,353	10,674
Annual leave	31,737	33,282	31,737	33,282
Termination payments	3,453	3,365	3,453	3,365
Total academic	690,075	646,204	690,075	646,204
Non-academic				
Salaries	478,016	444,673	478,016	444,673
Contributions to superannuation schemes	74,233	67,571	74,233	67,571
Payroll tax	32,204	30,577	32,204	30,577
Workers' compensation	361	261	361	261
Long service leave expense	13,255	9,495	13,255	9,495
Annual leave	29,396	29,987	29,396	29,987
Termination payments	7,446	7,882	7,446	7,882
Total non-academic	634,911	590,446	634,911	590,446
Deferred employment benefits for superannuation*	5	(57)	5	(57)
Total employee related expenses	1,324,991	1,236,593	1,324,991	1,236,593

* Includes expense of \$5k (2017: income of \$57k) for the Professorial Superannuation Scheme.

8 Other expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotional expenses	10,711	10,230	10,711	10,230
Audit fees, bank charges, legal costs, insurance and taxes	14,558	13,814	14,558	13,814
Communications	11,711	11,534	11,711	11,534
Farm operations	10,332	8,856	10,332	8,856
Library materials	7,957	7,584	7,957	7,584
Laboratory, medical supplies and materials	26,776	27,612	26,776	27,612
Licences, patents, copyright and commissions	38,111	32,271	38,111	32,271
Non-capitalised equipment	31,155	21,321	31,155	21,321
Non-capitalised project costs	0	3,000	0	3,000
Operating leases and rental expenses	14,134	16,783	14,134	16,783
Printing and stationary	13,217	13,454	13,217	13,454
Rent and room hire	17,475	15,621	17,475	15,621
Software licences	24,606	19,969	24,606	19,969
Travel, staff development and training	51,261	48,723	51,261	48,723
Utilities and cleaning	46,940	35,938	46,940	35,938
Other expenses	24,793	21,452	24,793	21,452
Total other expenses	343,737	308,162	343,737	308,162

Operating leases and rental expenses

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2018
(continued)

9 Cash and cash equivalents

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	187,855	197,635	187,855	197,635
Short term deposits at call	346,310	285,995	346,310	285,995
Total cash and cash equivalents in the statement of financial position and statement of cash flows*	534,165	483,630	534,165	483,630

As at 31 December 2018, the amount of cash and cash equivalents held by the University that was subject to capital preserved trust restrictions was \$25.0m (2017: \$25.7m).

* These are interest bearing at a variable average rate of 2.15% (2017: 2.01%).

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

10 Receivables

		Economic entity (Consolidated)		Parent entity (University)	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Current					
Trade receivables		50,730	46,771	50,730	46,771
Student fees and loans		9,079	14,825	9,079	14,825
Less: provision for impaired receivables		(3,335)	(2,229)	(3,335)	(2,229)
Total trade receivables		56,474	59,367	56,474	59,367
Accrued income and other receivables		24,658	20,708	24,658	20,708
Deferred government benefits for superannuation*	23(d)	71,420	96,771	71,420	96,771
Total other receivables		96,078	117,479	96,078	117,479
Total current receivables		152,552	176,846	152,552	176,846
Non-current					
Deferred government benefits for superannuation*	23(d)	1,485,572	1,442,413	1,485,572	1,442,413
Super Asset Plan (Professorial Superannuation System)	23(d)	3,666	5,399	3,666	5,399
Other receivables		391	403	391	403
Total non-current receivables		1,489,629	1,448,215	1,489,629	1,448,215

* The University contributes to three superannuation schemes within the State Authorities Superannuation Trustee Corporation, see Note 23(f). These are subject to reimbursement arrangements under the *Higher Education Support Act 2003*, in the proportion of 78:22 between the Commonwealth and NSW governments respectively.

Impaired receivables

As at 31 December 2018 current receivables of the University with a nominal value of \$3,335k (2017: \$2,229k) were impaired.

The amount of the provision that relates to specific provisions was \$2,789k (2017: \$1,814k). The individually impaired receivables mainly relate to private sector organisations' expected credit loss due to unexpected difficult economic situations.

The remaining provision of \$546k (2017: \$415k) is a provision for a portion of receivables over ninety days where it was assessed that this portion of the receivables is not expected to be recovered.

10 Receivables

Impaired receivables

As at 31 December 2018 trade receivables of \$22,942k (2017: \$29,842k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these receivables is as follows:

	Economic entity (Consolidated)		Parent entity (University)	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Under 3 months	12,817	16,718	12,817	16,718
3 to 6 months	3,404	6,172	3,404	6,172
6 to 12 months	3,081	2,715	3,081	2,715
Over 12 months	3,640	4,237	3,640	4,237
Total past due but not impaired receivables	22,942	29,842	22,942	29,842

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

At 1 January	2,229	3,427	2,229	3,427
Provision for expected credit losses	1,613	94	1,613	94
Receivables written off	(507)	(1,249)	(507)	(1,249)
Unused amount reversed	0	(43)	0	(43)
At 31 December	3,335	2,229	3,335	2,229

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

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2018
(continued)

11 Other financial assets

	Economic entity (Consolidated)		Parent entity (University)	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Financial assets at fair value through profit or loss				
Forward and futures	3,702	277	3,702	277
Total current other financial assets through profit or loss	3,702	277	3,702	277
Non-current				
Financial assets at fair value through profit or loss				
Listed securities	240,387	235,320	240,387	235,320
External fund managers*	1,183,835	1,061,448	1,183,835	1,061,448
Floating rate notes	69,126	59,797	69,126	59,797
Convertible notes	4,357	3,930	4,357	3,930
Shares in unlisted companies	25,290	18,509	36,290	28,509
Total non-current other financial assets at fair value through profit or loss	1,522,995	1,379,004	1,533,995	1,389,004
Financial assets at amortised cost				
Loans receivable	4,760	5,307	4,760	5,307
Total non-current other financial assets at amortised cost	4,760	5,307	4,760	5,307
Total non-current other financial assets	1,527,755	1,384,311	1,538,755	1,394,311
Total other financial assets	1,531,457	1,384,588	1,542,457	1,394,588

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

All 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 Income statement. 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 Income statement.

12 Property, plant and equipment

Parent entity (University)/ Economic entity (Consolidated)

At 1 January 2017

Cost	182,647	1,789,868	172,982	0	0	0	0	760,236	81,113	168,228	0	541,220	3,696,294
Valuation	0	0	0	238,425	266,526	2,575	0	0	0	0	291,738	0	799,264
Accumulated depreciation and impairment	0	(454,331)	(60,740)	0	0	0	0	(306,246)	(26,351)	0	0	(347,527)	(1,195,195)
Net book amount	182,647	1,335,537	112,242	238,425	266,526	2,575	453,990	54,762	291,738	168,228	193,693	3,300,363	

Prior period correction*

Cost	0	0	0	0	0	0	0	0	0	(7,279)	0	0	(7,279)
Net book amount as restated	182,647	1,335,537	112,242	238,425	266,526	2,575	453,990	54,762	291,738	160,949	193,693	3,293,084	

Year ended 31 December 2017

Cost and valuation:

Additions	0	0	0	58	0	0	37,530	2,731	230,920	271	1,180	272,690	
Transfer from work in progress	0	5,596	10,696	0	2,221	0	23,083	0	(45,373)	0	0	(3,777)	
Donations	0	0	0	0	0	0	0	0	0	196	281	477	
Asset disposals	0	0	0	0	0	0	(1,182)	0	0	0	0	(1,182)	
Asset retirements	0	0	0	0	0	0	(12,437)	(491)	0	(4)	0	(12,932)	
Revaluation increment/(decrement)	0	0	0	21,061	3,391	455	0	0	0	(41,782)	0	(16,875)	
Non-capitalisable costs	0	0	0	0	0	0	0	0	(30,918)	0	0	(30,918)	
Transfers/recategorisation	0	0	0	0	(720)	0	(1,526)	(777)	(4,732)	0	0	(7,755)	

Depreciation

Depreciation
Write back accumulated depreciation on asset:

Disposals	0	0	0	0	0	0	1,049	0	0	0	0	1,049	
Retirements	0	0	0	0	0	0	9,847	491	0	0	0	10,338	
Revaluations	0	0	0	0	6,941	54	0	0	0	0	0	6,995	
Transfers/recategorisation	0	0	0	0	0	0	777	18	0	0	0	795	

Closing net book amount

	182,647	1,288,751	119,206	259,544	271,418	3,030	443,689	54,369	310,846	250,419	147,720	3,331,639	
At 31 December 2017													
Cost	182,647	1,795,464	183,678	0	0	0	805,704	82,576	310,846	0	542,681	3,903,596	
Valuation	0	0	0	259,544	271,418	3,030	0	0	0	250,419	0	784,411	
Accumulated depreciation and impairment	0	(506,713)	(64,472)	0	0	0	(362,015)	(28,207)	0	0	(394,961)	(1,356,368)	
Net book amount	182,647	1,288,751	119,206	259,544	271,418	3,030	443,689	54,369	310,846	250,419	147,720	3,331,639	

* Refer to note 1(d).

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2018
(continued)

12 Property, plant and equipment

Parent entity (University)/Economic entity (Consolidated)

At 1 January 2018

Cost	182,647	1,795,464	183,678	0	0	805,704	82,576	310,846	0	542,681	3,903,596
Valuation	0	0	0	259,544	271,418	3,030	0	0	250,419	0	784,411
Accumulated depreciation and impairment	0	(506,713)	(64,472)	0	0	(362,015)	(28,207)	0	0	(394,961)	(1,356,368)
Net book amount	182,647	1,288,751	119,206	259,544	271,418	3,030	443,689	310,846	250,419	147,720	3,331,639

Year ended 31 December 2018

Cost and valuation:

Additions	0	0	0	0	520	0	32,319	10,704	339,644	1,149	1,024	385,360
Transfer from work in progress	18	127,807	10,522	0	3,711	0	61,894	2,041	(209,250)	0	(3,257)	0
Donations	0	0	0	0	0	0	0	0	0	4,925	102	5,027
Asset disposals	0	0	0	0	0	0	(1,203)	0	0	0	0	(1,203)
Asset retirements	0	(33,745)	0	0	0	0	(8,287)	0	0	(19)	0	(42,051)
Revaluation increment/(decrement)	0	0	0	59,828	(9,423)	338	0	0	0	(10,647)	0	40,096
Non-capitalisable costs	0	0	0	(58)	0	0	0	0	(53,395)	0	0	(53,453)
Transfers/recategorisation	0	(9,626)	0	0	0	0	(3,778)	(30,938)	0	0	0	(44,342)

Depreciation

Depreciation	0	(43,748)	(3,920)	0	(7,096)	(66)	(70,099)	(3,650)	0	0	(47,536)	(176,115)
Write back accumulated depreciation on asset:												

Disposals

Retirements

Revaluations

Transfers/recategorisation

Closing net book amount

At 31 December 2018

Cost	182,665	1,879,901	194,200	0	0	886,651	64,382	387,845	0	543,807	4,139,451
Valuation	0	0	0	319,314	266,226	3,368	0	0	245,827	0	834,735
Accumulated depreciation and impairment	0	(517,721)	(68,392)	0	0	(423,327)	(22,538)	0	0	(442,497)	(1,474,475)
Net book amount	182,665	1,362,180	125,808	319,314	266,226	3,368	463,324	387,845	245,827	101,310	3,499,711

12 Property, plant and equipment

Non-commercial assets

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

Commercial land, buildings and infrastructure

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

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

Heritage assets

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

The Power Collection of Contemporary Art is owned by the University and is on loan under a management agreement with the Museum of Contemporary Art. The collection was last valued in 2016 and is recorded on the University's books at a value of \$42.7m (2017: \$42.7m).

These assets are not subject to depreciation.

Works in progress

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

Leasehold improvements

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

Subsequent costs

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

Asset sales

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

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:

	2018	2017
Plant and equipment	5%-25%	5%-25%
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.

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Notes to the financial statements
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(continued)

Intangible assets

2017

	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
At 1 January 2017							
Cost	159,734	4,064	94,663	6,129	264,590	159,734	4,055
Accumulated amortisation and impairment	(77,393)	(1,018)	0	0	(78,411)	(77,393)	(1,009)
Net book amount	82,341	3,046	94,663	6,129	186,179	82,341	3,046
Year ended 31 December 2017							
Additions	104	0	16,643	0	16,747	104	0
Transfer from work in progress	3,776	0	0	0	3,776	3,776	0
Transfers and recategorisation	149	(9)	0	0	140	149	0
Asset retirements	(92)	0	0	0	(92)	(92)	0
Amortisation							
Amortisation charge	(19,492)	(167)	0	0	(19,659)	(19,492)	(167)
Asset retirements/recategorisation	72	9	0	0	81	72	0
Closing net book amount	66,858	2,879	111,306	6,129	187,172	66,858	2,879
At 31 December 2017							
Cost	163,671	4,055	111,306	6,129	285,161	163,671	4,055
Accumulated amortisation and impairment	(96,813)	(1,176)	0	0	(97,989)	(96,813)	(1,176)
Net book amount	66,858	2,879	111,306	6,129	187,172	66,858	2,879

2018

Year ended 31 December 2018							
Balance 1 January	66,858	2,879	111,306	6,129	187,172	66,858	2,879
Additions	1,476	0	17,553	0	19,029	1,476	0
Transfer from work in progress	3,254	0	0	0	3,254	3,254	0
Transfers and recategorisation	2,115	0	0	0	2,115	2,115	0
Asset retirements	(26,673)	0	0	0	(26,673)	(26,673)	0
Amortisation							
Amortisation charge	(18,449)	(167)	0	0	(18,616)	(18,449)	(167)
Write back accum depn on asset retirements	26,441	0	0	0	26,441	26,441	0
Closing net book amount	55,022	2,712	128,859	6,129	192,722	55,022	2,712
At 31 December 2018							
Cost	143,842	4,055	128,859	6,129	282,885	143,842	4,055
Accumulated amortisation and impairment	(88,820)	(1,343)	0	0	(90,163)	(88,820)	(1,343)
Net book amount	55,022	2,712	128,859	6,129	192,722	55,022	2,712

13 Intangible assets

Goodwill

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

Computer software

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

Digitalised library collections

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

Other intangible assets

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

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

14 Other non-financial assets

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017 (restated)	2018	2017 (restated)
	\$'000	\$'000	\$'000	\$'000
Current				
Prepaid expense	58,230	36,891	58,230	36,891
Inventories	59	640	59	640
Total current other non-financial assets	58,289	37,531	58,289	37,531
Non-current				
Livestock				
Balance 1 January	5,158	5,367	5,158	5,367
Purchases and natural increase/revaluation	(104)	776	(104)	776
Sales and natural decrease	(830)	(985)	(830)	(985)
Total livestock	4,224	5,158	4,224	5,158
Prepaid lease				
Prepaid lease	68,382	41,171	68,382	41,171
Total prepaid lease	68,382	41,171	68,382	41,171
Total non-current other non-financial assets	72,606	46,329	72,606	46,329
Total other non-financial assets	130,895	83,860	130,895	83,860

The University values its livestock assets at fair value less the estimated costs to sell. The University has made a number of contributions to secure access to properties for periods of up to 60 years. These contributions are amortised over the life of the access right.

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

15 Trade and other liabilities

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables	42,310	35,298	42,310	35,298
OS-HELP liability to Australian Government	2,929	1,692	2,929	1,692
Prepaid income	118,813	92,183	118,813	92,183
Accrued expenses	138,385	97,567	138,385	97,567
Total current trade and other liabilities	302,437	226,740	302,437	226,740
Total trade and other liabilities	302,437	226,740	302,437	226,740

Foreign currency risk

The total trade and other liabilities of the economic entity shown above includes \$3.2m (2017: \$2.4m) denominated in currencies other than Australian dollars.

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

16 Borrowings

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Non-current				
Unsecured bank loans	0	110,000	0	110,000
Bonds payable	596,295	395,614	596,295	395,614
Total non-current borrowings	596,295	505,614	596,295	505,614
Total borrowings	596,295	505,614	596,295	505,614

The fair value of borrowings at balance date was \$630,064k (2017: \$526,340k). Refer to Note 29 for fair value measurement.

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

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.

17 Provisions

(a) Provisions

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017 (restated)	2018	2017 (restated)
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	80,288	79,472	80,288	79,472
Long service leave	38,546	33,966	38,546	33,966
Defined benefit obligation	71,420	96,771	71,420	96,771
Provision for termination payment	5,217	2,330	5,217	2,330
Provision for make good	403	285	403	285
Deferred lease provisions	376	462	376	462
Deferred payroll tax provisions	1,335	1,335	1,335	1,335
Subtotal	197,585	214,621	197,585	214,621
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	3,053	2,815	3,053	2,815
Long service leave	137,891	135,187	137,891	135,187
Subtotal	140,944	138,002	140,944	138,002
Total current provisions	338,529	352,623	338,529	352,623
Non-current provisions				
Employee benefits				
Long service leave	35,013	29,929	35,013	29,929
Defined benefit obligation	1,490,705	1,447,504	1,490,705	1,447,504
Provision for make good	24,386	12,507	24,386	12,507
Deferred lease provision	1,589	1,679	1,589	1,679
Deferred payroll tax provisions	27,866	26,439	27,866	26,439
Total non-current provisions	1,579,559	1,518,058	1,579,559	1,518,058
Total provisions	1,918,088	1,870,681	1,918,088	1,870,681

(b) Movements in provisions

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

	Economic entity (Consolidated)			Parent entity (University)		
	Deferred lease	Make good provisions	Deferred payroll tax	Deferred lease	Make good provisions	Deferred payroll tax
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017						
Carrying amount at 1 January	1,921	10,367	0	1,921	10,367	0
Prior period adjustment*	0	0	27,774	0	0	27,774
Additional provisions recognised	586	2,920	0	586	2,920	0
Amount used	(366)	0	0	(366)	0	0
Unused amounts reversed	0	(495)	0	0	(495)	0
Carrying amount at 31 December	2,141	12,792	27,774	2,141	12,792	27,774
2018						
Carrying amount at 1 January	2,141	12,792	27,774	2,141	12,792	27,774
Additional provisions recognised	285	11,997	1,427	285	11,997	1,427
Amount used	(461)	0	0	(461)	0	0
Carrying amount at 31 December	1,965	24,789	29,201	1,965	24,789	29,201

* The University is required to provide for deferred payroll tax in respect to defined benefit superannuation funds contributions. This has resulted in a prior period correction. Refer Note 1(d) for further details.

17 Provisions

(c) Employee benefits

Current provisions

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

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

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

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

Non-current provisions

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

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for 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.

18 Reserves

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment revaluation reserve	480,687	433,429	480,686	433,428
Hedging reserve - cash flow hedges	0	(648)	0	(648)
Associates' reserves	1,312	1,312	0	0
Balance at 31 December	481,999	434,093	480,686	432,780
Movements:				
Property, plant and equipment revaluation reserve				
Balance at 1 January	433,429	443,405	433,428	443,308
Reserve transferred to retained earnings	0	(96)	0	0
Revaluation increments/(decrements)	47,258	(9,880)	47,258	(9,880)
Balance at 31 December	480,687	433,429	480,686	433,428
Hedging reserve - cash flow hedges				
Balance at 1 January	(648)	(1,782)	(648)	(1,782)
Less: expired hedges	648	1,134	648	1,134
Balance at 31 December	0	(648)	0	(648)
Associates' reserve				
Balance at 1 January	1,312	1,312	0	0
Balance at 31 December	1,312	1,312	0	0
Foreign currency translation reserve				
Balance at 1 January	0	(65)	0	0
Reserve transferred to retained earnings	0	65	0	0
Balance at 31 December	0	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 12. Decrements in reserves are either on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 'Impairment of Assets' where a revaluation reserve had existed for that asset class.

(ii) Hedging reserve - cash flow hedges

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

(ii) Associates' reserve

This represents the reserves held by associated entities and is recognised in the consolidated financial statements using the equity method of accounting (see Note 26).

(iv) Foreign currency translation reserve

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

19 Key management personnel disclosures

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

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

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

Dr M Spence AC	Professor D Ivison
Professor S Garton	Ms R Murray
Professor Lisa Jackson-Pulver AM (From 15 October 2018)	Professor P Pattison AO
Mr T Dolan	Mr S Phillips
Ms T Rhodes-Taylor	Professor J Sherwood (To 14 October 2018)
Professor T Carlin (To 31 March 2018)	Mr R Fisher AM

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
Remuneration of principal officers*				
\$75,000 to \$89,999	1	0	1	0
\$120,000 to \$134,999	1	0	1	0
\$165,000 to \$179,999	0	1	0	1
\$360,000 to \$374,999	1	1	1	1
\$450,000 to \$464,999	1	1	1	1
\$510,000 to \$524,999	1	0	1	0
\$540,000 to \$554,999	1	0	1	0
\$555,000 to \$569,999	1	1	1	1
\$570,000 to \$584,999	0	1	0	1
\$585,000 to \$599,999	0	2	0	2
\$600,000 to \$614,999	0	2	0	2
\$630,000 to \$664,999	1	0	1	0
\$690,000 to \$704,999	0	1	0	1
\$705,000 to \$719,999	1	0	1	0
\$765,000 to \$779,999	1	0	1	0
\$1,050,000 to \$1,064,999	1	0	1	0
\$1,260,000 to \$1,274,999	0	1	0	1
\$1,470,000 to \$1,484,999	0	1	0	1
\$1,515,000 to \$1,529,999	1	0	1	0
	12	12	12	12

The University has determined that remuneration of principal officers should include the relevant annual movement in employee related liabilities including provisions for annual leave, long service leave and other similar employment benefits. 2017 comparative disclosures have been adjusted to ensure comparability.

During 2018, the contract term for one principal officer was completed, at which point a number of termination benefits became payable. That principal officer has since been reappointed under a new contract of employment.

The Vice-Chancellor's remuneration comprises the following components which are summarised in the table below:

- Short-term employee benefits which include:
 - Base - including the base salary, allowances and leave entitlements paid and provided for in the reporting year. All amounts disclosed are expensed in the Income Statement.
 - Non-monetary benefits - including occupation of a residence owned by the University which is required to be available and used regularly for official University functions and promotional activities. This housing benefit is liable for fringe benefits tax which has been included in the remuneration calculation. In addition, motor vehicle benefits are provided and included together with the fringe benefits tax applicable to the benefit.
- Performance bonuses which may be paid or payable annually depending on the achievement of pre-determined individual performance targets as agreed by the Chancellor and approved by the Senate.
- Long-term employee benefits represent long service leave balance movement arising from both accruing or taking long service leave entitlements.
- Post-employment benefits include superannuation contributions.

19 Key management personnel disclosures

	Short-term employee benefits				Long-term employee benefits	Post-employment benefits	Total remuneration
	Base	Annual leave entitlement	Non-monetary benefits	Performance payments			
	\$	\$	\$	\$	\$	\$	\$
Vice-Chancellor (2018)	570,717	(3,704)	613,860	217,293	19,632	109,871	1,527,669
Vice-Chancellor (2017)	571,045	(7,779)	584,548	208,840	19,954	108,009	1,484,617

(b) Key management personnel compensation

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	6,280	6,340	6,280	6,340
Post-employment benefits	875	1,509	875	1,509
Other long-term benefits	88	137	88	137
Termination benefits	118	0	118	0
Total key management personnel compensation	7,361	7,986	7,361	7,986

(c) Loans to key management personnel

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

20 Remuneration of auditors

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
(a) Audit services				
Fees related to services from the Audit Office of NSW				
Audit and review of financial statements and other audit work	540	537	540	537
Audit fees for subsidiaries paid by parent entity	19	5	19	5
Audit services by private sector contractors	33	36	33	36
Total remuneration for audit services	592	578	592	578
(b) Other audit and assurance services				
Fees related to services from the Audit Office of NSW				
Audit of regulatory returns	33	183	33	183
Fees paid to other audit firms	66	50	66	50
Total remuneration paid for audit related services	99	233	99	233
Total remuneration of auditors	691	811	691	811

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21 Commitments

(a) Capital commitments

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

	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment commitments				
Within one year	249,330	179,409	249,330	179,409
Between one year and five years	57,429	18,203	57,429	18,203
Total PP&E commitments	306,759	197,612	306,759	197,612
Intangibles assets				
Within one year	22,066	5,197	22,066	5,197
Total intangible asset commitments	22,066	5,197	22,066	5,197

(b) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancelable operating leases are payable as follows:

Within one year	27,332	27,822	27,332	27,822
Between one and five years	65,620	53,576	65,620	53,576
Later than five years*	24,858	3,417	24,858	3,417
Total future minimum lease payments	117,810	84,815	117,810	84,815

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

22 Contingencies

(i) Proceedings against the University

An estimate of the maximum exposure on proceedings against the University amounts to \$0.5m for 2018 (2017: \$4.7m). It is estimated that the University's insurance policies would provide reimbursement of \$0.2m (2017: \$0.06m) 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 \$20.0m of which \$12.4m was used during 2018. The bank guarantees given primarily relate to provision of security for the workers' compensation insurance program. The University does not have a standby letter of credit facility as at 31 December 2018.

(iv) Letters of comfort to subsidiaries

The University has provided certain controlled entities SydneyLearning Pty Limited, Warren Centre for Advanced Engineering Limited, A14 Holdings Pty Limited and Suzhou Xi Su Commercial Consulting Co., Limited with Letters of Comfort guaranteeing the liabilities of these controlled entities.

As at the date of this report the letters of comfort issued to controlled entities cover net assets of \$1,854k (2017: net liabilities \$7k).

23 Defined benefit plans

(a) Fund specific disclosure

State Authorities Superannuation Trustee Corporation

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

23 Defined benefit plans

(a) Fund specific disclosure

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 2018.

Liability

A net unfunded liability for retirement benefits of \$1,558m (2017: \$1,539m) is included in the Statement of Financial Position as \$4m (2017: \$5m) within non-current receivables and \$1,491m (2017: \$1,448m) within non-current provisions and \$71m (2017: \$97m) within current provisions; \$1,557m (2017: \$1,539m) of this is payable by the Commonwealth and New South Wales Governments. Details of the receivable from the Commonwealth and New South Wales Governments are set out in Note 10.

The valuation methodology and principal actuarial assumptions as at 31 December 2018 are as follows:

(i) Valuation method

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

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

(ii) Economic assumptions

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

	2018 %	2017 %
Discount rate(s)*	2.33%	2.65%
Expected rate(s) of salary increase**	2.70%	2.50%

* The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2018 used 2.30% (2017: 2.60%) as the discount rate assumption.

** The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2018 used 2.50% (2017: 2.50%) as the salary increase assumption. The actuarial calculation for SASS, SANCS and SSS funds in 2018 used 2.70% (2017: 2.50%) as the salary increase assumption.

The University expects to make a contribution of \$74,841k (2017: \$100,898k) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation is 11 years (2017: 11 years). The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligations - 31 December 2018	103,287	101,890	291,032	1,401,329	1,897,538
Defined benefit obligations - 31 December 2017	102,206	102,103	297,224	1,504,524	2,006,057

(b) Categories of plan assets

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

	2018 \$'000		2017 \$'000	
	Active Market	No Active Market	Active Market	No Active Market
Cash and cash equivalents	12,879	9,479	13,948	9,111
Equity instruments	80,223	12,284	98,816	15,352
Debt instruments	3,604	15,084	7,457	19,184
Property	2,555	12,366	9,425	6,586
Other	7,427	42,952	6,962	32,043
Total	106,688	92,165	136,608	82,276

23 Defined benefit plans

(c) Actuarial assumptions and sensitivity

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	+/-1.0%	decrease by 9.5%	increase by 11.3%
Salary growth rate	+/-0.5%	Increase by 0.2%	decrease by 0.2%

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

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

23 Defined benefit plans

(d) Statement of financial position amounts

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations - 2018					
Opening defined benefit obligation	125,408	21,487	1,581,421	29,443	1,757,759
Current service cost	2,688	663	613	143	4,107
Taxes, premiums and expenses paid	(351)	(263)	(4,293)	(143)	(5,050)
Interest expense/(income)	3,100	514	40,713	728	45,055
	<u>130,845</u>	<u>22,401</u>	<u>1,618,454</u>	<u>30,171</u>	<u>1,801,871</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	(958)	(243)	7,309	0	6,108
Actuarial losses/(gains) arising from changes in financial assumptions	1,437	267	50,763	591	53,058
Experience losses/(gains)	(245)	(905)	(3,182)	(285)	(4,617)
	<u>234</u>	<u>(881)</u>	<u>54,890</u>	<u>306</u>	<u>54,549</u>
Contributions					
Plan participants	1,436	0	472	0	1,908
	<u>1,436</u>	<u>0</u>	<u>472</u>	<u>0</u>	<u>1,908</u>
Payments from plan					
Benefits paid	(18,268)	(2,775)	(77,030)	(2,942)	(101,015)
	<u>(18,268)</u>	<u>(2,775)</u>	<u>(77,030)</u>	<u>(2,942)</u>	<u>(101,015)</u>
Closing defined benefit obligation	<u>114,247</u>	<u>18,745</u>	<u>1,596,786</u>	<u>27,535</u>	<u>1,757,313</u>
Present value of plan assets - 2018					
Opening fair value of plan assets	125,404	(1,372)	60,009	34,842	218,883
	<u>125,404</u>	<u>(1,372)</u>	<u>60,009</u>	<u>34,842</u>	<u>218,883</u>
Remeasurements					
Interest income	(1,219)	23	(418)	866	(748)
Actuarial losses/(gains) arising from changes in financial assumptions	3,100	(7)	1,395	(1,422)	3,066
	<u>1,881</u>	<u>16</u>	<u>977</u>	<u>(556)</u>	<u>2,318</u>
Contributions					
Employers	0	6,434	75,376	0	81,810
Plan participants	1,437	0	471	0	1,908
	<u>1,437</u>	<u>6,434</u>	<u>75,847</u>	<u>0</u>	<u>83,718</u>
Payments from plan					
Benefits paid	(18,268)	(2,775)	(77,030)	(2,942)	(101,015)
Taxes, premiums and expenses paid	(351)	(263)	(4,293)	(143)	(5,050)
	<u>(18,619)</u>	<u>(3,038)</u>	<u>(81,323)</u>	<u>(3,085)</u>	<u>(106,065)</u>
Closing fair value of plan assets	<u>110,103</u>	<u>2,040</u>	<u>55,510</u>	<u>31,201</u>	<u>198,854</u>
Reimbursement rights - 2018					
Opening value of reimbursement right	(2,733)	22,217	1,519,700	0	1,539,184
Expected return on reimbursement rights	7,005	(5,280)	(33,630)	0	(31,905)
Actuarial remeasurements	(2,866)	(874)	53,495	1,733	51,488
Remeasurement through profits/(loss)	(18)	31	181	(5)	189
Remeasurement through other comprehensive income	(395)	(74)	233	(1,728)	(1,964)
	<u>993</u>	<u>16,020</u>	<u>1,539,979</u>	<u>0</u>	<u>1,556,992</u>
Closing value of reimbursement right	<u>993</u>	<u>16,020</u>	<u>1,539,979</u>	<u>0</u>	<u>1,556,992</u>
Net liability - 2018					
Defined benefit obligation	114,247	18,745	1,596,786	27,535	1,757,313
Fair value of plan assets	(110,103)	(2,040)	(55,510)	(31,201)	(198,854)
Net liability	<u>4,144</u>	<u>16,705</u>	<u>1,541,276</u>	<u>(3,666)</u>	<u>1,558,459</u>
Reimbursement right	993	16,020	1,539,979	0	1,556,992
Total net liability/(asset) in statement of financial position	<u>3,151</u>	<u>685</u>	<u>1,297</u>	<u>(3,666)</u>	<u>1,467</u>

The University of Sydney
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23 Defined benefit plans

(d) Statement of financial position amounts

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSS	\$'000 Total
Present value obligations - 2017					
Opening defined benefit obligation	127,202	22,285	1,607,633	31,000	1,788,120
Current service cost	3,411	751	1,103	63	5,328
Taxes, premiums and expenses paid	(420)	(2,001)	(1,303)	(63)	(3,787)
Interest expense/(income)	3,300	569	43,407	824	48,100
	<u>133,493</u>	<u>21,604</u>	<u>1,650,840</u>	<u>31,824</u>	<u>1,837,761</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	632	127	15,822	430	17,011
Actuarial losses/(gains) arising from changes in financial assumptions	3,300	2,177	(11,359)	347	(5,535)
	<u>3,932</u>	<u>2,304</u>	<u>4,463</u>	<u>777</u>	<u>11,476</u>
Contributions					
Plan participants	1,569	0	573	0	2,142
	<u>1,569</u>	<u>0</u>	<u>573</u>	<u>0</u>	<u>2,142</u>
Payments from plan					
Benefits paid	(13,586)	(2,421)	(74,455)	(3,158)	(93,620)
	<u>(13,586)</u>	<u>(2,421)</u>	<u>(74,455)</u>	<u>(3,158)</u>	<u>(93,620)</u>
Closing defined benefit obligation	<u>125,408</u>	<u>21,487</u>	<u>1,581,421</u>	<u>29,443</u>	<u>1,757,759</u>
Present value of plan assets - 2017					
Opening fair value of plan assets	131,615	(714)	41,128	35,314	207,343
	<u>131,615</u>	<u>(714)</u>	<u>41,128</u>	<u>35,314</u>	<u>207,343</u>
Remeasurements					
Interest income	3,434	(18)	1,143	944	5,503
Actuarial losses/(gains) arising from changes in financial assumptions	1,971	31	512	1,805	4,319
	<u>5,405</u>	<u>13</u>	<u>1,655</u>	<u>2,749</u>	<u>9,822</u>
Contributions					
Employers	821	3,751	92,411	0	96,983
Plan participants	1,569	0	573	0	2,142
	<u>2,390</u>	<u>3,751</u>	<u>92,984</u>	<u>0</u>	<u>99,125</u>
Payments from plan					
Benefits paid	(13,586)	(2,421)	(74,455)	(3,158)	(93,620)
Taxes, premiums and expenses paid	(420)	(2,001)	(1,303)	(63)	(3,787)
	<u>(14,006)</u>	<u>(4,422)</u>	<u>(75,758)</u>	<u>(3,221)</u>	<u>(97,407)</u>
Closing fair value of plan assets	<u>125,404</u>	<u>(1,372)</u>	<u>60,009</u>	<u>34,842</u>	<u>218,883</u>
Reimbursement rights - 2017					
Opening value of reimbursement right	(6,426)	22,566	1,565,497	0	1,581,637
Expected return on reimbursement rights	2,456	(2,413)	(49,044)	0	(49,001)
Actuarial remeasurements	1,961	2,273	3,951	(1,085)	7,100
Remeasurement through profit or loss	(43)	(25)	(161)	57	(172)
Remeasurement through other comprehensive income	(681)	(184)	(543)	1,028	(380)
	<u>(2,733)</u>	<u>22,217</u>	<u>1,519,700</u>	<u>0</u>	<u>1,539,184</u>
Closing value of reimbursement right	<u>(2,733)</u>	<u>22,217</u>	<u>1,519,700</u>	<u>0</u>	<u>1,539,184</u>
Net liability - 2017					
Defined benefit obligation	125,408	21,487	1,581,421	29,443	1,757,759
Fair value of plan assets	(125,404)	1,372	(60,009)	(34,842)	(218,883)
Net liability	<u>4</u>	<u>22,859</u>	<u>1,521,412</u>	<u>(5,399)</u>	<u>1,538,876</u>
Reimbursement right	(2,733)	22,217	1,519,700	0	1,539,184
Total net liability/(asset) in statement of financial position	<u>2,737</u>	<u>642</u>	<u>1,712</u>	<u>(5,399)</u>	<u>(308)</u>

23 Defined benefit plans

(e) UniSuper defined benefit division (UniSuper)

The superannuation scheme used by the University is the UniSuper defined benefit division (UniSuper), formerly known as the Superannuation Scheme for Australian Universities (SSAU). UniSuper has operated from 1 March 1988 for academics and from 1 July 1991 for general staff.

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

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

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

As at 30 June 2018, the assets of UniSuper in aggregate, were estimated to be \$3,785m above vested benefits, after allowing for various reserves. As at 30 June 2017 the total assets of UniSuper were estimated to be \$2,797m 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 2018, the assets of UniSuper in aggregate were estimated to be \$5,477m above accrued benefits, after allowing for various reserves. As at 30 June 2017 the assets of the fund were estimated to be \$4,258m 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.

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24 Related parties

(a) Parent entity

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

(b) Controlled entities

The following entities are controlled entities of the University.

Name of Entity	Principal place of business	Ownership interest	
		2018	2017
		%	%
A14 Holdings Pty Limited	Camperdown, NSW	100	100
Kolling Joint Venture Management Pty Limited	Camperdown NSW	100	0
Suzhou Xi Su Commercial Consulting Co., Limited	Suzhou, China	100	100
SydneyLearning Pty Limited*	Camperdown, NSW	100	100
Sydney Talent Pty Limited*	Camperdown, NSW	100	100
The Warren Centre for Advanced Engineering Limited	Camperdown, NSW	100	100
Westmead IVF Pty Limited	Westmead, NSW	100	100

* These entities are currently under administration.

(c) Transactions with related parties

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

	2018	2017
	\$'000	\$'000
Controlled entities		
Sale of goods and services	120	379
Interest income	43	40
Purchase of goods and services	2,569	7,676
Grants and funding expense	477	499
Distribution from controlled entity	(1,633)	1,249
Associates and joint venture		
Sales of goods and services	7,077	7,010
Purchase of goods and services	16,967	16,844
Investment in associate	1,000	1,000

(d) Outstanding balances

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

	2018	2017
	\$'000	\$'000
Controlled entities		
Trade and other receivables	473	2,059
Loans receivables	1,252	1,154
Investment in controlled entity	325	325
Trade and other payables	1,027	1,586
Associates and joint venture		
Trade and other receivables	338	1,430
Trade and other payables	518	172

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

(e) Terms and conditions of outstanding balances

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

25 Joint operations

Name of joint operations	Nature of relationship	Principle place of business	Ownership interest/ voting rights held	
			2018 %	2017 %
United States Studies Centre*	Australian public company, limited by guarantee	Camperdown, NSW	50	50

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

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

26 Investments accounted for using the equity method

(a) Associates

Name of Entity	Place of business	Measurement method	Ownership Interest	
			2018 %	2017 %
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
Immune Signatures Pty Ltd	Sydney, NSW	Equity method	35	0
Kinoxis Therapeutics Pty Ltd	Camberwell, VIC	Equity method	25	0
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
The Transport Research Association for New South Wales (TRANSW)	Sydney, NSW	Equity method	26	0
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	0	21

* Deregistered 15 July 2018.

** 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.

**** Deregistered 24 February 2019.

26 Investments accounted for using the equity method

(a) Associates

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

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

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

(b) Joint ventures

Name of Entity	Place of business	Measurement method	Ownership Interest %	
			2018	2017
Innowell Pty Limited	Southbank, Vic	Share of net assets	45	45
NSW Centre for Animal and Plant Biosecurity	Camden, NSW	Share of net assets	50	50
University of Sydney Foundation Program Pty Limited	Waterloo, NSW	Share of net assets	50	50

Joint ventures are those joint arrangements which provide the venturer with rights to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method by the consolidated entity and are measured at cost by the parent entity. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

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

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

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result after income tax		171,127	193,042	169,598	192,449
Depreciation and amortisation	12/13	194,731	200,009	194,731	200,009
Retired assets written off		3,265	2,613	3,265	2,613
(Gain)/loss on disposal of property, plant and equipment		12	(297)	12	(297)
Non-cash investment income		(27,948)	(10,528)	(27,948)	(10,528)
Non-cash impairment of receivables	10	1,128	426	1,128	426
Non-cash other (income)/expenses		87,363	18,512	88,892	21,695
(Increase)/decrease in inventories		581	357	581	357
(Increase)/decrease in receivables		(17,122)	25,970	(17,122)	25,970
(Increase)/decrease in other assets		(26,277)	(10,376)	(26,277)	(10,376)
(Increase)/decrease in current non-financial assets		(21,339)	(1,771)	(21,339)	(1,771)
Increase/(decrease) in payables		75,693	13,332	75,693	13,332
Increase/(decrease) in other liabilities		9,171	(6,210)	9,171	(6,210)
Increase/(decrease) in provisions		47,412	(34,957)	47,412	(34,957)
Net cash provided by/(used in) operating activities		497,797	390,122	497,797	392,712

28 Financial risk management

Objectives and Policies

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

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

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

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

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

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

(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 statement of financial position at fair value through profit or loss. The impact of a change in value of the securities would be reflected as either an increase or decrease in the fair value of the security through the net result.

The University is not materially exposed to commodity price risk.

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

The University's listed equity investments are all managed by external fund managers. Listed equity exposure is split between domestic and overseas shares. All offshore exposure is held unhedged, with currency managed separately at the whole-of-portfolio level.

(iii) Interest rate risk

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

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

The University uses interest rate swaps to hedge the interest rate risk on a portion of its borrowings drawn on its floating rate bank debt facility. These interest rate swaps are designated as cash flow hedge accounting relationships; see Note 28(e).

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

28 Financial risk management

(a) Market risk

(iv) Summarised sensitivity analysis

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

Economic entity (Consolidated)

31 December 2018

	2018 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	534,165	0	0	0	0	3,859	0	(3,158)	0	0	0	0	0
Financial assets at fair value through profit or loss	1,526,697	(2,365)	0	69	0	36,730	0	(30,052)	0	(145,988)	0	141,077	0
Sub total		(2,365)	0	69	0	40,589	0	(33,210)	0	(145,988)	0	141,077	0
Financial liabilities													
Borrowings	600,000	0	0	0	0	0	0	0	0	0	0	0	0
Derivative financial instruments	9,925	0	0	0	0	0	0	0	0	0	0	0	0
Total increase/(decrease)		(2,365)	0	69	0	40,589	0	(33,210)	0	(145,988)	0	141,077	0

31 December 2017

	2017 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	483,631	0	0	0	0	5,619	0	(4,597)	0	0	0	0	0
Financial assets at fair value through profit or loss	1,379,281	(543)	0	543	0	30,636	0	(25,066)	0	(130,857)	0	130,862	0
Sub total		(543)	0	543	0	36,255	0	(29,663)	0	(130,857)	0	130,862	0
Financial liabilities													
Borrowings	510,000	125	0	(125)	0	0	0	0	0	0	0	0	0
Derivative financial instruments	1,436	0	(76)	0	76	0	0	0	0	0	0	0	0
Total increase/(decrease)		(418)	(76)	418	76	36,255	0	(29,663)	0	(130,857)	0	130,862	0

(b) Credit risk

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

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

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

(c) Liquidity risk

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

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

In addition, the University maintains lines of credit as disclosed below in Note 28(d).

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

28 Financial risk management

(c) Liquidity risk

The following tables detail the entity's maturity profile as at 31 December 2018 and as at 31 December 2017:

Economic entity (Consolidated)

31 December 2018

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial liabilities				
Other current liabilities	138,385	0	0	138,385
Creditors	45,239	0	0	45,239
Borrowings	0	200,000	400,000	600,000
Derivative financial instruments	9,925	0	0	9,925
Total financial liabilities	193,549	200,000	400,000	793,549

31 December 2017

Financial liabilities

Other current liabilities	97,567	0	0	97,567
Creditors	36,990	0	0	36,990
Borrowings	0	310,000	200,000	510,000
Derivative financial instruments	1,436	0	0	1,436
Total financial liabilities	135,993	310,000	200,000	645,993

(d) Financial facilities and balances

The University has access to a \$200,000k unsecured line of credit facility which is undrawn at 31 December 2018 (2017: \$110,000k).

The University has access to an unsecured overdraft facility of \$25,000k which is unutilised as at 31 December 2018. Interest would be payable at the National Australia Bank's Base Lending Indicator Rate.

There is also a \$12,500k credit card facility of which \$4,490k has been used as at 31 December 2018, a letter of credit facility of up to \$100k which was unutilised during 2018. The University also has access to a \$20,000k bank guarantee facility of which \$12,445k has been utilised at 31 December 2018.

(e) Derivatives

At the balance date the University had not drawn any of its variable rate unsecured lines of credit and therefore, has no exposure to variable interest rates.

The University had no variable fixed interest rate swap contracts in place at 31 December 2018.

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

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The effective portion of change in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps that are hedging variable rate borrowings is recognised in the income statement within 'Borrowing costs'.

28 Financial risk management

(e) Derivatives

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Change in the fair value of any derivative instrument that does not qualify for hedge accounting is recognised immediately in the income statement and is included in other income or other expenses.

29 Fair value measurement

(a) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Due to the short-term nature of the current receivables, the carrying value approximates the fair value and based on credit history, it is expected that the receivables that are neither past due nor impaired will be received when due. Similarly, due to the short-term nature of current payables, the carrying value is assumed to approximate the fair value.

The only balance where the carrying amount and aggregate fair values of financial liabilities differ at balance date is borrowings, disclosed in Note 16.

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

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

(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)

29 Fair value measurement

(b) Fair value hierarchy

(i) Recognised fair value measurements

Fair value measurements are categorised into the following levels at 31 December 2018.

	Notes	2018 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets at fair value through profit or loss					
Listed securities	11	240,387	240,387	0	0
Convertible notes	11	4,357	4,175	183	0
Managed funds	11	1,183,835	0	1,183,835	0
Unlisted securities	11	25,290	0	0	25,290
Floating rate notes	11	69,126	0	69,126	0
Forward and futures	11	3,702	3,086	616	0
Total financial assets at fair value through profit or loss		1,526,697	247,648	1,253,760	25,290
Non-financial assets					
Land and building		588,908	0	260,769	328,138
Heritage assets	12	245,827	0	231,531	14,296
Livestock	14	4,224	0	4,224	0
Total non-financial assets		838,959	0	496,524	342,434
Financial liabilities					
Borrowings	16	629,842	0	629,842	0
Derivative financial instruments		9,925	0	9,925	0
Total liabilities		639,767	0	639,767	0
Recurring fair value measurements					
Financial assets at fair value through profit or loss					
Listed securities	11	235,348	235,348	0	0
Convertible notes	11	3,930	3,930	0	0
Floating rate notes	11	59,797	0	59,797	0
Managed funds	11	1,061,448	0	1,061,448	0
Unlisted securities	11	18,509	0	0	18,509
Forward and futures	11	249	0	249	0
Total financial assets at fair value through profit or loss		1,379,281	239,278	1,121,494	18,509
Non-financial assets					
Land and buildings	12	533,992	0	341,799	192,193
Heritage assets	12	250,419	0	238,824	17,595
Livestock	14	5,158	0	5,158	0
Total non-financial assets		789,569	0	585,781	209,788
Financial liabilities					
Borrowings	16	526,340	0	526,340	0
Derivative financial instruments		1,436	0	1,436	0
Total liabilities		527,776	0	527,776	0

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements, see below. The University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives and traded securities) is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). The quoted market price used for assets held by the University is the most representative of fair value in the circumstances.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the University for similar financial instruments.

Where applicable, the fair value of non-current borrowings disclosed in Note 16 is estimated by discounting the future contractual cash

29 Fair value measurement

(b) Fair value hierarchy

flows at the current market interest rates that are available to the group for similar financial instruments.

Derivative contracts classified as held for trading are adjusted to fair value by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

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

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

In assessing the fair value, the University considers market participant's ability to use the asset in a manner that would be the highest and best use.

All of the resulting fair value estimates are included in level 2, except for unlisted securities, heritage assets, commercial buildings and commercial infrastructure which are explained in Note 29(d).

Heritage assets and commercial land and buildings (classified as property, plant and equipment) are valued independently at least every five years. At the end of each reporting period, the University updates its assessment of the fair value of each asset, taking into account the most recent independent valuations. The University determines the asset's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar assets. Where such information is not available the University considers information from a variety of sources, including:

- current prices in an active market for assets of different nature or recent prices of similar assets in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for commercial land are included in level 2, while heritage assets and commercial buildings and infrastructure are split between both level 2 and level 3.

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2018 and 2017.

	Commercial properties	Unlisted securities	Heritage assets	Total
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair Value Measurement 2018				
Opening balance	192,193	18,509	17,595	228,297
Transfers from level 2 - Land	85,320	0	0	85,320
Transfers from level 2 - Building	54,641	0	0	54,641
Transfers from level 3	(4,111)	0	0	(4,111)
Transfers from WIP	3,711	0	0	3,711
Recognised in profit or loss	0	6,781	0	6,781
Recognised in other comprehensive income	(3,616)	0	(3,299)	(6,915)
Balance 31 December	328,138	25,290	14,296	367,724

29 Fair value measurement

(d) Fair value measurements using significant unobservable inputs (level 3)

	Commercial properties	Unlisted securities	Heritage assets	Total
Level 3 Fair Value Measurement 2017	\$'000	\$'000	\$'000	\$'000
Opening balance	194,083	13,062	17,595	224,740
Transfers from WIP	1,576	0	0	1,576
Recognised in profit or loss	0	5,447	0	5,447
Recognised in other comprehensive income	(3,466)	0	0	(3,466)
Closing balance	192,193	18,509	17,595	228,297

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 2018 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Shares - unquoted	25,290	Discount rate	30%	The higher the discount rate, the lower the fair value.
Commercial buildings and infrastructure	328,138	Remaining useful life	1-100 years	A one year increase/(decrease) in the remaining life of each asset would cause a 6.16%/(5.48%) increase/(decrease) in the total FV.
Heritage assets	14,296	Average value per item	5%	A 5 percent increase in average cost would increase fair value of Heritage assets by \$0.715 million.
Total	367,724			

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

30 Events occurring after the balance sheet date

After the end of the financial year, Sydney Talent Pty Limited was deregistered and is therefore no longer a controlled entity of the University. SydneyLearning Pty Limited is under administration and expected to be deregistered in 2019.

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

31 Other accounting policies

(a) New accounting standards and AASB interpretation

A number of new accounting standards, amendments and interpretations have been issued in prior years but are not yet effective. The University early adopted AASB 9 'Financial Instruments' in 2014.

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 for not-for-profit entities. The standard replaces AASB 118 'Revenue', and AASB 111 'Construction Contracts'.

31 Other accounting policies

AASB 15 is applicable to the University from 1 January 2019. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new standard replaces the principle under the current standard of recognising revenue when risks and rewards transfer to the customer. Under the current accounting policy, the University recognises operating grants received from Australian Government entities and NSW State Government grants as income when the University obtains control of the right to receive the grant when it is probable the economic benefits will flow to the University and when it can be reliably measured. In general upon application of AASB 15, the research activities provided by the University under the grant agreements will be deemed a single performance obligation relating to the provision of research results. Where revenue is currently recognised on receipt of the grant, a deferral may be required to allocate the revenue across the contract period, or recognised at point in time when the research activities are completed and results are delivered.

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

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

This Standard applies to annual reporting periods beginning on or after 1 January 2019.

Under the new standard, the University will need to determine whether a transaction is a genuine donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15 'Revenue from Contracts with Customers'). For income transactions that are not in the scope of AASB 15, AASB 1058 sets out guidance on when a contribution should be recognised, which will generally be up front, unless the funds are to construct or acquire an asset for the University's own use, in which case the income should be deferred and recognised when or as the asset is constructed or acquired. Further, in conjunction with AASB 16 Leases, AASB 1058 introduces new requirements for income recognition in below-market leases in respect to the difference between the fair value of right of use and the lease liability recognised upon adoption. AASB 2018-8 subsequently provided relief to not-for-profit lessees to recognise those right-of-use assets for below-market or peppercorn leases, either at cost or at fair value.

The estimated impact of deferring these grant income under AASB 15 and AASB 1058, is the recognition of a deferred revenue liability of \$162m and financial liability of \$3m as at 1 January 2019. The University will adopt the modified retrospective approach to implementation whereby the comparative period is not restated and the cumulative effect on initial application, as a result of the impact disclosed above, is adjusted through opening retained earnings at 1 January 2019. The project is ongoing and therefore all impacts are currently estimates which are subject to finalisation upon implementation. The adoption of AASB 15 and AASB 1058 will result in increased disclosure requirements, which are in the process of being assessed.

(iii) AASB 16 - 'Leases'

AASB 16 supersedes AASB 117 'Leases'. AASB 16 will be effective for annual periods on or after 1 January 2019. While early adoption is permitted provided the new revenue standard, AASB 15 'Revenue from Contracts with Customers' has been applied, the University has elected not to early adopt.

AASB 16 requires a lessee to recognise a lease liability representing its obligation to make future lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term. The lease liability is initially measured at the present value of future lease payments for the lease term. This includes variable lease payments that depend on an index or rate, but excludes other variable lease payments. The right-of-use asset includes the lease liability, initial direct costs, restoration costs and any lease payments made before the commencement date of the lease. Lessees are required to recognise right-to-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Lessees will be required to separately recognise interest expense on the lease liability and depreciation on the right-to-use asset rather than recognising an operating lease expense. Upon application of AASB 16:

- Lease payments will be required to be split between the interest and principal components.
- Lease payments related to interest on leases will be re-classified in the Statement of Cash Flow from operating activities to financing activities.
- Lease expenses will be re-classified in the Income Statement from operating expenses to financing costs and amortisation.

The University will apply the modified retrospective approach on transition. The estimated fair value (FV) of right-of-use assets will be \$73m, and the related liability is estimated to be \$60m.

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

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

This standard applies to annual periods beginning on or after 1 January 2019.

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

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2018
(continued)

32 Acquitall of Australian Government financial assistance

(a) Education - CGS and Other Education Grants

Parent entity (University) only
Financial assistance received/(returned) in cash during the reporting period
Net accrual adjustments
Revenue for the period
Surplus/(deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus/(deficit) for the reporting period

	Commonwealth Grant Scheme ¹		Indigenous Student Success Program ³		Partnership and Participation Program		Disability Performance Program ²		Promotion of Excellence in Learning and Teaching grant	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	306,096	293,327	1,965	1,782	(3,404)	2,424	229	166	0	278
	0	11,093	0	0	0	0	0	0	0	0
2(a)	306,096	304,420	1,965	1,782	(3,404)	2,424	229	166	0	278
	0	0	79	52	8,559	9,503	(343)	(212)	1,477	1,746
	306,096	304,420	2,044	1,834	5,155	11,927	(114)	(46)	1,477	2,024
	(306,096)	(304,420)	(1,959)	(1,755)	(2,119)	(3,368)	(496)	(297)	(1,477)	(547)
	0	0	85	79	3,036	8,559	(610)	(343)	0	1,477

Australian Mathematics and Science Partnership Program

	Australian Mathematics and Science Partnership Program		Total	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
	(10)	0	304,876	297,977
	0	0	0	11,093
2(a)	(10)	0	304,876	309,070
	0	821	9,772	11,910
	(10)	821	314,648	320,980
	10	(821)	(312,137)	(311,208)
	0	0	2,511	9,772

¹ Includes the basic CGS grant amount, CGS - Enabling Loading, CGS - Medical Student Loading, Allocated Places and Non Designated Courses.

² Disability Performance Funding includes Additional Support for Students with Disabilities.

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

32 Acquitment of Australian Government financial assistance

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

	HECS-HELP (Australian Government payments)		FEE-HELP		SA-HELP		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only								
Cash payable/(receivable) at beginning of year		7,302		558		95	(467)	7,955
Financial assistance received in cash during the reporting period		168,754		79,846		4,197	4,018	252,618
Cash available for the period								
Revenue earned	182,186	176,056	72,331	80,404	4,139	4,113	258,656	260,573
	(180,699)	(176,171)	(72,097)	(80,698)	(4,105)	(4,171)	(256,901)	(261,040)
Cash payable/(receivable) at the end of the year	1,487	(115)	234	(294)	34	(58)	1,755	(467)

2(b)

(c) Department of Education and Training Research

	Research Training Program ⁴		Research Support Program ⁵		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only						
Financial assistance received in cash during the reporting period						
Revenue for the period						
Surplus from the previous year						
Total revenue including accrued revenue						
Less expenses including accrued expenses						
Surplus for the reporting period						

2(a)

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

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2018
 (continued)

32 Acquittal of Australian Government financial assistance

(d) Total Higher Education Provided Research Training Program expenditure

	Total domestic students		Total overseas students	
	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000
Research Training Program Fees offsets	71,854		1,928	
Research Training Program Stipends	22,658		2,012	
Research Training Program Allowances	19		21	
Total for all types of support	94,531		3,961	

(e) Australian Research Council Grants

Parent entity (University) only

Financial assistance received in cash during the reporting period

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

	Discovery		Linkages		Linkage Infrastructure		Network and Centres		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2(a)										
Financial assistance received in cash during the reporting period	36,265	37,377	7,836	8,921	1,701	1,525	0	7,233	45,802	55,056
Net accrual adjustments	0	0	0	0	0	0	0	0	0	0
Revenue for the period	36,265	37,377	7,836	8,921	1,701	1,525	0	7,233	45,802	55,056
Surplus/(deficit) from the previous year	(9,507)	(11,179)	10,521	9,161	2,638	1,118	(7,886)	(7,448)	(4,234)	(8,348)
Total revenue including accrued revenue	26,758	26,198	18,357	18,082	4,339	2,643	(7,886)	(215)	41,568	46,708
Less expenses including accrued expenses	(41,865)	(35,705)	(8,761)	(7,561)	(4,813)	(5)	7,886	(7,671)	(47,553)	(50,942)
Surplus/(deficit) for reporting period	(15,107)	(9,507)	9,596	10,521	(474)	2,638	0	(7,886)	(5,985)	(4,234)

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2018
(continued)

32 Acquittal of Australian Government financial assistance

(f) OS-HELP

	2018	2017
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	5,744	5,695
Cash spent during the reporting period	<u>(4,507)</u>	<u>(5,723)</u>
Net cash received/(returned)	1,237	(28)
Cash surplus from the previous period	<u>1,692</u>	<u>1,720</u>
Cash surplus for the reporting period	<u>2,929</u>	<u>1,692</u>

(g) Higher Education Superannuation Program

	2018	2017
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	77,876	92,122
University contribution in respect of current employees	<u>3,934</u>	<u>4,861</u>
Cash available	81,810	96,983
Cash surplus / (deficit) from the previous period	<u>0</u>	<u>0</u>
Cash available for current period	81,810	96,983
Contributions to specified defined benefit funds	<u>(81,810)</u>	<u>(96,983)</u>
Cash surplus/(deficit) for this period	<u>0</u>	<u>0</u>

10/23

(h) Student Services and Amenities Fee

	2018	2017
	\$'000	\$'000
Parent entity (University) only		
Unspent/(overspent) revenue from previous period	(58)	95
SA-HELP revenue earned	4,105	4,171
Student services fees direct from students	<u>12,117</u>	<u>11,270</u>
Total revenue expendable in period	16,164	15,536
Student services expenses during period	<u>(16,130)</u>	<u>(15,594)</u>
Unspent/(overspent) student services revenue	<u>34</u>	<u>(58)</u>

2(b)
3

Wayne Andrews
Chief Financial Officer
END OF AUDITED FINANCIAL STATEMENTS
AUDITED BY THE AUDIT OFFICE OF NEW SOUTH WALES



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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/annual-report

For more information please email university.marketing@sydney.edu.au

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