



THE UNIVERSITY OF
SYDNEY

Annual Report 2019

The University of Sydney
NSW 2006

April 2020

The Honourable Sarah Mitchell, MLC,
Minister for Education and Early Childhood Learning

52 Martin Place
SYDNEY NSW 2000

Dear Minister,

The Senate of the University of Sydney has the honour of presenting to you, in accordance with the *Annual Reports (Statutory Bodies) Act 1984 No 87* and the *Annual Reports (Statutory Bodies) Regulation 2015*, the report of the proceedings and financial statements of the University of Sydney for the year ended 31 December 2019.



Belinda Hutchinson AM
Chancellor



Dr Michael Spence AC
Vice-Chancellor and Principal

Year in review	2
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Statutory report 3

About us – Our charter, aims and objectives	3
Management and structure	4
Organisational design	6
Organisational structure as at 31 December 2019	7
University of Sydney Senate 2019	8
Strategy and operations	11
Curriculum and student experience.....	11
Student enrolments.....	12
Student enrolments by diversity groups	14
Academic performance.....	14
Research performance.....	14
A culture of research excellence	15
External engagement.....	16
India strategy.....	17
China strategy.....	17
Research reputation.....	18
Parramatta/Westmead campus	18
Western Sydney.....	18
Philanthropy	19
Promotion	19
Sydney Operating Model	21
Campus Improvement Program	21
Faculty of Medicine and Health	21
Indigenous strategy	22
A culture built on our values	22
Performance against other strategic priorities	23
Other issues	23
Legal change	24
Human resources	25
Academic and general staff statistics	26
Staff level and salary ranges.....	27
Workforce diversity	28
Equity and diversity strategies.....	28
Disability inclusion and Disability Inclusion	
Action Plan 2019–24	29
Staff positions by University occupation	
classification and equity groups.....	29
Consumer response	30
Cyber security	32
Risk management	33
Work health and safety	34
Strategy	34
Workers compensation.....	35
Insurance arrangements.....	35
Privacy and personal information.....	36
Government Information (Public Access) Act	36

Financial review of 2019 39

Independent Auditor's Report	49
Auditor's Independence Declaration	52
Responsible Entities' Declaration	53
Statement by Appointed Officers	54

2019 Annual Financial Statements 55

Year in review

In 2019 the University reached a major milestone, with our fundraising campaign, INSPIRED, becoming the first in Australia to raise \$1 billion. More than 64,000 donors invested in our core mission: to create a place where the best researchers and most promising students achieve their full potential.

Every dollar of the billion has been put to good use to maximise the University's impact in the world through education for all, global leadership that makes lives better, and research that harnesses the University's quality and unparalleled comprehensive approach to addressing some of the major global challenges of our time.

2019 was a year of extraordinary achievements, as indicated in key rankings: at #4 in the world, we were the highest-ranked Australian university in the QS Graduate Employability Rankings; we ranked #25 in the world in the inaugural Times Higher Education University Impact Rankings; and we rose four places to 27 in the US News Best Global Universities ranking.

Beginning the implementation of our external engagement strategy has had an immediate impact, with the University well on the way to becoming more industry and community engaged, more visible to target external audiences, and more open to prospective partners. We also strengthened our collaboration with many of our existing partners to combat some of the world's most difficult problems, from improving wellbeing on long-haul flights to increasing productivity in agriculture and maximising the potential of quantum computing.

Alongside our sustained focus on excellence, we continued to focus on our core values of inclusion and diversity. We commenced work on renewal of our Indigenous strategy, made offers of admission to 44 Aboriginal and Torres Strait Islander students through a new early offer scheme; were recognised as a Silver Employer by the Australian Workplace Equality Index; received a SAGE Bronze Award for our work in increasing the representation of women in STEMM fields and launched a new six-year Disability Inclusion Action Plan. We also publicly renewed our commitment to academic freedom, leading the sector in welcoming and implementing the *Model Code for*

the Protection of Freedom of Speech and Academic Freedom in Australian Higher Education Providers developed by former Chief Justice of the High Court, Mr Robert French.

We also continued work to streamline and strengthen our structures and processes. Allied health joined the new Faculty of Medicine and Health at the end of 2019, bringing together our extraordinary expertise across health-related fields, which include dentistry, medicine, medical science, nursing and midwifery, public health and pharmacy. We invested heavily in our business intelligence capabilities and cyber security to manage risks to our information and systems.

The quality of the University's governance and operations was confirmed by the Tertiary Education Quality and Standards Agency, which in April unconditionally renewed the University's registration for the maximum possible period of seven years.

These achievements were only possible by the support of our staff, students and alumni. As we enter the final year of our 2016–2020 strategic plan, we are grateful for their continuing engagement and commitment to our mission.



Belinda Hutchinson AM
Chancellor



Dr Michael Spence AC
Vice-Chancellor and Principal

The University of Sydney 2019 Annual Report

Statutory Report

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

A history of thinking forward

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

OUR CHARTER

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

AIMS AND OBJECTIVES

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

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

Management and structure

Senate

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

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

Academic Board

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

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

Executive management

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

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

Principal activities

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

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

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

The University has other functions, as follows.

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

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

University officers as at 31 December 2019

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

Senior Deputy Vice-Chancellor
Professor Stephen Garton
BA *Sydney* PhD *UNSW*, FAHA FASSA FRAHS

Provost and Deputy Vice-Chancellor

Professor Barbara Messerle
BSc(Hons) PhD *Sydney* FAICD

Vice-Provost (Academic Performance)

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

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 Ivson
BA *McGill* MSc PhD LSE, FAHA

PRO-VICE-CHANCELLORS

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

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

Pro-Vice-Chancellor (Global Engagement)

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

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

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

Pro-Vice-Chancellor (Strategic Collaborations and Partnerships)

Professor Laurent Rivory
BVSc PhD *Queensland*

Pro-Vice-Chancellor (Educational Innovation)

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

Pro-Vice-Chancellor (Student Life)

Professor Susanna Scarparo
PhD *Auckland* PFHEA

VICE-PRINCIPALS

Vice-Principal (Advancement)

Rosalind Ogilvie
BA LLB *Melbourne*

Vice-Principal (External Relations)

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

Vice-Principal (Operations)

Stephen Phillips
BCom *Wits*

Vice-Principal (Strategy)

Rebecca Murray
BA MSocSc *UON*

General Counsel

Richard Fisher AM
MEc *UNE* LLB *Sydney*

Chair of the Academic Board

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

Secretary to the Senate

David Pacey
BBus GradCertMgmt GradDipBus *CSU*

Faculty and University school leadership as at 31 December 2019

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
Professor Willy Zwaenepoel
PhD *Stanford*, FACM, FIEEE

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

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

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

Heads of school and deans of University schools

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

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

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

Organisational design

In 2019 the final stages of a long-term project to simplify the University's organisational design, including reducing faculties from 16 to five, continued. The current Faculty of Health Sciences will become the Sydney School of Health Sciences within the Faculty of Medicine and Health from 1 January 2020.

The University appointed a number of key senior executive leaders throughout 2019, including Professor Barbara Messerle as Provost and Deputy Vice-Chancellor. Professor Messerle is responsible for the strategic leadership and operational delivery of the University's academic objectives, and in particular the performance of the University's faculties and schools. Externally, the Provost also plays a key role in representing the University on the global stage.

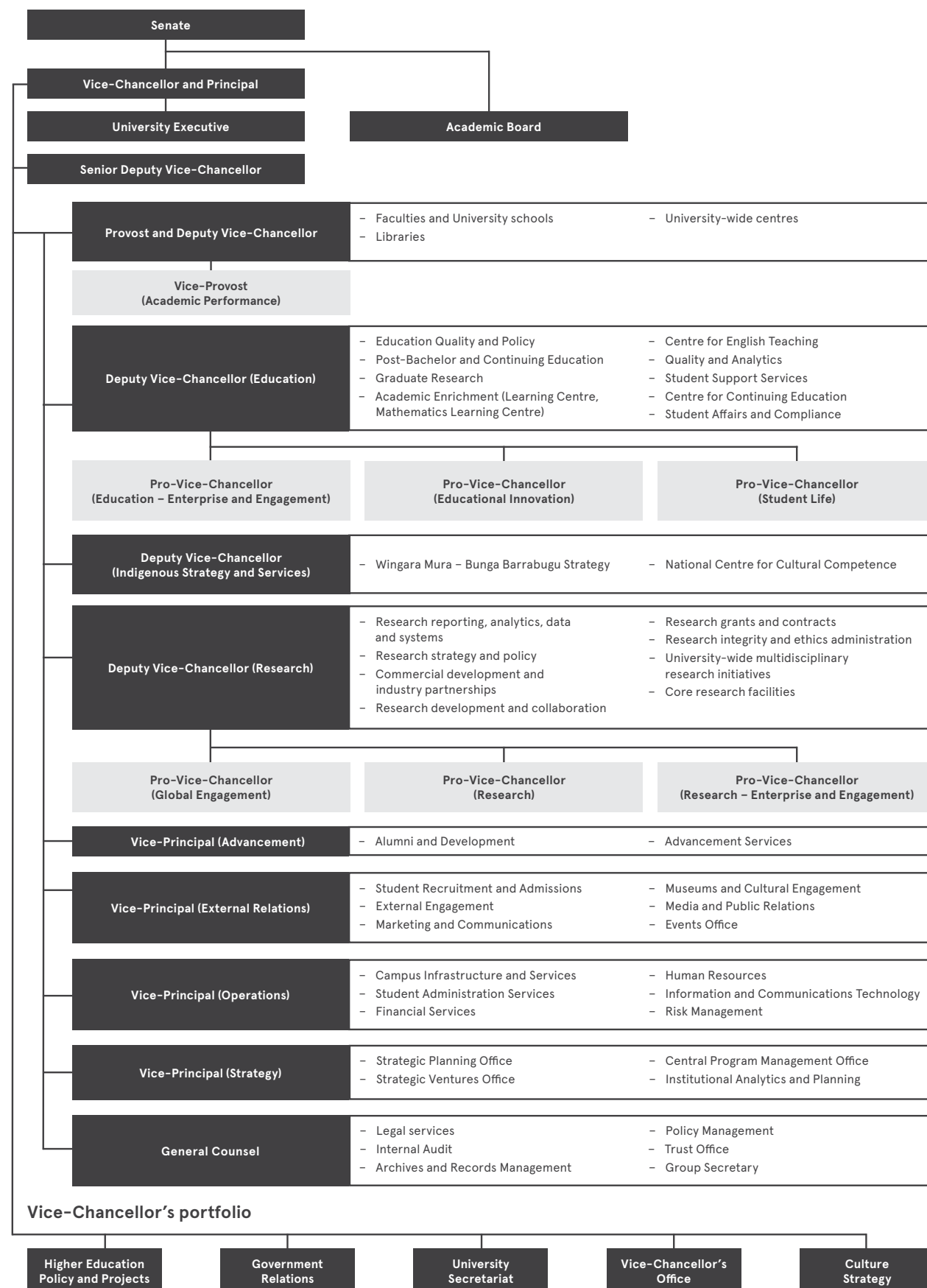
The former Provost, Professor Stephen Garton, moved into a new role as Senior Deputy Vice-Chancellor following Professor Messerle's appointment. The role, a formal deputy to the Vice-Chancellor and Principal, is responsible for actively supporting external engagement and leading the University's transformation agenda, including co-executive sponsorship of the program to develop a new Sydney Operating Model.

Professor Richard Miles was appointed as Vice-Provost (Academic Performance) and will play a key role in realising the University's aspirations for excellence in education and research.

The University also welcomed the first female Head of School and Dean of the University of Sydney School of Architecture, Design and Planning, Professor Robyn Dowling, and Professor Simon Bronitt as the new Head of School and Dean of the University of Sydney Law School.

Ms Rosalind (Rossie) Ogilvie was appointed as the Vice-Principal (Advancement) and is responsible for guiding the Advancement team through a period of transformation and preparation for the next campaign, following the immense success of the INSPIRED campaign (see page 19).

University of Sydney organisational structure as at 31 December 2019



University of Sydney Senate 2019

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 2019.

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 2019, Senate:

- reviewed the progress of implementing the 2016–20 University Strategic Plan
- considered the future size and shape of the University, with deliberations on faculty strategies with the core focus areas of: value and culture; research capacity and quality; student value proposition; student experience improvement and student cohort diversification and partnerships
- continued to support the transformation of the student experience with an aspiration of achieving an outstanding experience – from joining the University community to finishing a degree and transitioning to the next phase
- noted progress on the development of a postgraduate education and micro-credentialling strategy, a fundamental step to determining the future of non-award education at the University
- observed safety, health and wellbeing related matters and monitored related risks arising from the activities and operations of the University
- monitored the University's financial performance and approved the annual budget
- continued negotiations to secure land for a new multidisciplinary campus in Western Sydney and supported the shaping of a vision for the future of this campus

- oversaw the ongoing progress of the Campus Improvement Program, noting the approval of the business cases for three major infrastructure projects; Merewether, Sydney College of the Arts Relocation and J07 Advanced Manufacturing through the Senate Building and Estates Committee; celebrated the opening of the Regiment Student Accommodation Building
- 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
- celebrated the Science in Australia Gender Equity (SAGE) Athena SWAN Bronze Award, which recognises the University's commitment to improving gender equity and diversity; and
- noted the progress on efforts to improve academic performance, including defining aspirational research performance and strengthening mechanisms and processes to accurately and consistently manage academic performance.

Fellows of Senate

As at 31 December 2019

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 Oxford
Current term as Vice-Chancellor:
1 July 2013 – 31 December 2022

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)

BEd LLB (Hons) *Sydney*

Current term as Fellow of Senate:

1 December 2017 – 30 November 2021

Dr Lisa McIntyre

BSc (Hons) *Sydney*, PhD CAM, GAICD

Current term as Fellow of Senate:

16 August 2017 – 30 November 2023

Five external persons appointed by the Senate

Jason Yat-sen Li

BA LLB (Hons) *Sydney* LLM *NYU*

Current term as Fellow of Senate:

1 December 2017 – 30 November 2021

Kate McClymont

BA (Hons) *Sydney*

Current term as Fellow of Senate:

1 December 2019 – 30 November 2021

Karen Moses

BEd *Sydney*

Current term as Fellow of Senate:

1 December 2017 – 30 November 2021

Professor Alan Pettigrew

BSc (Hons) *Sydney*, PhD *Sydney* FAICD

Current term as Fellow of Senate:

9 May 2019 – 30 November 2023

Peter Scott

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

Current term as Fellow of Senate:

1 December 2019 – 30 November 2023

Two persons elected by and from the academic staff

Associate Professor Maryanne Large

BSc (Hons) *Sydney*, PhD *Trinity*

Current term as Fellow of Senate:

1 June 2019 – 31 May 2021

Professor Stephen Simpson AC

BSc (Hons) *Qld*, PhD *KCL*

Current term as Fellow of Senate:

1 June 2019 – 31 May 2021

One person elected by and from the non-academic staff

Dave Burrows

BA *Sydney*

Current term as Fellow of Senate:

1 June 2019 – 31 May 2021

One person elected by and from the undergraduate students

Francis Tamer

Current term as Fellow of Senate:

1 December 2018 – 30 November 2020

One person elected by and from the postgraduate students

Elizabeth (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/about-us/governance-and-structure/governance/senate/register-of-interests.html

Senate committees

Senate has established the following committees to assist it with the exercise of its functions, effective from 1 January 2019.

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

The table below records attendance for committees that operated in 2019.

For more information, visit sydney.edu.au/about-us/governance-and-structure/governance/senate/senate-committees.html

Attendance by Fellows at Senate and its committees in 2019

Position	Name	Senate			BEC			FAC			FAC IS			PCC			PCC RSC			PCC SC			SARC		
		A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Chancellor	Belinda Hutchinson AM	6	6	6	6	6	6	6	6	6	4	4	4	6	6	6	2	2	2	4	4	4	7	7	7
Deputy Chancellor	Richard Freudenstein	6	6	6	6	6	5	6	6	6	4	4	2	6	6	6	2	2	2	4	4	4	7	7	7
Vice-Chancellor	Dr Michael Spence AC	6	6	6	6	6	6	6	6	6	4	4	2	6	6	6	2	2	2	4	4	3	7	7	7
Pro-Chancellors	Kate McClymont	6	6	6										6	6	5	2	2	1						
	Professor Marian Baird AO (^)	6	3	3																			7	2	1
Chair of Academic Board	Associate Professor Tony Masters	6	6	6	6	6	6							6	6	6									
Fellows	Ilana Atlas (^)	6	2	1										6	2	2	2	1	1	4	1	1			
	Dave Burrows (+)	6	4	4	6	3	3																		
	Lisa Carrick (^)	6	3	3	6	3	3																		
	Associate Professor Maryanne Large (+)	6	4	4				6	4	2															
	Jason Yat-sen Li	6	6	6										6	6	5							7	7	6
	Dr Lisa McIntyre	6	6	6				6	6	5	4	4	3										7	7	6
	Lizzie Miller	6	6	6	6	6	2																		
	Karen Moses	6	6	6				6	6	6	4	4	2							4	4	3			
	Professor Alan Pettigrew (#)	6	4	3										6	4	3	2	1	1	4	3	2			
	Peter Scott	6	6	6	6	6	6	6	6	5															
	Professor Stephen Simpson AC (+)	6	4	4																			7	5	4
	Francis Tamer	6	6	5																			7	7	5
	Professor Christopher Murphy (-)	6	0	0				6	0	0															

A No. of meetings held, B No. of meetings eligible to attend, C No. of meetings attended
 BEC Building and Estates Committee, FAC Finance and Audit Committee,
 PCC People and Culture Committee, SARC Strategy and Risk Committee
 (-) No longer a Fellow of Senate as at 19 January 2019
 (^) No longer a Fellow of Senate as at 8 May 2019
 (^) No longer a Fellow of Senate as at 30 May 2019
 (#) New Fellow of Senate commenced 9 May 2019
 (+) New Fellow of Senate commenced 1 June 2019

Strategy and operations

In 2019 the University prioritised its 2016-20 strategic themes of Excellence, Engagement and Simplification, with one new, overarching focus – ‘One Sydney Many People’ – Our identity as an Australian institution. The University has made strong progress across all these areas.

1. Excellence

CURRICULUM AND STUDENT EXPERIENCE

Scholarship and enrichment strategies for Higher Degree by Research students

In 2019 the University agreed on a target profile for the University’s cohort of Higher Degree by Research (HDR) students while maintaining its overall size at the current level. We also changed our approach to international scholarships for HDR students, to increase our capacity to select on the basis of quality and strategic fit rather than fee status. This is likely to result in the University having a higher proportion of PhD students and more students in areas aligned to strategic University and faculty priorities.

The development of coursework for the PhD is well underway and the coursework requirement will take effect for students who commence from January 2021.

Postgraduate curriculum and micro-credentialling

Our proposed future approach to postgraduate educational offerings took shape throughout 2019. It includes:

- the development of high-quality online award and non-award courses, potentially in partnership with an online program management company
- modularised longer and stackable shorter credentials
- a coherent institutional approach to the delivery and website presentation of all related educational offerings.

In a major refresh of our professional education offerings, we launched a new suite of 21 curated postgraduate medicine, public health and education professional certificates. Known as Sydney Professional Certificates, these micro-credentials each comprise two units of postgraduate study within a particular specialty. The certificates, which will be delivered from Semester 1 2020, are the start of an expanded offering to cater to professionals looking for short postgraduate qualifications.

Industry and Community Project Units

In 2019 the University built on our successful 2018 piloting of Industry and Community Project Units (ICPUs), with 800 students participating (from 977 enrolments), compared to 700 students (758 enrolments) the previous year. ICPU students work in multidisciplinary projects to solve genuine problems faced by more than 45 leading government, business, industry and community organisations in Australia and internationally. Notably, we formed our first ICPU industry partnership in India, with leading technology company Tech Mahindra.

Global mobility

The University remains 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 33 percent, based on the AUIDF Learning Abroad Benchmarking 2018 (in 2019). This represents a 14 percent increase in the number of mobility experiences (from 4990 in 2017 to 5668 in 2018) from the 32 percent total that we reported in 2018 (based on equivalent 2017 benchmarking). The University continues to have the largest outbound student mobility program in Australia and aims to reach 41 percent mobility in the 2019 AUIDF report, the final result of which will be released in late 2020.

Student experience

The Student Experience Program was established during the first half of 2019 to oversee delivery of our student experience strategy and its ambition to transform the experience of our diverse student cohorts. The University has consulted widely, with a focus on involving students at all levels, stages of candidature and from a diversity of backgrounds in decision-making and co-design processes. Iterative delivery will commence during 2020, with larger scale transformations to be implemented in 2021.

A revised governance framework will guide effective stewardship of the student experience over the longer term, and a new Student Charter, set to replace the existing Code of Conduct for Students, was approved by Senate.

Student life

The University worked with the University of Sydney Union (USU) to eliminate the USU Access Fee, resulting in a sharp rise in membership and participation. The new Pro Vice-Chancellor (Student Life), who joined the University in October, began development of a framework for promoting and evaluating co- and extra-curricular programs.

Navigation and transition

The University also started development of a detailed operating model for providing students with personalised career and academic advice. New curriculum-embedded transition support models were established at the undergraduate, postgraduate coursework and higher degree by research levels, and smaller-scale pilots of socially focused transition support activities at the undergraduate level will commence in Semester 1, 2020.

Essential supports

We developed a new model of delivery that will enhance student access to various forms of core student support services, including:

- accommodation and childcare information services
- financial advice and assistance
- health, counselling and psychological services.

STUDENT ENROLMENTS*

Undergraduate enrolments by attendance and gender

Domestic/ international	Attendance type	Gender	Enrolments (UG)	
Domestic	Full time	Women	11,806	
		Others	15	
		Men	8,926	
	Invalid	Women	0	
		Part time	Women	2,071
			Others	6
	Men		1,797	
	Domestic total			24,621
	International	Full time	Women	6,854
Others			1	
Men			4,585	
Invalid		Women	0	
		Men	0	
		Part time	Women	755
Men			330	
International total			12,525	
Grand total			37,146	

Postgraduate enrolments by attendance and gender

Domestic/ international	Attendance type	Gender	Enrolments (PG)
Domestic	Full time	Women	3,894
		Others	5
		Men	2,757
	Invalid	Women	2
		Men	2
		Others	2
	Part time	Women	3,877
		Others	6
		Men	2,899
Domestic total			13,440
International	Full time	Women	7,225
		Others	0
		Men	4,570
	Invalid	Women	11
		Men	7
		Others	7
	Part time	Women	777
		Others	6
		Men	426
International total			13,016
Grand total			26,456

Undergraduate enrolments by course level

Domestic/ international	Course type	Enrolments (UG)
Domestic	Bachelor (Graduate Entry)	578
	Bachelor (Honours)	3,073
	Bachelor (Pass)	20,621
	Diploma	183
	Non-Award	86
	Cross-Institutional	63
	Enabling Course	17
Domestic total		24,621
International	Bachelor (Graduate Entry)	85
	Bachelor (Honours)	1,579
	Bachelor (Pass)	9,164
	Diploma	1
	Non-Award	1,691
	Cross-Institutional	5
International total		12,525
Grand total		37,146

Postgraduate enrolments by course level

Domestic/ international	Course type	Enrolments (PG)
Domestic	Doctorate (Research)	2,881
	Doctorate (Coursework)	27
	Master (Research)	653
	Master (Coursework)	8,706
	Graduate Diploma	515
	Graduate Certificate	611
	Non-Award	35
	Cross-Institutional	12
Domestic total		13,440
International	Doctorate (Research)	819
	Doctorate (Coursework)	4
	Master (Research)	163
	Master (Coursework)	11,313
	Graduate Diploma	449
	Graduate Certificate	89
	Non-Award	177
	Cross-Institutional	2
International total		13,016
Grand total		26,456

Enrolments by faculty of course registration and course level

Domestic/ international	Faculty of registration	Enrolments		Enrolments
		Postgraduate	Undergraduate	
Domestic	University of Sydney Business School	1,072	2,751	3,823
	Faculty of Arts and Social Sciences	2,271	6,967	9,238
	Faculty of Engineering	806	3,156	3,962
	Faculty of Health Sciences	1,088	2,011	3,099
	Faculty of Medicine and Health	4,934	1,565	6,499
	Faculty of Science	1,439	5,870	7,309
	Sydney Conservatorium of Music	177	816	993
	University of Sydney Law School	1,182	581	1,763
	University of Sydney School of Architecture, Design and Planning	468	870	1,338
	University Programs**	3	34	37
Domestic total		13,440	24,621	38,061
International	University of Sydney Business School	6,570	2,030	8,600
	Faculty of Arts and Social Sciences	1,462	2,768	4,230
	Faculty of Engineering	2,028	2,167	4,195
	Faculty of Health Sciences	344	470	814
	Faculty of Medicine and Health	926	727	1,653
	Faculty of Science	487	1,986	2,473
	Sydney Conservatorium of Music	32	43	75
	University of Sydney Law School	462	85	547
	University of Sydney School of Architecture, Design and Planning	532	578	1,110
	University Programs**	173	1,671	1,844
International total		13,016	12,525	25,541
Grand total		26,456	37,146	63,602

STUDENT ENROLMENTS BY DIVERSITY GROUPS 2018 AND 2019

Indigenous and non-Indigenous enrolments

Indigenous indicator	2018	2019
Indigenous	392	360
Non Indigenous	60,917	63,242
Grand total	61,309	63,602

Students with Non-English Speaking Backgrounds (NESB)

Non English speaking	2018	2019
ESB	39,504	38,833
NESB	21,805	24,769
Grand total	61,309	63,602

Students with disabilities

Domestic/international	Disability	Disability support services interest	2018	2019
Domestic	Student indicated disability	No support	1,059	1,038
		Support	1,412	1,529
	Student indicated no disability	No disability	36,694	35,494
Domestic total			39,165	38,061
International	Student indicated disability	No disability		2
		No support	125	151
		Support	195	299
	Student indicated no disability	No disability	21,824	25,089
International total			22,144	25,541
Grand total			61,309	63,602

* All statistics in these tables are as at 31 March 2019

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

ACADEMIC PERFORMANCE

Our work to lift academic aspiration and performance continued from a number of angles throughout 2019. We are focusing our efforts on working closely with deans and heads of school to identify and resolve priority issues as efficiently as possible. This includes supporting some staff members to move into education-focused or newly defined professional practice roles that better reflect the contribution they make to the University.

In 2019 we also:

- focused on building the capacity and capability of the Head of School. We worked to identify development needs and the organisational support required for heads to drive the academic aspiration of their schools.
- made significant progress on the revised probation and confirmation process. From October 2019, a set of standard probation and confirmation conditions were applied to any new academic staff, to ensure consistency across the University. Refinement of the proposed new process for considering and approving confirmation (at the end of the confirmation period), began in 2019, in close consultation with staff, and will continue in 2020.

RESEARCH PERFORMANCE

NHMRC and ARC grant performance

The National Health and Medical Research Council (NHMRC) and the Australian Research Council (ARC) are two of the main funders of future research, among hundreds of different funders. In August the University secured \$38.8 million in NHMRC grants for 25 projects. The funding included the first grants delivered through the highly competitive Investigator Grant Scheme, which provides five-year funding certainty for researchers and support for their research groups. Other NHMRC funding awarded in 2019 included Ideas Grants in December worth a total of \$43.65 million.

In November the University was granted \$7.8 million for 19 projects through the ARC Discovery Early Career Researcher Awards, compared to almost \$5.72 million for 15 projects in 2018. In December the University was awarded more than \$25.5 million for 58 Australian Research Council Discovery Projects. This total compared to \$26.8 million in 2018 for 63 projects.

Medical Research Future Fund performance

The Medical Research Future Fund (MRFF) has been rapidly increasing schemes and initiatives over the last two years and disbursements through the fund are now starting to be received. The MRFF reported that from 2016-17 to September 2019 University of

Sydney researchers were awarded a total of \$49.5 million for 23 projects. The Human Cancer Proteome Project (ProCan) is one particularly large-scale project partnership between the Children's Medical Research Institute and the University of Sydney that received funding through the MRFF. In 2019, a coalition of University researchers and partner organisations was awarded a grant of almost \$3.7 million from the MRFF's Million Minds Mental Health Mission to establish a Centre for Health System Research and Translation in Eating Disorders at the University of Sydney.

A CULTURE OF RESEARCH EXCELLENCE

Excellence in Research for Australia (ERA) and Engagement and Impact (EI) results

The results of the two national assessments of university research undertaken by the Australian Research Council in 2018 were announced in March and the University performed well. In the ERA report, which assesses excellence in research, all 22 of our broad fields of research were rated above or well above world standard.

The results represent a further improvement on the 2015 assessment, with particular gains achieved in engineering, econometrics, chemical sciences and environmental sciences.

In the Engagement and Impact Assessment, a companion exercise to ERA that considered the impact of university research beyond academia, the ARC rated the University as well above the sector average, with 96 per cent of our impact and engagement ratings being 'high' or 'medium'. Of the 25 case studies submitted by the University of Sydney, 48 per cent were assessed as having a 'high' impact rating, above the sector average of 43 per cent. Research engagement was also assessed for all 22 FoRs, with the University of Sydney achieving a 'high' rating for 42 percent, above the sector average of 34 percent.

Research portfolio investment model

In 2019 we reviewed our existing programs and schemes for research funding and the extent to which they have been helping us to achieve our research ambitions. As a result of this review, we will be re-setting our investment approach in relation to internal research funding. From 2020, internal will be directed towards five key pillars – talent, core research infrastructure, multidisciplinary research, strategic capability, and research support, data and integrity – with an underlying, relentless focus on research excellence.

Recruiting, retaining and supporting talented researchers

In October the University announced the second cohort of researchers to receive a four-year Robinson Fellowship named after the University of Sydney's first Nobel Prize winner.

The fellowships aim to support and retain the University's best early-career academics by creating a pathway towards continuing teaching and research positions. Fellows are identified on the basis of merit and potential, and their ability to help the University sustain a research community driven by a culture of excellence. In addition to salary and research funding, the Fellows will have access to a structured mentoring and development program that will help prepare them to transfer into a continuing academic position. More than half of the fellowships were awarded to women, which reflects the University's continued commitment to gender equity.

Also in October, the University announced the third cohort of Sydney Research Accelerator (SOAR) Prize recipients. The SOAR program supports up-and-coming research leaders to build their careers by increasing the scale and impact of their research. Since the program began in 2016, 62 researchers have received two-year SOAR Prizes.

Equity Prizes

In 2019 the University awarded 10 Equity Prizes to support flexible career paths – three Brown Prizes, three Thompson Prizes and four Laffan Prizes.

Brown Prizes assist recipients to re-establish or enhance their academic careers after sustained primary caring duties. Thompson Prizes address the under-representation of women in senior academic positions and provide opportunities for recipients to strengthen their research and prepare for promotion. Laffan Prizes assist researchers who have, or have experienced, a significant disability to re-establish or enhance their academic.

For more information about workforce diversity at the University, see page 28.

School of Biomedical Engineering

In September the University launched a new School of Biomedical Engineering, which represents a major investment in development of advanced biomedical technologies such as regenerative medicine and implantable medical devices such as the bionic eye.

The school aims to facilitate collaborative research and teaching within biomedical engineering and improve health outcomes by targeting diseases that do not currently have cures. It will train the next generation of biomedical engineers in purpose-built facilities and leverage existing core strengths that include tissue and neural engineering, nanomaterials and addressing chronic disease.

Launch of Sydney Knowledge Hub

In October the Sydney Knowledge Hub – a coworking space for entrepreneurs collaborating with the University of Sydney – opened for business. The hub is a membership-based space for organisations that have high-impact research at the heart of their work in areas such as AI, biotech, materials, and the Internet of Things. It aims to be a community of start-ups, enterprise and not-for-profit organisations who work more collaboratively with the University and access the University's community of experts, world-class research facilities, and student talent that may otherwise be out of reach.

Creation of NSW Public Policy Institute

In December 2019 a new institute was created to undertake research on the most pressing public policy issues facing New South Wales. The NSW Public Policy Institute is funded by a \$10 million endowment from the NSW Government, along with other funding and in-kind support from the University of Sydney, the University of Technology Sydney and Western Sydney University.

The institute will be independent and enduring, and will work alongside government, the higher education sector and industry to provide frank and fearless advice on policy matters across three broad themes:

- Healthy and Connected
- Smart and Working, and
- Sustainable and Prosperous.

Establishment of Sydney Quantum Academy

In June 2019 an innovative collaboration between four NSW universities was established to support the development of a quantum ecosystem through education, industry and community engagement and entrepreneurship. An initiative of the partner universities – the University of Sydney, University of New South Wales, University of Technology Sydney and Macquarie University – the Sydney Quantum Academy (SQA) is funded by a \$15 million grant from the NSW Government's Quantum Computing Fund, along with other funding and in-kind support from the university partners. Over the course of 2019 the partner

universities set the foundation for SQA's education, research and community engagement programs. Also in 2019, the partners commenced recruitment of key SQA positions, such as the Independent Chair of the Executive Board and CEO, and discussions with industry about a central HQ.

Commercialisation of research

There was significant commercialisation activity in 2019, with 24 commercial deals closed and another 22 prospects remaining in the commercial pipeline. Highlights included the \$6.5 million seed funding round to commercialise the agricultural robotics inventions of Professor Salah Sukkarieh in Agerris Pty Ltd, the largest Uniseed has led to date.

In September Kinosis Pty Ltd, a spin-out formed in February 2019, was the recipient of a National Institutes of Health HEAL Initiative (Helping to End Addiction Long-term) grant of up to \$US4.6 million to support the development of a potential treatment for opioid withdrawal.

The innovation pipeline has been strong at both ends of the lifecycle, with 124 invention disclosures submitted over the course of 2019 and eight University spin-off companies created.

The level of activity in commercial contracts continued to steadily grow in 2019 with the execution of 2561 contracts and 492 Clinical Trial agreements, a five percent increase on 2018.

2. Engagement

REPUTATION

External engagement

The External Engagement Strategy was endorsed and implementation commenced in 2019. It positions the University as more industry and community engaged, more visible to target external audiences, and more open to prospective partners. We launched a unique, personalised promotional campaign, initially to 47 carefully selected Sydney-based organisations whom we regard as high-potential partners. For the first time the University created a dedicated section of the corporate website that brings together different externally facing functions. 'Engage with us' sits prominently on the top-level navigation bar on the website, depicting us as an engaged institution and communicating our readiness to work with others. It also gives prospective partners a way of easily connecting with us.

The University established three governance groups to oversee the implementation of the External Engagement Strategy and the operating model and ensure that our ongoing approach to external engagement is informed and unified.

In 2019 we also strengthened our collaboration with existing partners to address the most pressing questions facing industry, society, business and our communities in Australia and around the world. For example, we are working with Qantas to improve wellbeing on ultra long-haul flights and develop a flight planning system to reduce its CO₂ emissions and annual fuel bill substantially; converting plastic waste into fuel; bridging the gaps between research, policy and practice; unlocking the potential of quantum computing with Microsoft; using 3D printing to replace natural bone; and pioneering robotics to improve food security and productivity in agriculture.

We also repositioned our public talks program, Sydney Ideas, applying a tiered program of events and content to advance the University's reputation and share our research with the community. We increased the scale of Sydney's brand footprint in new markets, particularly in India, to reach prospective students and those that influence their decision-making. Similarly, we ran successful campaigns to build our brand and promote recruitment activities in other key international markets, including Hong Kong, Malaysia, Singapore and Vietnam, as well as maintain our presence in China. This work will be extended in 2020 in support of the Southeast Asia recruitment strategy, and broader revenue diversification efforts.

Read more about our external engagement at sydney.edu.au/engage

India strategy

Our India student recruitment strategy was finalised in May, and implementation progressed successfully. We welcomed our first cohort of Sydney Scholars India recipients in Semester 2, with 19 scholarship holders joining us as part of the program. Applications from Indian students for Semester 2 were up by 19 percent. Visits to our website from India increased by 62 percent on 2018, and India is now one of the largest international audience groups on our social media channels. We appointed a Country Head and five other staff for our in-India office joined the University in late November.

In 2019, we held two major delegations to India led by the Vice-Chancellor, one in February and one in November, the latter of which was the University's largest-ever delegation to India and coincided with a visit to India by the Australian Minister for Education. The schedules included:

- recruitment activities with target schools
- meetings with prospective industry and government partners
- engagement with the Australian Government delegation and the Australian High Commission
- two Sydney Showcase Events that aim to promote our research, attract new partners and students, convert existing applicants, engage alumni and earn us broader media coverage in India.

We started to develop a more comprehensive India strategy that will link additional research and engagement activities to the existing student recruitment strategy.

China strategy

Throughout the year the University developed a strategy to increase the scale and impact of our engagement by leveraging our existing strengths in China, which include:

- a large and valued Chinese student and alumni cohort
- our China Studies Centre
- research expertise in modern China and Chinese language
- institutional and individual connections with key Chinese partners, a favourably perceived brand.

Following extensive consultation with hundreds of stakeholders, we advanced our thinking around education programs, ICPUs, research partnerships and alumni strategies. Three themes will underpin the strategy in both research and education: the Expanding our Minds program, focusing on Brain and Intelligence Science, (already underway following the signing of a major partnership agreement with Fudan University in July); the Food Revolution; and the City of the Future.

In November, we undertook a major University delegation to China, which included:

- an event hosted by the Chancellor and attended by more than 600 of our alumni

- fruitful discussions exploring the potential of the Food Revolution theme between a multidisciplinary team of academics from Engineering, Science, and the Charles Perkins Centre, and potential partner universities.

The China strategy will be presented to the Senate in March 2020.

Research reputation

In 2019 significant marketing and communications effort was invested in advancing the University's research reputation. Version 2.0 of our 'Unlearn' brand campaign showcased the impact of 16 research projects, reaching the informed public in Australia and the international academic community.

Market research indicated this activity was helping to improve perceptions of Sydney as a progressive and future-focused institution and affirming our position as one of Australia's leading universities. In 2019 the University also improved its research reputation scores across a number of the most prestigious global rankings. While rankings do not measure everything the University values, they are an important indicator of quality and prestige for students, particularly international students. They also give us an indication of how others, outside the University, perceive the quality of our research and teaching. The University's outstanding results include:

- moving up four places to 27th in the US News Best Global Universities Rankings (from 31st last year)
- placing 1st in Australia (for the fifth year in a row) and 4th in the world in the QS Graduate Employability Rankings
- placing 25th in the world in the new Times Higher Education Impact rankings.

Other rankings results, where the University either held its position or lost ground, in highly competitive contexts, include:

- retaining our position of 42nd in the world for QS World University Rankings
- dropping one place from 2018 in the Times Higher Education World University Rankings (60th from 59th)
- dropping from 68th to 80th in the Academic Rankings of World Universities (ARWU).

Parramatta/Westmead campus

In 2019, our work focused on four streams of activity: Academic Themes; Academic Operating Model; Campus Experience; and Site Acquisition and Development. Each stream was guided by a steering committee, chaired by a deputy vice-chancellor, vice-principal or dean. The Academic Themes stream focused on exploring the educational potential at Westmead beyond health and medicine, in Advanced Manufacturing, Artificial Intelligence, Data and Society, and Power and Participation: Solving Inequality for the Future. The program has developed prototype education programs, informed by in-flight market research and industry interviews.

The Campus Experience stream focused on exploring the current student experience, which in turn informed a target student experience for the new campus. This work also flowed into the Student Experience Program, demonstrating a tight alignment of our major strategic initiatives. In 2019, in partnership with the Westmead Living Lab, we started to develop community relationships, including with the Deerubbin Aboriginal Land Council, to better understand what our local community might want from a university.

In 2019, the Academic Operating Model stream developed a proposed model for the campus, guided by a series of key principles that include the need for the new campus to complement rather than compete with the existing University, and enable a more externally engaged campus.

Discussions with the state government about site acquisition are continuing.

Western Sydney

In 2019 the University made significant progress in realising its broader vision for the Western Sydney region. One notable milestone came in June when we joined the NSW Government and partners Westmead Hospital and the Children's Hospital at Westmead in a 'topping out' ceremony to celebrate the new Central Acute Services Building reaching its top-most level of construction.

The 14-floor building forms part of a much larger plan by the University of Sydney to cement Western Sydney's reputation as a world-class education precinct, with co-located health facilities and ground-breaking medical research. The University will occupy 1.5 floors, which will include unique spaces for formal and informal teaching and workplaces for staff and higher-degree research students across multiple disciplines.

PHILANTHROPY

2019 marked a year of celebration, recognition and stewardship for fundraising. On 30 January we closed our successful and historic INSPIRED Campaign, having reached our \$1 billion target – the first time any Australian university has achieved this philanthropic goal. Throughout the year, the University thanked tens of thousands of donors and told hundreds of stories of the impact of philanthropy on research and education at the University. We celebrated with a diverse range of events, from media campaigns to the largest black-tie event the University has ever organised plus a campus-wide day of thanks.

All this goodwill helped the University to generate a successful year of fundraising. We received 20 gifts larger than \$1 million – this is the largest number of seven-figure gifts in a calendar year since the launch of the INSPIRED campaign in 2008. Notable gifts included \$1.6 million from the Adam Scott Foundation to fund eight four-year scholarships for students experiencing hardship or disadvantage.

Alumni engagement in philanthropy has also been a highlight, with alumnus Peter Cadwallader and his wife Sandra establishing a new stream of our Graduate Diploma in Indigenous Health Promotion, which will, over five years, employ three Indigenous staff members and educate 120 Indigenous students on mental health in their communities.

The engagement of our vast alumni community continues to grow. In 2019, 51 alumni delivered the occasional address at graduation ceremonies to a total audience of more than 20,000 people, and 880 international students were welcomed by 47 alumni at the Great Australian Welcome and Welcome to Sydney events. A total of 1210 people engaged through volunteering, giving a total of 24862 hours, and 467 people served as advocates for the University through their roles on foundations or alumni associations.

Promotion

Overseas visits made by the Vice-Chancellor and members of the Senior Leadership Team in 2019 included the following.

Vice-Chancellor and Principal

8 – 12 January: Hong Kong

- University Grants Commission meeting

3 – 9 February: India

- Lancers School Conference
- Global engagement activities
- Alumni and student recruitment activities
- Agents and industry meetings

28 March – 5 April: China and Korea

- Times Higher Education China Universities Forum
- KAIST (national research university) conference
- Global engagement activities
- Alumni activities

20 – 26 May: Hong Kong and China

- University Grants Commission meeting
- Global engagement activities
- Shanghai Forum

11 – 17 June: Switzerland

- Glion Colloquium

23 – 26 June: USA

- Association of Pacific Rim Universities (APRU) presidents' annual meeting
- Alumni and donor activities

8 – 11 October: Hong Kong

- University Grants Commission meeting
- Global engagement activities

17 – 28 November: India and China

- Student recruitment
- Graduations and alumni activities
- Global engagement activities, including industry meetings

Senior Deputy Vice-Chancellor

22 – 24 October: China

- Australia-China High-end Forum on Research Innovation and Commercialisation

Deputy Vice-Chancellor (Education)

16 – 17 May: China

- Go8 Australia-China Employer Roundtable 2019
- China Australia University Summit on Teaching and Learning

19 – 24 May: Ireland

- Worldwide Universities Network (WUN) Conference and AGM, Presidents' Forum

Deputy Vice-Chancellor (Research)

5 – 8 July: China

- Meeting of Eminent Thinkers of AI Governance

28 – 31 October: Thailand

- APRU Research Meeting, Bangkok

22 November: India

- Promoting Sydney research in Mumbai and New Delhi
- Global engagement activities

Pro-Vice-Chancellor (Global Engagement)

25 – 29 March: Malaysia

- Asia Pacific Association for International Education
- Meetings with partner universities

25 May – 27 May: China

- Shanghai Forum and Fudan University signing ceremony

23 – 25 June: USA

- APRU Presidents' Meeting

18 – 20 September: Canada

- APRU Senior International Leaders' Meeting

16 – 18 October: China

- Universities Australia and Go8 Delegation

22 – 27 November: China

- Food workshop, alumni reception and graduations

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

7 – 17 August: USA

- Industry engagement meetings at MIT, Harvard and Boston College

13 – 17 October: USA

- Australia-Israel Chamber of Commerce trade mission
- Industry meetings

Pro-Vice-Chancellor (Research)

17 – 21 November: Israel

- Universities Australia delegation to examine role of Israeli universities in innovation ecosystem

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

8 – 14 February: United Kingdom

- Opening of ICPU Cambridge global intensive
- Meetings with industry partners

22 June – 26 June: Italy

- Opening of Padua/Sydney Global ICPU program

Vice-Principal, External Relations

8 – 10 September: United Kingdom

- World 100 Annual Conference
- Global University Engagement Summit

10 – 12 September: Switzerland

- Times Higher Education World Academic Summit

26 – 29 September: India

- University of Sydney Open Day, Delhi

3. Simplification

Sydney Operating Model

The Sydney Operating Model (SOM) Program is a multi-year project that will simplify and improve our operating models across the University. By the end of 2019 the program had completed or was near completion for eight out of its 15 planned projects. Significant work across three key projects supporting our core business of education and research was also completed.

- SOM project achievements in 2019 included:
- MyLab (ERM) rolled out
- My Research Funding Portal rolled out
- New student credit module delivered
- new timetabling and curriculum management processes designed
- revising the entire Delegations of Authority
- establishing a Career and Capability Framework for all professional staff
- UniBuy (the new University wide buying platform) rolled out
- planning underway for new Human Capital Management platform
- implementation of the Customer Relationship Management platform pilot
- establishment of the new Shared Services Centre.

Most importantly, we are beginning to realise both financial and non-financial benefits from individual project delivery, headlined by a saving of \$41m in 2019, delivered from Source to Pay (S2P), Asset and Leasing Initiative, Project Accounting, Customer Service Initiative and External Engagement projects.

These projects and other relevant initiatives have delivered non-financial benefits to University operations

- improved safety and compliance, standardisation and process simplification, reduced cycle times and increased automation and processing capacity.

Campus Improvement Program

The new Regiment Student Accommodation Building opened for business in February after the completion of construction. This eight-storey facility comprises both student accommodation and mixed-use educational, teaching and social spaces. It provides an environment that encourages collaborative learning and social activity.

In 2019 research and teaching staff moved into the newly constructed Life, Earth and Environmental Sciences (LEES) Building, which builds upon the University's objective to upgrade and modernise teaching and research facilities and support the delivery of world-class education standards.

Work commenced on the Sydney College of the Arts relocation from Rozelle to the Old Teachers' College, on our Camperdown/Darlington Campus. Refurbishments on the Old Teachers' College will be completed in early 2020 and will create flexible exhibition spaces that support design excellence and provide studio and workshop facilities for both students and teaching staff. Students and staff will relocate in early 2020.

Intensive activity ensured that construction work on the new Susan Wakil Health Building is on track for a 2021 opening. The new building will bring all of the medicine and health disciplines together, for the first time, into a single space – a state-of-the-art Health Precinct. The building has been designed to be agile for multidisciplinary teaching and learning across all health disciplines and to inspire collaborative research.

In December the University held a topping-out ceremony for the new Chau Chak Wing Museum, marking a major milestone toward the official opening in 2020. The five-level museum will showcase some of Australia's most significant cultural works from the University's collections. It will have 2000 square metres of public exhibition area – triple the display space available at the University's previous museums – and exceptional learning and teaching facilities.

Construction work on the new Engineering and Technology Precinct moved efficiently throughout 2019. The precinct will provide teaching, learning and research facilities that reinvigorate the Faculty of Engineering's infrastructure and reflect its excellent reputation for research and education.

Faculty of Medicine and Health

Transition and implementation of the new organisational structure for the Faculty of Medicine and Health commenced in November after a change program that involved extensive engagement with staff. The new operating model involves the creation of three precincts that align in the main with local health districts, allowing us to leverage the learnings and models from our existing operation at Westmead, which was formally integrated with the faculty in 2019.

Preparations for the final stage of the merger – the integration of the Faculty of Health Sciences – continued, with the merger set to formally occur on 1 January 2020. From August through to October 2019, we also developed a high-level biomedical science vision for the University, reflecting our ambition to be a world-leading institution in basic biomedical science.

INDIGENOUS STRATEGY

'One Sydney Many People' – our identity as an Australian university

We are, as a community of practice, deeply immersed in a process of thinking about what it means to be an Australian university and what the University will look like when our obligations to First Australians are truly embedded in the character of our institution. The development of a new Indigenous Strategy, *One Sydney Many People*, was informed by engagement with more than 600 students, academic and professional staff from across the University, and a clear picture of strategic priorities emerged. Building on this work, in-depth strategic research co-created with faculties and departments across the University was initiated.

There is still unfinished business from our previous Indigenous strategy, 'Wingara Mura – Bunga Barrabugu', and in 2019 we developed a transitional action plan to address outstanding priorities in 2020. This will position us to focus on our 2021–25 One Sydney Many People Strategic Plan the following year.

In 2019 other key changes and initiatives included:

- re-establishing relationships with AIME, the Aurora Foundation and the many communities involved in our Service Learning in Indigenous Communities (SLIC) program
- developing agreements with Metro Aboriginal Land Council, the newly established Aboriginal Science Foundation and AIATSIS, and the draft terms of reference for the first University-wide Aboriginal Advisors Circle, to be established in early 2020
- the portfolio contributing to a new mentoring program for academic staff wanting to position themselves for promotion.

Revamped student admissions

In 2019, we developed and launched new student admissions processes, with a Gadigal program and a Gadigal conditional early offer scheme. We received more than 300 applications through the Gadigal scheme. For the early offer component, 44 of the 45 pilot applicants were given an offer to study at Sydney. Furthermore, all residential

scholarships were reviewed, with a new suite of college scholarships developed to complement the existing accommodation options. Each annual grant of \$50,000 will be matched by the respective college, attract up to four students per college per year and provide students, especially those from remote and regional communities, with a 'local home'.

National Centre for Cultural Competence

The review of the National Centre for Cultural Competence (NCCC) was completed early in 2019, and recruitment for roles in a refreshed structure was nearing completion by year's end. In 2020, we will implement the remaining recommendations of the review, including a series of new offerings, refreshed modules and an advanced Cultural Competence Leadership Program.

Indigenous research strategy

In 2019 we finalised the new Indigenous research strategy, *Namangan*, which aims to increase the number of Indigenous researchers, support them better, and increase the quantum and diversity of high-quality Indigenous research.

A CULTURE BUILT ON OUR VALUES

Culture Strategy

In November, Professor Tim Soutphommasane was announced as the new Director of the Culture Strategy. Professor Soutphommasane, Australia's Race Discrimination Commissioner from 2013–18, will lead the development of a new University-wide Culture Strategy into the final year of the 2016–20 Strategic Plan and beyond.

Business intelligence strategy

The project to deliver a whole-of-University business intelligence (BI) strategy progressed in 2019. An external report of our BI capability, data governance and BI foundations, which include data quality and a single source of truth, was completed. Work continued on the refinement of a roadmap of initiatives that consider funding allocations and work already underway.

Although the strategy was not finalised by year's end, we acted on one key recommendation – the proposed creation of a Chief Data and Analytics Officer role. This role will be instrumental in determining the approach to addressing underlying cultural issues (such as barriers to collaboration), a critical aspect of the BI strategy. The role will be a key partner to the Chief Information Officer.

Cultural renewal in the colleges

In 2019 the residential colleges worked diligently to implement all recommendations in Elizabeth Broderick's reports into cultural renewal at five of the colleges. Noteworthy positive changes include a renewed approach to student and staff leadership and other initiatives such as:

- dismantling of some negative student hierarchies
- changes to election processes for the student leadership team
- changes to Orientation Week, now known as Welcome Week
- comprehensive training for new students.

Policies and procedures were reviewed and strengthened in line with the Broderick recommendations, with a stand-alone sexual assault and sexual harassment policy now in place at each college. Hazing is now universally prohibited and significant improvements were made to the supply and consumption of alcohol.

Performance against other strategic priorities

Sustainability

In a year of record temperatures, youth climate strikes, and intense storms and bushfires, sustainability was a top priority for our staff and students. The development of a University-wide Sustainability Strategy, with focuses on both our research and education and local actions across our campuses, progressed. Survey feedback from more than 1000 members of the University community highlighted waste and recycling and energy and emissions as their top priorities for the University's sustainability efforts.

Sydney University Sports and Fitness

We worked closely with Sydney University Sports and Fitness (SUSF) to support its transition from an unincorporated entity affiliated with the University to a company limited by guarantee, to be registered with the Australian Charities and Not-for-profits Commission. This entailed significant changes to SUSF's governance structures and management. The changes are expected to result in strong governance, make the best use of the expertise available, increase collaboration and cooperation, and position SUSF to play an even more pivotal role in the University's student experience strategy.

TEQSA Renewal of Registration

All universities in Australia must be registered by the Tertiary Education Quality and Standards Agency (TEQSA), the independent national regulator of the higher education sector. The University passed a major regulatory milestone in April 2019, receiving unconditional renewal of registration from TEQSA for the maximum possible period of seven years, until 2026.

Other issues*

Response to the Australian bushfire crisis

In November 2019, the University began a meaningful and sustained contribution to the bushfire recovery process. Our actions included:

- sharing resources and research expertise
- a crowdfunded bushfire emergency veterinary appeal, to help animals affected
- establishing a network of hundreds of researchers who can provide short, medium and long-term crisis support to governments and communities, across many fields.

Freedom of speech and the right to protest

In 2019 the Australian Government appointed the former High Court Chief Justice, the Hon. Robert French AC, to conduct an independent review of freedom of speech in Australian higher education providers. A key recommendation of Mr French's report was that all registered Australian higher education providers should voluntarily adopt a *Model Code for the Protection of Freedom of Speech and Academic Freedom in Australian Higher Education Providers*, developed as part of the report.

The University led the sector with its response, establishing a University French Review Model Code Implementation Group. Among the group's key recommendations was that the code be adopted by amending the University's current *Charter of Academic Freedom* and renaming it the *Charter of Freedom of Speech and Academic Freedom*. These recommendations were endorsed by the executive, key governance committees and Senate.

*The global coronavirus (COVID-19) crisis emerged as a significant issue for the University of Sydney in early 2020. The University will report on its response to that crisis, and the impact of it, in the 2020 Annual Report.

Legal change

There has been significant legislative and regulatory activity in 2019 that is relevant to universities.

1. Foreign Influence and Foreign Interference

Following passage of the *National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2018*, which created offences relating to foreign interference with Australia's political, governmental or democratic processes, a University Foreign Interference Taskforce (chaired by the National Counter Foreign Interference Coordinator) was convened to consult with the sector on development of non-binding *Guidelines to Counter Foreign Interference in the Australian University Sector* (published November 2019). The guidelines, designed to assist universities to better secure their people and data against coercive, covert, deceptive or corrupting activities of foreign actors that are contrary to Australia's sovereignty, values and national interests, were developed within the framework of university values of autonomy, openness and collaboration.

The guidelines are distinct from the *Foreign Influence Transparency Scheme Act 2018*, which obliges 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.

2. Offshore activities at universities

The *Australian Charities and Not-for-Profits Commission Amendment (2018 Measures No.2) Regulations 2018*, which came into effect on 23 July 2019, prescribe four external conduct standards ("EC Standards") that entities registered with the Commission (which includes universities) operating outside Australia or working with third parties that operate outside Australia must meet in order to maintain their charitable status. There are EC Standards on:

- the activities and control of resources (including funds);
- the annual review of overseas activities and record keeping (which requires a summary of the charities overseas activities on a country-by-country basis for each financial year);
- anti-fraud and anti-corruption; and
- the protection of vulnerable individuals.

There is a carve out to the EC Standards for activities outside Australia that are directly related to the charity's purpose in Australia and merely incidental to its Australian operations. However, the carve out does not appear to apply where the charity provides resources (including funds) to a third party outside Australia with whom it collaborates for the purpose of advancing the charity's purpose. It is likely that at least some of the University's activities outside Australia will fall within the latter category.

3. Exclusive Use Provisions in IP Licences

The *Treasury Laws Amendment (2018 Measures No. 5) Act 2019* (Cth) repeals section 51(3) of the *Competition and Consumer Act 2010* (Cth) ("CCA"). Prior to its repeal, section 51(3) contained a limited exemption for several intellectual property arrangements (including licences and assignments) from certain anti-competitive conduct prohibitions. The exemption was repealed as if it never existed, so both the University's historical and future intellectual property agreements are subject to the full application of the CCA's anti-competitive conduct provisions. This includes provisions on those arrangements that involve an exclusive licence back to the University of the relevant IP for its own uses.

4. Building Cladding Materials

Under the *Building Products (Safety) Act 2017* (NSW), certain combustible cladding material has been banned since August 2018. In 2019, the University received notices from various authorities in relation to the possible presence of combustible cladding material in University buildings. A number of University buildings were identified as containing banned materials, and the University's investigations are continuing. The University is also considering any rights it may have against the builders and consultants responsible for the installation of banned materials.

5. St Paul's College

The *Saint Paul's College Act 2018* (NSW) repeals the *Saint Paul's College Act 1854*, the by-laws made under that Act and the *Saint Paul's College Act 1857*. 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.

Human resources

HR-related policies and practices

In November 2019 the Senate approved the University's new Alcohol Policy. The new policy aligns to current NHMRC and other best practice guidelines, which focus on harm minimisation. It applies to the entire University community (staff, students, affiliates and visitors) across all campuses.

The Executive Remuneration Policy was amended in June to extend robust governance around the review, benchmarking, alignment and equity of remuneration to all senior professional staff roles at the University.

The Bullying, Harassment and Discrimination Prevention Policy was updated to meet best practice in preventing LGBTIQ harassment and discrimination. The Domestic Violence Procedures were updated to provide additional targeted support information for members of the LGBTIQ community and for staff with disabilities.

A new online form was introduced to enable staff to declare their external interests, gifts and outside earnings. The new form implements the declaration requirements of the External Interest Policy, Code of Conduct, and Outside Earnings of Academic Staff Policy. It also supports staff and managers in identification and management of conflicts of interests, thereby reducing any associated individual and reputational risk.

Staff engagement

The University launched the 2019 engagement survey, with 63 percent of staff completing the survey, seven percent more than in 2016. The results showed that an overwhelming majority of staff (82 percent) felt a commitment to the University and that most felt a sense of accomplishment within their jobs (77 percent). Overall, the results indicated that most staff had moderate to high levels of employee engagement (76 percent favourable), which was similar to the 2016 results and higher than 2013. Top-scoring categories included respect and gender equity, role clarity, support from supervisors, valuing colleagues, safety and rewards.

Many staff asked for clearer, streamlined processes.

These results were perhaps unsurprising given the major organisational improvement program. However they sent a clear message to the University to remain committed to improving our processes, both as part of the Sydney Operating Model and more broadly.

Local area results and action planning was undertaken in the latter half of 2019 with a commitment given by the University Executive to track local work area actions and undertake a pulse survey in 2020 to monitor progress.

The University continued to work in academic planning and development with a focus on academic performance, probation, confirmation and promotion processes and practices.

Strategic talent acquisition and strategic hires

2019 was strongly focused around uplifting capability and embedding best practice into the University's talent acquisition process and procedures to:

- deliver better value to our clients
- meet the increased demands of the University from a service perspective
- meet increased recruitment volumes.

This service uplift contributed to improvements in the 'time to fill' (for both academic and professional appointments) and an increase in client satisfaction ratings from hiring managers and candidates.

During 2019 we significantly improved reporting capability. It means we can accurately report on recruitment activity across the University, which enables informed analysis on a range of areas and helps us drive achievement of diversity and gender equity goals.

The University appointed several key senior leaders throughout 2019, who will be pivotal for the delivery of the University's priorities in 2020 and beyond (see page 6 for more detail).

Combined totals of academic and general staff positions 2015–19 by appointment term and gender

	2015			2016			2017			2018			2019			
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Unspecified	Total
Continuing	2063	1782	3845	2192	1884	4076	2262	1976	4238	2397	2002	4399	2383	2021		4404
Fixed term	1853	1256	3109	1814	1204	3018	1945	1287	3232	2165	1381	3546	2409	1451		3860
Total	3916	3038	6954	4006	3088	7094	4207	3263	7470	4562	3383	7945	4792	3472	1	8265

Academic staff positions 2015–19 by appointment term, level and gender

	2015			2016			2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
Level E & above	88	247	335	107	266	373	125	283	408	133	305	438	125	317	442
Level D	120	223	343	132	250	382	150	257	407	161	250	411	170	245	415
Level C	217	247	464	225	239	464	230	253	483	219	260	479	232	249	481
Level B	173	145	318	175	152	327	189	174	363	182	169	351	187	170	357
Level A	25	19	44	31	21	52	36	33	69	36	28	64	44	26	70
Subtotal	623	881	1504	670	928	1598	730	1000	1730	731	1012	1743	758	1007	1765
Fixed term															
Level E & above	71	169	240	78	166	244	80	175	255	84	177	261	95	173	268
Level D	77	82	159	64	75	139	62	83	145	74	88	162	72	89	161
Level C	133	123	256	131	107	238	132	95	227	131	96	227	143	98	241
Level B	238	191	429	230	187	417	237	184	421	292	203	495	311	230	541
Level A	318	270	588	316	262	578	329	316	645	355	316	671	356	317	673
Subtotal	837	835	1672	819	797	1616	840	853	1693	936	880	1816	977	907	1884
Total	1460	1716	3176	1489	1725	3214	1570	1853	3423	1667	1892	3559	1735	1914	3649

General staff positions 2015–19 by appointment term, level and gender

	2015			2016			2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Continuing															
HEO 10 & above	128	96	224	138	110	248	145	117	262	156	128	284	169	142	311
HEO 9	92	93	185	97	101	198	105	106	211	133	103	236	139	96	235
HEO 8	208	161	369	234	171	405	212	167	379	231	156	387	215	157	372
HEO 7	273	176	449	268	193	461	278	186	464	311	187	498	309	183	492
HEO 6	359	156	515	415	180	595	433	189	622	432	201	633	404	197	601
HEO 5	221	93	314	215	94	309	204	107	311	240	109	349	229	131	360
HEO 4	89	46	135	89	49	138	88	49	137	100	49	149	95	57	152
HEO 3	42	61	103	41	48	89	38	47	85	43	47	90	46	44	90
HEO 2	22	19	41	18	10	28	22	8	30	14	9	23	17	7	24
HEO 1 & below	6	0	6	7	0	7	7	0	7	6	1	7	2	0	2
Subtotal	1440	901	2341	1522	956	2478	1532	976	2508	1666	990	2656	1625	1014	2639
Fixed term															
HEO 10 & above	55	71	126	57	67	124	68	59	127	94	70	164	117	74	191
HEO 9	41	35	76	48	32	80	63	36	99	62	46	108	83	55	138
HEO 8	121	53	174	109	46	155	120	49	169	137	71	208	161	68	229
HEO 7	167	89	256	169	95	264	184	107	291	226	119	345	275	116	391
HEO 6	256	66	322	261	67	328	264	78	342	286	79	365	324	89	413
HEO 5	223	58	281	217	58	275	268	77	345	300	83	383	333	99	432
HEO 4	80	18	98	66	19	85	62	5	67	70	16	86	96	28	124
HEO 3	64	21	85	59	15	74	67	14	81	47	9	56	38	10	48
HEO 2	6	5	11	7	6	13	6	6	12	4	4	8	3	1	4
HEO 1 & below	3	5	8	2	2	4	3	3	6	3	4	7	2	4	6
Subtotal	1016	421	1437	995	407	1402	1105	434	1539	1229	501	1730	1432	544	1976
Total	2456	1322	3778	2517	1363	3880	2637	1410	4047	2895	1491	4386	3057	1558	4615

Staff level and salary ranges as at 31 March 2019

Academic staff

Level E and above	\$197,886 +
Level D	\$153,622 - \$169,240
Level C	\$127,585 - \$147,115
Level B	\$104,155 - \$123,682
Level A	\$73,420 - \$98,940

General staff (35-hour week)

HEO 10 and above	\$127,727 +
HEO 9	\$119,489 - \$126,079
HEO 8	\$103,034 - \$116,199
HEO 7	\$92,053 - \$100,287
HEO 6	\$84,334 - \$90,915
HEO 5	\$73,358 - \$82,136
HEO 4	\$67,868 - \$71,710
HEO 3	\$59,637 - \$66,222
HEO 2	\$56,890 - \$58,540
HEO 1 and below	<= \$55,245

Workforce diversity

Equity and diversity strategies

In 2019 the University continued its commitment to creating a diverse and inclusive University community where all staff feel welcome, supported and safe to thrive and achieve their potential. The University led strategies focused on creating an inclusive culture, providing direct support for diverse staff, and creating positive communities where staff can engage and support each other. We held leaders accountable by measuring and monitoring workforce diversity and lifted their capability to lead and act inclusively by delivering inclusion development programs to more than 600 staff.

Gender equity

In 2019 the staff engagement survey results highlighted the significant progress made in gender equity, with 81 percent of staff reporting favourably that the University is committed to achieving a gender diverse workforce, (with women representing 53.3 percent of senior leadership positions across the University). The University continued to maintain a strong focus on gender equity by executing the Women's Career Acceleration in Leadership Strategy.

Achievements in 2019 that aligned to this strategy included:

- receiving the Athena SWAN Bronze Institutional Award as part of the SAGE Pilot Program
- awarding five Thompson Prizes to assist women seeking academic promotion
- continuing to track, monitor and communicate our progress against our gender targets
- launching the Women at Sydney Network
- supporting four senior leaders to participate in the Chief Executive Women Leaders Program
- delivering a targeted promotion program to 20 female academic staff
- delivering the Vice-Chancellor's Sponsorship Program to 20 culturally diverse women and 20 senior executive sponsors
- delivering the Sydney Women's Mentoring Program for 38 academic and professional staff and 38 senior executive mentors
- continuing active Vice-Chancellor involvement in the Founding Group of the Male Champions of Change (MCC)
- achieving compliance with the Workplace Gender Equality Agency.

Aboriginal and Torres Strait Islander employment

The University continued to implement the Aboriginal and Torres Strait Islander Employment Framework 2019–2021 to increase Indigenous representation and make the University an employer of choice. The total number of Aboriginal and Torres Strait Islander staff at the University (as at September 2019) was 130 or 1.02 percent of the total continuing and fixed term staffing employed across 15 faculties and professional service units. This represents a 55 percent increase on the 2018 total of 84 staff (1 percent), as at 31 March 2018.

Key achievements included:

- engaging 43 staff through the Merit Appointment Scheme
- continued delivery of the Wingara Mura Leadership Program
- delivering the 'Preparing for Promotion as an Indigenous Academic' program to 12 staff
- establishing a partnership with AFL Sportsready for the delivery of Indigenous traineeships
- hosting key culturally significant events, including the annual Aboriginal Welcoming Smoking and Dancing ceremony, Reconciliation Week, NAIDOC Week and Mabo Day.

LGBTIQ inclusion initiatives

The University continued its commitment to supporting and engaging with LGBTIQ staff. The University's Pride Network continued to steadily grow in membership and 2019 saw a number of key achievements, including:

- achieving Silver 'Employer of Choice' status in the Australian Workplace Equality Index
- delivering Sexual and Gender Diversity and Ally Training to more than 460 staff and students (an increase of 200 percent from 2018)
- reviewing 900+ digital systems in use across the University to comply with preferred names, supporting trans and gender diverse staff and students.
- developing and promoting the Guidelines to Supporting Students through Gender Transition and delivering training to LGBTIQ Student Support Liaison Officers
- delivering several LGBTIQ events through the Pride Network, including the Sydney Gay and Lesbian Mardi Gras Parade and Fair Day and Wear It Purple Day

- hosting lunchtime learning sessions to contribute to the education of staff in areas of LGBTIQ history and lived experience of people with intersex variations.

Disability inclusion

The University of Sydney is committed to being recognised as an employer of choice and a higher education provider of choice for people with disability. Over 2019 a range of programs and activities were delivered to promote these aspirations and contribute to a culture of inclusion and diversity.

Key achievements in 2019 included:

- awarding four Laffan Fellowships to University researchers with disabilities or those who have experienced a significant disability in the past
- continuing to offer specific funding for professional development for staff with disability
- participating in the Stepping Into Program, employing four interns with a disability
- more than 600 staff completing Disability Confidence Training
- providing financial assistance to local work areas to complete workplace adjustments for 16 staff
- growing the Disability at Work Staff Network (DAWN) to 181 members.

Staff positions by University occupation classification and equity groups

Diversity group	2018	2019
Female	4562	4792
Aboriginal and Torres Strait Islander	84	90
Ethnic/racial/religious minority	640	712
People whose first language was not English	804	1073
People with a disability	125	126
People with a disability requiring work-related adjustments	17	18

Occupation classification	2018	2019
Academic		
Female	1667	1735
Aboriginal and Torres Strait Islander	40	38
Ethnic/racial/religious minority	264	273
People whose first language was not English	382	557
People with a disability	52	52
People with a disability requiring work-related adjustments	11	13

General		
Female	2895	3057
Aboriginal and Torres Strait Islander	44	52
Ethnic/racial/religious minority	376	439
People whose first language was not English	422	516
People with a disability	73	74
People with a disability requiring work-related adjustments	6	5

All statistics in these tables are as at 31 March 2019

Disability Inclusion Action Plan 2019-24

2019 saw the launch of the University's fourth Disability Inclusion Action Plan 2019-24 on 24 September, during Disability Inclusion Week. The plan was officially launched by Dr Michael Spence AC, Vice-Chancellor and Principal, with presentations by invited guests, Dr Ben Gauntlett, Disability Discrimination Commissioner and Carly Findlay, writer, speaker and appearance activist.

The new six-year plan – the fourth of its kind at the University – strengthens our commitment to protect staff, students and visitors with disability from discrimination and support all members of our community to succeed at the University. The Disability Inclusion Action Plan Consultative Group oversees implementation of the objectives of the Disability Inclusion Action Plan 2019-24. For more information, visit sydney.edu.au/about-us/vision-and-values/diversity/disability-action-plan.html

Consumer response

In 2019 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. During 2019, a review of the Student Discipline Rule and Appeals Rule was completed, with submission to Senate proposed for 2020. The proposed revisions will better clarify definitions and procedures and should contribute to more efficient handling of misconduct and appeal matters.

Significant service improvements were made in response to complaints about the time taken by central administrative functions take to process student matters.

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 2019, the unit's ability to record a larger volume of data and therefore produce more comprehensive reports significantly improved due to numerous enhancements to the records management system and the introduction of new software.

Student complaints

In 2019, the Student Affairs Unit (SAU) received a total of 635 cases; comprising 406 complaints – a 55 percent increase on 2018 – and 229 student misconducts – a 33 percent decrease compared to 2018. Overall, this represents a five percent increase in annual SAU case load.

In 2019 there was a notable increase in complaints about campus facilities; increasing from 58 cases (in 2018) to 158 cases. The most significant of these related to issues that are common year on year, such as cleanliness and building upkeep, and contributed to improvements in cleaning and maintenance standards.

There was also a significant number of complaints about staff conduct related to course delivery. These complaints increased by more than 100 percent compared to 2018's 59 cases. This increase can be attributed to a pattern of complaints resembling a 'class action', with a large number of similar complaints about a relatively small number of teaching staff.

All complaints were considered and, whenever possible, used to inform improvements in teaching practice, assessment changes and communication with students.

It should be noted that while complaints increased in general, most categories of student misconduct, (for example, fraud or assault) dropped by one third or more when compared with 2018. This may have resulted from increased efforts to discourage common fraudulent activities such as the submission of false medical documentation, or engagement in academic dishonesty.

There was a decrease in formal sexual assault complaints (six cases; down from 11) and sexual harassment cases increased by one to 14 cases.

Staff complaints

There was a total of 162 complaints during 2019, which was a 17 percent increase compared to 2018. This excludes disciplinary matters such as misconduct/serious misconduct and unsatisfactory performance.

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

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

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

Infrastructure issues

Campus Infrastructure and Services implemented their approved Complaints Management guidelines in 2019. The guidelines are based on the customer satisfaction formula suggested by the NSW Ombudsman's *Effective Complaint Handling* (3rd Edition – February 2017) and the Australian/New Zealand Standards – Guidelines for complaints management in organizations (ISO 10002:2014, MOD).

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

The University received 105 complaints regarding issues associated with infrastructure in 2019, compared to 103 complaints in 2018. The majority of these complaints related to physical noise (27 percent) and customer service (16 percent). The majority of the complaints were received from University staff (43 percent).

Cyber security

The security of the University's information and systems is fundamental to our ability to achieve excellence in research and education. Cyber security is one of our highest priorities, and in 2019 we continued to mature and make significant improvements to ensure data and our information and communications technology (ICT) are safe and secure. We updated policies and procedures, improved technologies and increased governance.

We take a rigorous, standards-based approach to managing cyber security risks for our staff, students, alumni, affiliates, partners and vendors, and all other organisations and individuals who support our commitment to excellence.

Our defence-in-depth approach, and our cyber security policy framework encompass technical, procedural and personnel controls across all the National Institute of Standards and Technology's (NIST) Cyber Security Framework control domains. In the design of our control model we have adopted many of the Australian Signals Directorate's (ASD) recommended mitigation strategies for prevention of malware delivery and execution, and for cyber security incident detection, response, containment and recovery.

A notable achievement in 2019 was embedding a new University-wide policy framework, which includes the Cyber Security Policy 2019 and the Acceptable Use of ICT Resources Policy 2019.

The Cyber Security Policy defines the responsibilities and principles required within the University to protect the confidentiality, integrity and availability of ICT resources and digital information. The Acceptable Use of ICT Resources Policy applies to all users of the University's ICT resources, and outlines user rights and responsibilities, the conditions of use of University ICT services, and penalties for misuse. These policies are publicly available at www.sydney.edu.au/policies.

The University of Sydney recognises that while technological control measures and prevention are vital, these measures cannot provide absolute protection from highly skilled, resourced and motivated threat actors. Consequently, we have partnered with managed security service providers to deliver a continuous monitoring, incident detection and response capability. Additionally, we are providing support to specific individuals within the University who have a higher risk of being targeted due to the nature of their work and/or travels.

We are creating a cyber-aware culture on campus to prepare and defend the University (including staff and students) against any future cyber security threats. A significant milestone in 2019 was the rollout of a new mandatory online Cyber Security Awareness Module for all staff.

Risk management

Throughout 2019, the Risk Management Team continued to focus on maturing the risk management culture across the University. Key to this was the delivery of more than 35 risk profiles for the centralised portfolios and professional services units (PSUs), faculties, University schools and selected multidisciplinary institutes, and 10 business continuity plans for all faculties and prioritised PSUs and functions (for example, payroll).

The risk information identified through the 140+ workshops and interviews conducted as part of these activities gave the Risk Management Team and the University Executive a unique insight into the risk exposures across the institution. This information will be used to drive each unit's goals for 2020 and beyond, which aim to strengthen the University's risk and assurance activities and ensure a risk-based approach to strategic planning and implementation.

Further, the Risk Management Team worked with leaders across the University to develop a comprehensive suite of risk indicators and thresholds to support the operationalisation of the University's Risk Appetite and Tolerance Statement. This suite of indicators provides the University Executive and Senate a new, comprehensive view of how investments and decisions impact the institution's performance and risk exposures. The Risk Management Team will continue to refine the indicators throughout 2020.

Other significant achievements in 2019 include a full review and update of the Risk Management Policy and Framework, development of a new Organisational Resilience Framework to provide a consolidated approach to the University's business resilience activities, and rollout of the inaugural live crises scenario test. The Risk Management Team continued to provide risk management advice on request and continue to be actively involved in key strategic projects across the University.

Work health and safety

Strategy

The University continued to drive improvements in safety culture through our Safety Health and Wellbeing (SHW) strategy 2017-20. This included an overall uplift in WHS capability across the institution, and a focus on visible leadership, with all University executives now undertaking regular Leader Led Safety Conversations.

The University Wellbeing strategy recognises that for a resilient workforce it is essential that our people are engaging in meaningful work and are given opportunities to learn about and practise healthy lifestyle choices at work. The strategy also focuses efforts on addressing workplace factors that may affect wellbeing.

Work Health and Safety Governance

The People and Culture Committee of Senate, chaired by Professor Alan Pettigrew, met throughout 2019 to oversee governance of WHS risk.

Work Health and Safety Management

The University Executive (UE) Work Health and Safety Committee, chaired by the Provost and DVC, Professor Stephen Garton, and then his successor, Professor Barbara Messerle, met five times throughout 2019 to monitor University-wide WHS performance, undertake consultation and optimise the University decision-making processes for University-wide WHS issues.

Safety Management System Audit

The three-year rolling Safety Management System (SMS) audit program continued in 2019 and included an expansion of the existing audit tools to incorporate an appreciative inquiry approach. High-risk audits recommenced in 2019, focusing on samples of chemical, biological and fieldwork safety.

WHS Training

By the end of 2019, 99 percent, or 10,647 workers, had completed the online University WHS induction. This included 8354 ongoing employees and 2291 other workers (affiliates, contractors and others, excluding casuals). Online WHS induction for Higher Degree by Research (HDR) students achieved a 71 percent completion rate (4701 HDR students). In 2019, 1568 (90 percent) of all fixed-term and continuing supervisors completed WHS for Managers and Supervisors training.

Operational risks

The University collaborated with Safework NSW to deliver training opportunities in hazardous chemical management for NSW regulators and inspectors. The University implemented the mylab service to deliver improved safety and compliance in the end-to-end management of hazardous substances across its operations.

The Office of the Gene Technology Regulator (OGTR) undertook a review of the Gene Technology Regulations and the University considered the implications of the amendments for research processes, to remain compliant. The University undertook a verification of its Radiation Management License and creation of a regulated material and apparatus inventory.

Work health and safety incidents

In 2019, there were a total of 2100 incidents and hazards reported via RiskWare. This represents a nine percent increase in overall reporting from the previous year, with the entire increase being reports of hazards or near misses. Sixty three 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, 74 percent involved employees, 19 percent involved students and seven percent involved contractors, affiliates and others.

Cut, puncture or graze (24 percent) was the most frequent mechanism of injury reported during 2019, followed by slip or trip and fall (16 percent), acute illness (11 percent), body stress from ergonomic factors (6 percent) and body stress from handling objects (4 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 slippery or uneven surface while students' injuries were the result of cut puncture and graze involving glassware, hypodermic syringes and use of scalpels and cutting tools. None of these most frequent injuries was serious.

Staff

Mechanism	Number	% of total
Slip or trip and fall	95	21
Cut puncture or graze	51	11
Body stress from repetitive movement	48	10

Students

Mechanism	Number	% of total
Cut puncture or graze	126	45
Acute illness	50	18
Slip trip and fall	16	6

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 thriving network of almost 70 Wellbeing Champions.

Physical wellbeing at work was promoted via free flu vaccinations, with 3816 staff taking advantage of this key health service. The Global Challenge 100-day team-based walking initiative had 126 participating teams. Musculoskeletal injuries increased and remained a key focus for sedentary work. In 2019 78 face-to-face workstation assessments were completed.

Psychological wellbeing is being addressed through provision of mindfulness practice, mental health first aid training and increased health promotion. In 2019, 904 staff participated in mindfulness initiatives to build resilience. The University continued to provide an employee assistance program for staff.

Workers compensation

In 2019, the University maintained its performance in workers compensation. A total of 309 incidents reported involved injury or illness involving staff and only 101 resulted in workers compensation claims.

	2019	2018	2017	2016
Total cost of claims	\$494,243	\$337,402	\$453,300	\$114,564
Average cost of claim	\$5,673	\$4,205	\$5,596	\$4,270
Average time (days) lost per claim	5.00*	8.49*	7.36*	4.69*
Injuries reported (WC claims)	101	112	91	71
Premium payable (\$million)	\$1.79	\$1.49	\$1.43	\$1.38

* Change to calculation method to include sick leave days taken

Psychological injury claims account for four percent of all workers compensation claims, demonstrating the importance of early intervention practices. In 2019, 221 staff were supported to remain at or recover at work while experiencing personal ill-health issues.

The University engaged a new Employee Assistance Provider, Benestar Pty Ltd. Staff use of the Employee Assistance Program was seven percent, which is higher than the industry average (three percent) and at a level that represents a positive indicator of staff taking help-seeking steps to access support services.

Insurance arrangements

The University has completed its eighth successive year in the NSW LPR Workers Compensation Scheme. Cost of claims and premium costs for 2019 were above the minimum premium payable. The University will remain insured under the icare Loss Prevention and Recovery scheme for Workers Compensation in 2020.

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 12 requests for access to information and completed seven internal reviews under Part 5 of the Act. One privacy event was reported to the Privacy Commissioner. One privacy matter was decided by the NSW Civil and Administrative Tribunal. No matters were investigated by the NSW Privacy Commissioner.

Privacy and personal information

Government Information (Public Access) Act

Program for the release of information

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

Access applications received during the year

We received 32 new access applications: 12 were for the personal information of the applicant; 16 were for information other than personal information; four were for a combination of personal information and information other than personal information; none were withdrawn. The number of new applications received decreased by 18 compared with 50 new applications for 2018. 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). Five 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	2	1	1	2	0	1	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector businesses	1	0	0	1	0	0	0	0
Not-for-profit organisations or community groups	2	2	2	2	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	2	16	2	6	2	3	1	0

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	1	8	1	1	0	3	0	0
Access applications (other than personal information applications)	6	7	4	9	2	1	1	0
Access applications that are partly personal information applications and partly other	0	5	0	1	1	0	0	0

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

Table C: Invalid applications

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

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 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	8
Law enforcement and security	0
Individual rights, judicial processes and natural justice	19
Business interests of agencies and other persons	3
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)	12
Decided after 35 days (by agreement with applicant)	19
Not decided within time (deemed refusal)	3
Total	34

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

	Decision varied	Decision upheld	Total
Internal review	1	3	4
Review by Information Commissioner*	2	1	3
Internal review following recommendation under section 93 of the Act	1	0	1
Review by NCAT	0	2	2
Total	4	6	10

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

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

	No of applications for review
Applications by access applicants	7
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	3

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

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

Financial review of 2019

The University of Sydney's parent only financial statements for the year ended 31 December 2019 show a modest underlying margin of \$9.8 million (2018: \$27.4 million). This operating surplus excludes quarantined items that cannot be spent on day-to-day operations.

If quarantined items (such as unspent funds relating to specific research grants, philanthropic funds allocated by donors to certain purposes and funds that must be spent on specific capital investment projects) are included, the University recorded a 2019 operating result of \$177.9 million (2018: \$169.6 million).

While an operating result of \$177.9 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:

	2019 \$M	2018 \$M	Change \$M	Change %
Operating revenue ¹	2,740.3	2,500.5	239.8	9.6
Operating expenses ²	2,562.4	2,330.9	231.5	9.9
Parent operating result per financial statements	177.9	169.6	8.3	4.9
Adjusted for:				
Philanthropic funds ³	(170.9)	(93.1)	(77.8)	(83.6)
Investment funds ³	(39.8)	(17.3)	(22.5)	(130.1)
Specific purpose grants	42.6	(31.8)	74.4	234.0
Parent underlying margin	9.8	27.4	(17.6)	(64.2)
Contributions from associates and controlled entities	0.8	1.5	(0.7)	(46.7)
Consolidated underlying margin	10.6	28.9	(18.3)	(63.3)

¹ For further information, see Section 1 on operating revenue (page 40)

² For further information, see Section 2 on operating expenses (page 44)

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

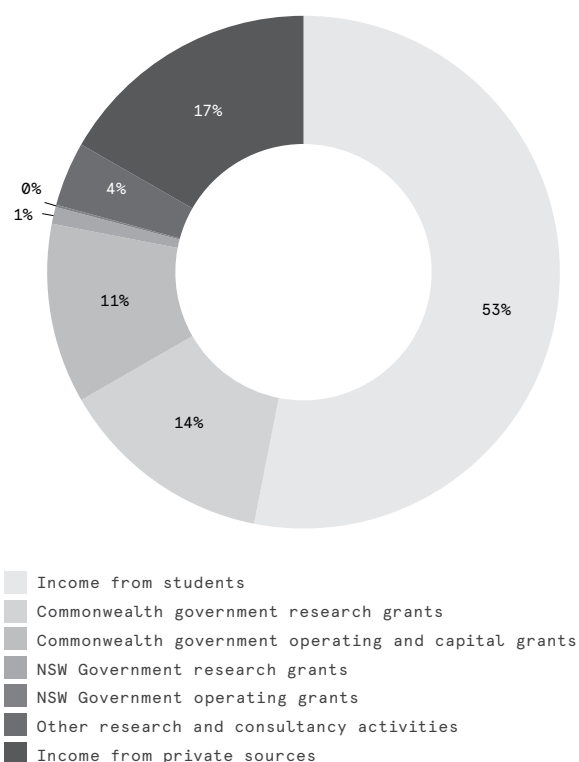
The positive operating result disclosed in the financial statements was achieved through contributions generated by quarantined items that include the following:

- **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 funds must be held in reserve to meet capital requirements for a collateral fund to support the University's borrowing program and protect against any unforeseen circumstances. These reserves also support our obligation to meet employee entitlements and will assist in providing accommodation for our students.
- **Specific purpose grants:** The impact of accounting for as-yet unspent but committed research and education grants, including National Health and Medical Research Council, Australian Research Council grants and student scholarship funds is also a key contributor. In addition, the 2019 result reflects the impact of changed accounting standards arising from the implementation of AASB 15 'Revenue from Contracts with Customers'.

1. Operating revenue

The 2019 operating revenue of \$2,740.3 million was \$239.8 million greater than 2018. The following table and chart show the major components of this increased revenue.

	2019 \$M	2018 \$M	Change \$M	Change %
Income from students (incl HECS-HELP and FEE-HELP)	1,454.9	1,272.6	182.3	14.3
Commonwealth government operating and capital grants	310.7	304.9	5.8	1.9
Research and consultancy activities	513.2	563.9	(50.7)	(9.0)
NSW Government operating grant	3.8	2.6	1.2	46.2
Income from private sources	457.7	356.5	101.2	28.4
Total	2,740.3	2,500.5	239.8	9.6



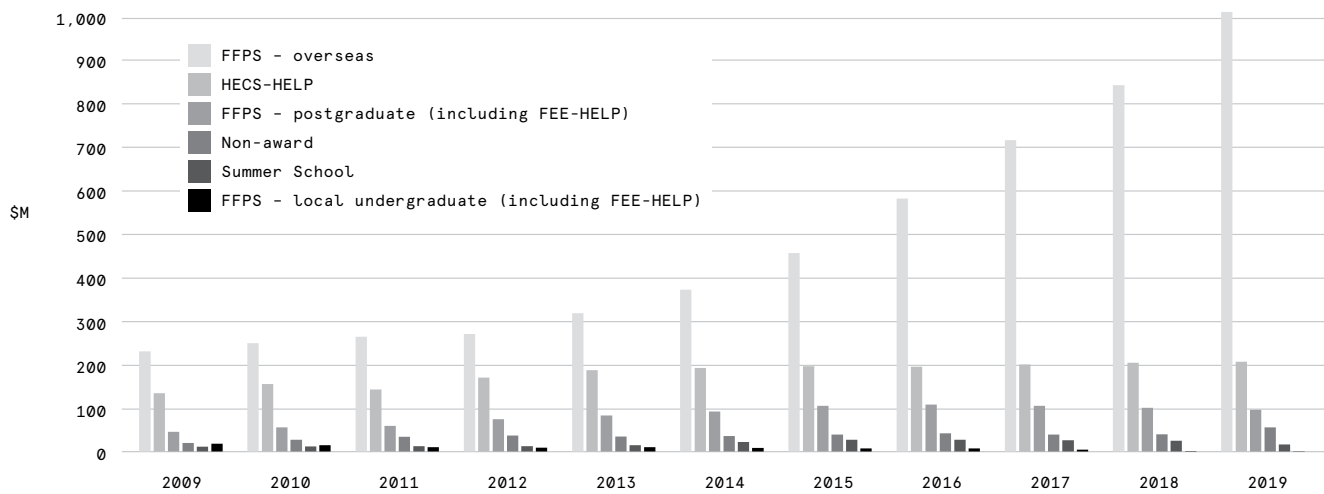
1.1 Income from students

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 73 percent of total student income.

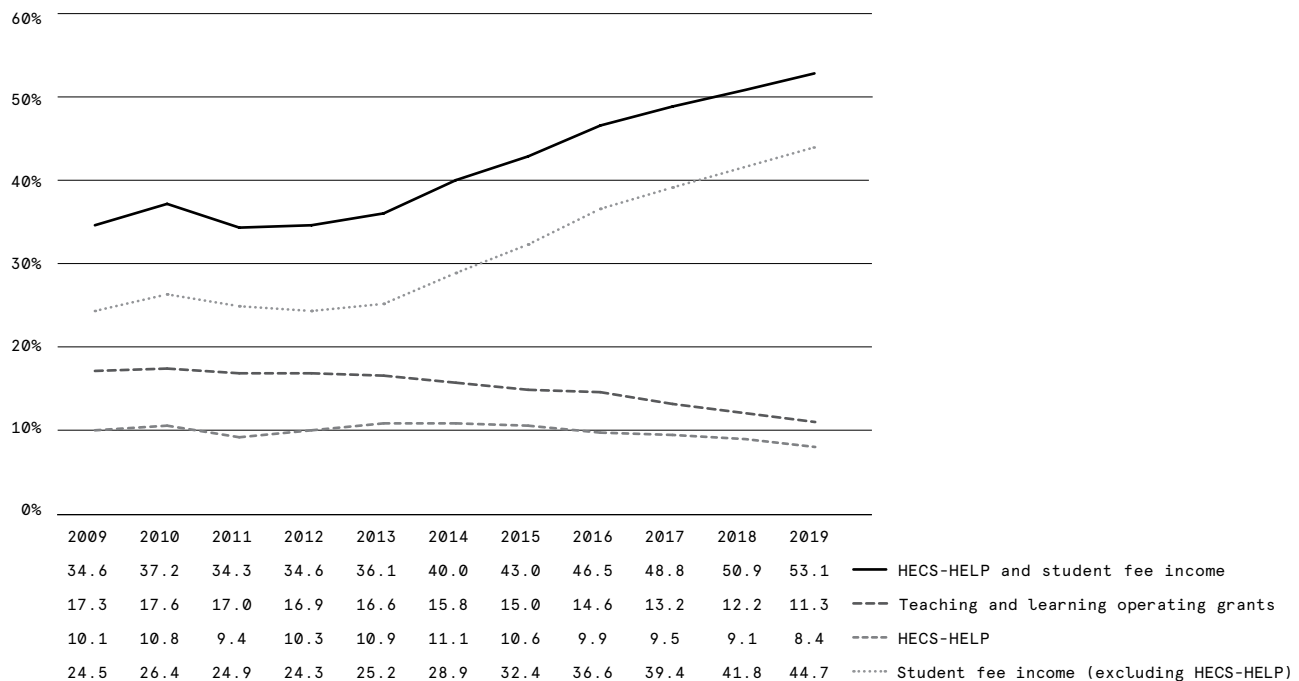
The 2019 growth in income from students of \$182.3 million was mainly attributable to additional course fees generated from FFP overseas students of \$177.2 million, an increase of 20 percent.

	2019 \$M	2018 \$M	Change \$M	Change %
FFPS - overseas	1,061.9	884.7	177.2	20.0
HECS-HELP	216.6	214.2	2.4	1.1
FFPS - postgraduate (including FEE-HELP)	100.8	105.6	(4.8)	(4.5)
Non-award	58.3	41.3	17.0	41.2
Summer School	16.8	26.2	(9.4)	(36.0)
FFPS - local undergraduate (including FEE-HELP)	0.5	0.6	(0.1)	(16.7)
Total income from students	1,454.9	1,272.6	182.3	14.3

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 Commonwealth teaching and learning operating grants, means that the proportion of University revenue received from HECS and student fee income has grown considerably since 2009 (2019: 53.1 percent; 2009: 34.6 percent). The majority of this increase is attributable to income from FFPS overseas students.

1.2 Commonwealth Government funding

Declining Commonwealth financial support in real terms has continued to intensify pressure on the University and has increased the University's reliance on fee-paying students. Commonwealth operating support increased by \$5.8 million while research revenue decreased by \$32.7 million, largely due to the deferral of income driven by adoption of the new revenue standards. The increase in operating grants is mainly attributable to a \$6 million increase in Partnership and Participation Program funding.

	2019 \$M	2018 \$M	Change \$M	Change %
Teaching and learning operating grants	310.7	304.9	5.8	1.9
Capital funding	0.0	0.0	0.0	0.0
Commonwealth Government operating and capital grants	310.7	304.9	5.8	1.9
Research program funding	180.0	185.8	(5.8)	(3.1)
Australian Research Council	37.8	45.8	(8.0)	(17.5)
National Health and Medical Research Council	71.0	85.5	(14.5)	(17.0)
Other Commonwealth agencies – research	55.7	61.5	(5.8)	(9.4)
Other Commonwealth agencies – non-research	28.2	26.8	1.4	5.2
Commonwealth research funding	372.7	405.4	(32.7)	(8.1)
Total Commonwealth funding	683.4	710.3	(26.9)	(3.8)

1.3 NSW Government grants

Grants provided by the NSW Government decreased by \$2.5 million, or 7 percent, to \$33 million in 2019. The decrease is largely due to the deferral of income driven by adoption of the new revenue standards.

	2019 \$M	2018 \$M	Change \$M	Change %
NSW Government operating grants	3.8	2.6	1.2	46.2
NSW Government research grants	29.2	32.9	(3.7)	(11.2)
Total NSW Government grants	33.0	35.5	(2.5)	(7.0)

1.4 Research and consultancy activities

Income received by the University for research and consultancy activities decreased by \$50.7 million in 2019, or 9 percent, to \$513.2 million. Commonwealth research funding of \$372.7 million represented 72.6 percent of the total funding in this category. Contributions by non-Commonwealth Government external funding bodies accounted for \$18 million of the \$50.7 million total decrease. In 2019 overseas collaborations were lower than 2018 by \$17.8 million. The decrease is largely due to the deferral of income driven by adoption of the new revenue standards.

	2019 \$M	2018 \$M	Change \$M	Change %
Commonwealth research funding	372.7	405.4	(32.7)	(8.1)
NSW Government research grants	29.2	32.9	(3.7)	(11.2)
Industry research grants	11.8	19.4	(7.6)	(39.2)
Foundations and individual research grants	49.5	53.8	(4.3)	(8.0)
Local collaborative research funds	15.4	0.5	14.9	2,980.0
Overseas collaborative research funds	28.9	46.7	(17.8)	(38.1)
Consultancies	5.7	5.2	0.5	9.6
Non-Commonwealth research and consultancy funding	140.5	158.5	(18.0)	(11.4)
Total research and consultancy income	513.2	563.9	(50.7)	(9.0)

1.5 Income from private sources

The major components of this income group were as follows:

	2019 \$M	2018 \$M	Change \$M	Change %
Investment income	213.5	135.5	78.0	57.6
Philanthropic income	79.7	75.4	4.3	5.7
Commercial and other activities	58.7	59.4	(0.7)	(1.2)
Contributions from external organisations	40.3	34.9	5.4	15.5
Other fees and charges	59.9	45.8	14.1	30.8
Sponsorship income	5.6	5.5	0.1	1.8
Total income from private sources	457.7	356.5	101.2	28.4

Investment income increased in 2019 by \$78 million, mainly due to increased returns in the global markets.

The long-term portfolio returned 12 percent, with the medium-term fund returning 10.1 percent. As at 31 December 2019, of the total investment income of \$213.5 million (2018: \$135.5 million), \$71.5 million (2018: \$27.9 million) represented non-cash unrealised gains on investments held by the University at balance date.

Philanthropic income increased by \$4.3 million.

1.6 Philanthropic income pledged

The INSPIRED campaign achieved its \$1 billion milestone on 30 January 2019. In 2019, the University commenced a new campaign, for which the level of support from donors has been extraordinary, raising \$101.7 million to date.

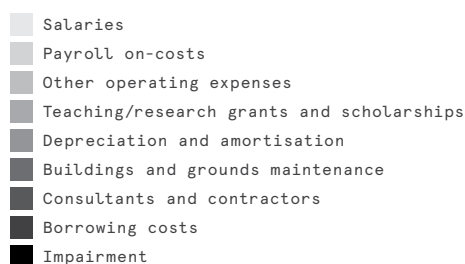
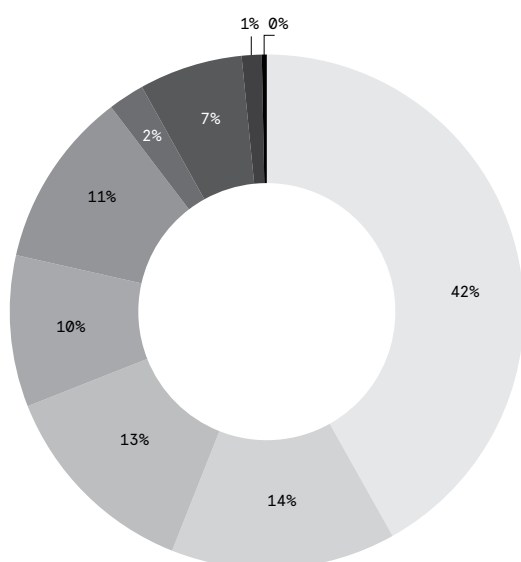
2. Operating expenses

The 2019 operating expenditure of \$2,562.4 million was \$231.5 million, or 9.9 percent higher than in 2018.

	2019 \$M	2018 \$M	Change \$M	Change %
Salaries	1,072.8	1,006.3	66.5	6.6
Payroll on-costs	362.4	318.7	43.7	13.7
Total employee benefits	1,435.2	1,325.0	110.2	8.3
Other operating expenses	333.1	343.8	(10.7)	(3.1)
Teaching/research grants and scholarships	244.0	246.9	(2.9)	(1.2)
Depreciation and amortisation	284.7	194.7	90.0	46.2
Repairs and maintenance	58.5	69.8	(11.3)	(16.2)
Consultants and contractors	166.7	125.7	41.0	32.6
Borrowing costs	32.2	23.9	8.3	34.7
Impairment	8.0	1.1	6.9	627.3
Total non-salary expenses	1,127.2	1,005.9	121.3	12.1
Total expenses	2,562.4	2,330.9	231.5	9.9

The major items contributing to the increase were as follows.

- A \$110.2 million increase in salaries and payroll on-costs. Of this increase, \$59.3 million relates to growth in headcount at the University. A reduction in the actuarial discount rate was the major reason for a \$20 million increase in the long service leave provision. The remaining increase was due to the annual increment in the University's enterprise agreement and associated on-costs.
- Of the \$90 million increase in depreciation and amortisation expenses, \$41 million was due to a change in depreciation rates for property, plant and equipment, \$25 million was due to the adoption of AASB 16 'Leases', \$12.4 million due to assessing a 10-year useful life for digital library collections and a \$9 million increase in building and infrastructure was due to construction of new buildings and higher valuations of commercial properties.
- The \$41 million increase in consultants and contractors' expenses was driven by an \$11.8 million increase in CIS and ICT infrastructure projects, an \$11.3 million increase in Human Resources projects and a \$7.5 million increase in Sydney Operating Model programs, with the remainder of the increase being the result of non-capitalised projects. This was partially offset by an \$11.3 million decrease in repair and maintenance expenditure.
- The \$10.7 million decrease in other operating expenses mainly comprised a \$7.8 million reduction in operating leases for minor equipment.
- A \$2.9 million decrease in teaching and research grants and scholarships resulted from decreased 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 2019 the University incurred capital expenditure of \$369.4 million, which is a \$51.4 million decrease compared to 2018. During 2019 major building projects, including the Life, Earth and Environmental Sciences Building and the Regiment Student Accommodation Building, were completed and occupied.

	2019 \$M	2018 \$M	Change \$M	Change %
Land and buildings	1.2	10.7	(9.5)	(88.8)
Equipment	43.5	32.3	11.2	34.7
Capital works - software	25.7	24.7	1.0	4.0
Capital works - buildings	281.6	314.9	(33.3)	(10.6)
Other	17.4	38.2	(20.8)	(54.5)
Total capital expenditure	369.4	420.8	(51.4)	(12.2)

4. Equity

The total equity of the University at 31 December 2019 was \$4,737.5 million, \$28.2 million higher than at 31 December 2018 at the University parent entity level. The reduction in retained earnings in 2019 compared to 2018 is the result of adoption of two significant accounting standards in 2019-AASB 15 'Revenue from Contracts with Customers' and AASB 16 'Leases'.

	2019 \$M	2018 \$M	Change \$M	Change %
Restricted funds	685.3	613.4	71.9	11.7
Reserves	510.5	480.7	29.8	6.2
Retained earnings	3,541.7	3,615.2	(73.5)	-2.0
Total equity	4,737.5	4,709.3	28.2	0.6

The three major components of total equity were as follows.

- **Restricted funds**, which total \$685.3 million at 31 December 2019 (2018: \$613.4 million). These are funds with a capital preservation obligation and are quarantined from use to support the University's day-to-day operations.
- **Reserves**, which largely comprise revaluation adjustments for the University's land and heritage assets. In 2019, there was a net increase of \$29.8 million in the reserves, which arose from the revaluation of the farmland owned by the University in close proximity to the second Sydney Airport site at Badgerys Creek and heritage assets in the Nicholson Collection.
- **Retained earnings** of the University stand at \$3,541.7 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 2019.

5. Operating statement

	2019 Budget \$'M	2019 Forecast \$'M	2019 Actual \$'M	2020 Budget \$'M
Revenue and income from continuing operations				
Australian Government financial assistance				
Australian Government grants	663.8	668.7	683.4	715.2
HELP - Australian Government payments	257.9	257.7	257.4	265.0
State and local government financial assistance	22.5	27.3	33.0	37.8
Fees and charges	1,161.9	1,228.0	1,224.2	1,387.9
HECS-HELP - student payments	33.8	33.1	33.1	34.2
Investment revenue	47.7	63.8	119.4	54.6
Consultancy and contracts	73.0	90.2	111.3	128.7
Royalties, trademarks and licences	4.6	5.6	6.9	5.1
Other revenue	223.6	244.3	271.4	211.1
Gains/(losses) on disposal of assets	-	(0.0)	0.2 ⁽¹⁾	-
Total income from continuing operations	2,488.8	2,618.6	2,740.3	2,839.6
Expenses from continuing operations				
Employee-related expenses	1,400.6	1,392.1	1,435.2	1,529.9
Depreciation and amortisation	238.2	237.7	284.7	228.9
Repairs and maintenance	44.0	66.1	58.5	59.6
Borrowing costs	36.0	32.0	32.2	27.5
Impairment of assets	12.0	9.4	8.0	13.2
Grant and scholarship expenses	131.2	131.4	116.8	156.3
Consultants and contractors	125.6	137.7	166.7	165.4
Teaching and research grants	103.6	123.7	127.2	134.0
Other expenses	349.4	360.0	333.1	350.8
Total expenses from continuing operations	2,440.6	2,490.1	2,562.4	2,665.6
Net result attributable to members of the University of Sydney	48.2	128.5	177.9	174.0

Notes:

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

6. Investments and investment performance

The Long-Term Fund (LTF) achieved a return (after external manager fees) of 12 percent for 2019. Exposure to listed equity markets – both domestically and overseas – made the strongest contribution, helped by favourable currency positioning.

Long-Term Fund (LTF)

Value as at 31 December 2019:
\$1,621.58 million

Cash flow objective:
4.5% per annum

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

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

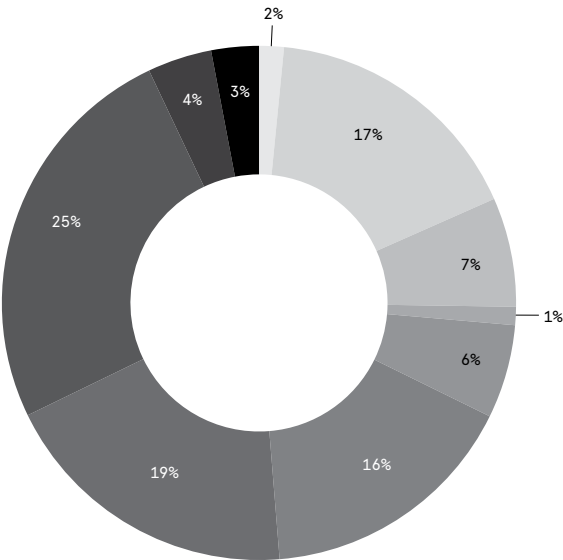
The return of the University Medium-Term Fund (MTF) (after external manager fees) for the 2019 calendar year was 10.1 percent. The sizeable rebound in listed equity markets over the year pushed the fund’s result into double digits, a welcome but highly unusual outcome for a portfolio with this risk profile.

Medium-Term Fund (MTF)

Value as at 31 December 2019:
\$95.62 million

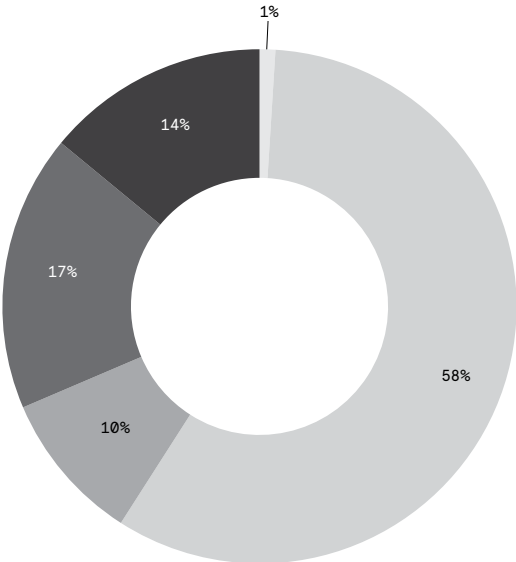
Total return objective:
Bloomberg AusBond Bank Bill + 1.5% after all fees

Long-Term Fund Asset Allocation
as at end December 2019



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

Medium-Term Fund Asset Allocation
as at end December 2019



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

7. Creditor's payment performance

2019 quarter	March		June		September		December	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of accounts paid on time:								
By number of Invoices	83%	80%	88%	80%	82%	80%	88%	80%
By value of invoices	86%	80%	84%	80%	89%	80%	85%	80%
Amount of accounts paid on time (excluding investments)	\$229.7M		\$243.3M		\$326.8M		\$319.2M	
Total amount of accounts paid (excluding investments)	\$268.2M		\$289.6M		\$367.2M		\$376.3M	

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

8. Summary of land owned by the University

Land use

	2019 \$M	2018 \$M	Change \$M	Change %
Teaching and research land	182.7	182.7	0.0	0.0
Student accommodation	123.7	106.8	16.9	15.8
Commercial land	21.3	21.3	0.0	0.0
Investment land	191.2	191.2	0.0	0.0
Total land	518.9	502.0	16.9	3.4

Teaching and research land

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

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

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

- Sydney 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 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, Camden and Lismore campuses. In addition, the University owns an 18-unit residential block at Kingswood that accommodates 44 students who are studying at the Nepean Clinical School at Penrith.

9. Overseas travel

The University paid \$23.3 million for staff overseas travel in 2019 (2018: \$21.9 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 26 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 2019, the Statement of financial position as at 31 December 2019, the Statement of changes in equity and the Statement of cash flows for the year then ended, notes to the financial statements and the Responsible Entity's Declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2019, 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 2019 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003* 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 (including Independence Standards)' (APES 110).

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

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

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

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

Other Information

The University's annual report for the year ended 31 December 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Senate of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Appointed Officers.

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

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

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

I have nothing to report in this regard.

University Senate's Responsibilities for the Financial Statements

The Senate is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, 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.

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.

A handwritten signature in black ink, appearing to read 'Margaret Crawford', with a stylized, flowing script.

Margaret Crawford
Auditor-General for NSW

30 March 2020
SYDNEY



To the Vice-Chancellor
The University of Sydney

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the University of Sydney for the year ended 31 December 2019, 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.

Margaret Crawford
Auditor-General for New South Wales

19 March 2020
SYDNEY



Dr Michael Spence, AC
Vice-Chancellor and Principal

20 March 2020

RESPONSIBLE ENTITIES' DECLARATION

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

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

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

Dr Michael Spence
Vice-Chancellor and Principal

Karen Moses
Chair, Finance and Audit Committee

Dr Michael Spence, AC
Vice-Chancellor and Principal

20 March 2020

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 2019 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 2019 Reporting Period" issued by the Australian Government Department of Education.
3. The financial report has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
4. We are not aware of any circumstances which would make any details included in the financial statements to be misleading or inaccurate.
5. There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.
6. The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was granted and the University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
7. The University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



Dr Michael Spence
Vice-Chancellor and Principal



Karen Moses
Chair, Finance and Audit Committee



THE UNIVERSITY OF
SYDNEY

2019 **Annual Financial Statements**

The University of Sydney
Income statement
for the year ended 31 December 2019

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3(a)	683,397	710,378	683,397	710,378
HELP - Australian Government payments	3(b)	257,397	256,901	257,397	256,901
State and local government financial assistance	4	33,012	35,497	33,012	35,497
Fees and charges	5	1,224,168	1,027,860	1,224,168	1,027,860
HECS-HELP - student payments		33,076	33,487	33,076	33,487
Investment revenue	6	119,449	96,023	119,449	96,023
Consultancy and contracts	7	111,250	125,593	111,250	125,593
Royalties, trademarks and licences		6,945	8,264	6,945	8,264
Other revenue	8	177,389	166,969	177,389	166,969
Total revenue from continuing operations		2,646,083	2,460,972	2,646,083	2,460,972
Gain/(loss) on disposal of assets		221	(12)	221	(12)
Share of profit/(loss) on investments accounted for using the equity method		781	1,529	0	0
Other investment income	6	94,016	39,521	94,016	39,521
Total income from continuing operations		2,741,101	2,502,010	2,740,320	2,500,481
Expenses from continuing operations					
Employee-related expenses	9	1,435,212	1,324,991	1,435,212	1,324,991
Depreciation and amortisation	14/15	284,747	194,731	284,747	194,731
Repairs and maintenance		58,454	69,764	58,454	69,764
Borrowing costs		32,168	23,879	32,168	23,879
Impairment of assets		8,043	1,128	8,043	1,128
Grant and scholarship expenses		116,772	116,862	116,772	116,862
Consultants and contractors		166,696	125,753	166,696	125,753
Teaching and research grants		127,232	130,038	127,232	130,038
Other expenses	10	333,140	343,737	333,140	343,737
Total expenses from continuing operations		2,562,464	2,330,883	2,562,464	2,330,883
Net result before income tax from continuing operations		178,637	171,127	177,856	169,598
Less: income tax (benefit)/expense		0	0	0	0
Net result after income tax from continuing operations		178,637	171,127	177,856	169,598
Net result attributable to members of The University of Sydney		178,637	171,127	177,856	169,598

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 2019

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result after income tax from continuing operations		178,637	171,127	177,856	169,598
Items that will be reclassified to profit or loss					
Valuation movement on hedge reserve	20	<u>0</u>	<u>648</u>	<u>0</u>	<u>648</u>
Total		<u>0</u>	<u>648</u>	<u>0</u>	<u>648</u>
Items that will not be reclassified to profit or loss					
Gain on revaluation of property, plant and equipment	20	29,788	47,258	29,788	47,258
Distributions from subsidiary		0	(1,633)	0	(1,633)
Net actuarial gains/(losses) recognised in respect of defined benefit plans		1,470	(1,964)	1,470	(1,964)
Total		<u>31,258</u>	<u>43,661</u>	<u>31,258</u>	<u>43,661</u>
Total other comprehensive income		<u>31,258</u>	<u>44,309</u>	<u>31,258</u>	<u>44,309</u>
Total comprehensive income		<u>209,895</u>	<u>215,436</u>	<u>209,114</u>	<u>213,907</u>
Total comprehensive income attributable to members of The University of Sydney		<u>209,895</u>	<u>215,436</u>	<u>209,114</u>	<u>213,907</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 2019

		Economic entity (Consolidated)		Parent entity (University)	
		2019	2018	2019	2018
	Notes	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	565,169	534,165	565,169	534,165
Receivables and contract assets	12	193,797	152,552	193,797	152,552
Other financial assets	13	0	3,702	0	3,702
Other non-financial assets	16	33,001	58,289	33,001	58,289
Total current assets		791,967	748,708	791,967	748,708
Non-current assets					
Receivables and contract assets	12	1,537,947	1,489,629	1,537,947	1,489,629
Other financial assets	13	1,699,005	1,527,755	1,711,005	1,538,755
Property, plant and equipment	14	3,792,465	3,499,711	3,792,465	3,499,711
Intangible assets	15	190,184	192,722	184,055	186,593
Other non-financial assets	16	3,202	72,606	3,202	72,606
Investments accounted for using the equity method		11,944	10,163	0	0
Total non-current assets		7,234,747	6,792,586	7,228,674	6,787,294
Total assets		8,026,714	7,541,294	8,020,641	7,536,002
LIABILITIES					
Current liabilities					
Trade and other liabilities	17	535,828	302,437	535,828	302,437
Borrowings	18	13,351	0	13,351	0
Derivative financial instruments		601	9,925	601	9,925
Provisions	19	397,086	338,529	397,086	338,529
Total current liabilities		946,866	650,891	946,866	650,891
Non-current liabilities					
Borrowings	18	699,409	596,295	699,409	596,295
Provisions	19	1,636,876	1,579,559	1,636,876	1,579,559
Total non-current liabilities		2,336,285	2,175,854	2,336,285	2,175,854
Total liabilities		3,283,151	2,826,745	3,283,151	2,826,745
Net assets		4,743,563	4,714,549	4,737,490	4,709,257
EQUITY					
Parent entity interest					
Restricted funds*		685,328	613,360	685,328	613,360
Reserves	20	511,787	481,999	510,474	480,686
Retained earnings		3,546,448	3,619,190	3,541,688	3,615,211
Total equity		4,743,563	4,714,549	4,737,490	4,709,257

* 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 2019

2018

	Economic entity (Consolidated)			Parent entity (University)		
	Restricted funds \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Restricted funds \$'000	Reserves \$'000
Balance at 1 January 2018	575,331	434,093	3,489,689	4,499,113	575,331	432,780
Net result after income tax from continuing operations	38,029	0	133,098	171,127	38,029	0
Gain on revaluation of property, plant and equipment	0	47,258	0	47,258	0	47,258
Actuarial gain/(loss) on defined benefit plans	0	0	(1,964)	(1,964)	0	0
Valuation movement on hedge reserve	0	648	0	648	0	648
Distribution from subsidiary	0	0	(1,633)	(1,633)	0	0
Total comprehensive income	38,029	47,906	129,501	215,436	38,029	47,906
Balance at 31 December 2018	613,360	481,999	3,619,190	4,714,549	613,360	480,686

2019

	Restricted funds \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000	Restricted funds \$'000	Reserves \$'000
Balance at 1 January 2019	613,360	481,999	3,619,190	4,714,549	613,360	480,686
Adoption of new accounting standards*	0	0	(180,881)	(180,881)	0	0
Balance as restated	613,360	481,999	3,438,309	4,533,668	613,360	480,686
Net result after income tax from continuing operations	71,968	0	106,669	178,637	71,968	0
Gain on revaluation of property, plant and equipment	0	29,788	0	29,788	0	29,788
Actuarial gain/(loss) on defined benefit plans	0	0	1,470	1,470	0	0
Total comprehensive income	71,968	29,788	108,139	209,895	71,968	29,788
Balance at 31 December 2019	685,328	511,787	3,546,448	4,743,563	685,328	510,474

* The University has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities effective from 1 January 2019 using the modified retrospective approach. Refer to Note 33(b).

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 2019

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities					
Australian Government grants		983,252	970,739	983,252	970,739
State and Local Government grants		46,146	35,497	46,146	35,497
HECS-HELP student payments		33,076	33,487	33,076	33,487
Receipts from student fees and other customers (inclusive of GST)		1,575,091	1,356,503	1,575,091	1,356,503
Dividends received		101,280	75,868	101,280	75,868
Interest received		20,397	17,566	20,397	17,566
Interest and other costs of finance		(27,252)	(23,879)	(27,252)	(23,879)
Other investment funds received/(paid)		22,525	11,574	22,525	11,574
Payments for short term leases		(5,010)	0	(5,010)	0
Payments for employee-related expenses		(1,395,000)	(1,307,255)	(1,395,000)	(1,307,255)
Payments to suppliers (inclusive of GST)		(836,961)	(672,303)	(836,961)	(672,303)
Net cash provided by/(used in) operating activities	29	517,544	497,797	517,544	497,797
Cash flows from investing activities					
Proceeds from sale of financial assets		811,983	802,182	811,983	802,182
Proceeds from sale of property, plant and equipment and intangibles		402	430	402	430
Payments for property, plant and equipment and intangibles		(369,429)	(420,776)	(369,429)	(420,776)
Payments for financial assets		(909,040)	(919,173)	(909,040)	(919,173)
Net cash provided by/(used in) investing activities		(466,084)	(537,337)	(466,084)	(537,337)
Cash flows from financing activities					
Proceeds from borrowings		0	200,000	0	200,000
Repayment of borrowings		0	(110,000)	0	(110,000)
Payments of lease liabilities		(20,421)	0	(20,421)	0
Net cash provided by/(used in) financing activities		(20,421)	90,000	(20,421)	90,000
Net increase/(decrease) in cash and cash equivalents		31,039	50,460	31,039	50,460
Cash and cash equivalents at beginning of financial year		534,165	483,630	534,165	483,630
Effects of exchange rate changes on cash and cash equivalents		(35)	75	(35)	75
Cash and cash equivalents at end of the financial year	11	565,169	534,165	565,169	534,165

Financing facilities and balances

30(d)

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

The University of Sydney
Table of contents
for the year ended 31 December 2019

Note	Contents of the notes to the financial statements	Page
1	Basis of preparation of the financial statements	62
	Revenue	
2	Revenue and income from continuing operations	64
3	Australian Government financial assistance including Australian Government loan programs (HELP)	65
4	State and Local Government financial assistance	65
5	Fees and charges	66
6	Investment revenue and income	66
7	Consultancy and contracts	66
8	Other revenue	67
	Expenses	
9	Employee-related expenses	67
10	Other expenses	68
	Assets	
11	Cash and cash equivalents	68
12	Receivables and contract assets	69
13	Other financial assets	70
14	Property, plant and equipment	72
15	Intangible assets	76
16	Other non-financial assets	77
	Liabilities	
17	Trade and other liabilities and contract liabilities	78
18	Borrowings	79
19	Provisions	81
	Equity	
20	Reserves	83
	Disclosure notes	
21	Key management personnel disclosures	83
22	Remuneration of auditors	85
23	Commitments	86
24	Contingencies	86
25	Defined benefit plans	86
26	Related parties	92
27	Joint operations	93
28	Investments accounted for using the equity method	93
29	Reconciliation of net result after income tax from continuing operations to net cash provided by/(used in) operating activities	94
30	Financial risk management	95
31	Fair value measurement	98
32	Events occurring after the balance sheet date	101
33	Other accounting policies	101
34	Acquittal of Australian Government financial assistance	106

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 20 March 2020.

(a) Basis of preparation

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

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

The University of Sydney applies Tier 1 reporting requirements.

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

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

(ii) Historical cost convention

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

(iii) Critical accounting estimates

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

- i) Note 3 - Australian Government financial assistance
- ii) Note 4 - State and local government financial assistance
- iii) Note 14 - Property, plant and equipment
- iv) Note 19 - Provisions
- v) Note 25 - Defined benefit plans
- vi) Note 31 - Fair value measurement

(iv) Rounding amounts

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

(v) Comparative amounts

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

(vi) Foreign currency transactions and balances

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

(vii) Income tax

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

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

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

1 Basis of preparation of the financial statements (continued)

(b) Basis of consolidation (continued)

date that control ceases.

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

A list of controlled entities is contained in Note 26(b) to the financial statements.

(c) Goods and services tax (GST)

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

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

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

(d) Change in accounting estimates

The University had made the following accounting policy changes with effect from 1 January 2019. The changes represent revised accounting estimates and therefore are applied prospectively in accordance with the requirements of *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

Plant and equipment. An annual depreciation rate of 10% per annum replaces the previous annual range of 5%-7.5%. This asset category comprises musical instruments, loose furniture, microscopes, cameras and other scientific equipment. Given the rapidity of technological change, the University believes the revised policy will provide a better indication of the asset's useful lives. This change is in accordance with the requirements of *AASB 116 Property, Plant and Equipment*.

Digitised library collection. To be amortised over 10 years with a residual value of 10%. The University has previously determined an indefinite useful life to the Digitised library collections. While the nature of the digital collection is that it is both long-lived and not subject to deterioration with the effluxion of time, it is no longer appropriate to allow the value of the collection to grow indefinitely. Implementing a ten-year life, consistent with the life of the print collection, with a 10% residual, recognises both an appropriate useful life and the long-term value of the collection. This is in accordance with *AASB 138 Intangible Assets*.

On a consolidated basis, this change in accounting policy decreased the 2019 net result by \$43,193k (Digitised library collection: \$12,346k; Plant and Equipment: \$30,847k). See Note 14 and 15.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

2 Revenue and income from continuing operations

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

The University derives revenue and income from:

Revenue and Income Streams

2019	Australian Government financial assistance \$'000	State and local government financial assistance \$'000	Fees and charges \$'000	HECS-HELP - student payments \$'000	HECS-HELP Government payments \$'000	Consultancy and contracts \$'000	Royalties, trademarks and licences \$'000	Donations and Bequests \$'000	Other \$'000	Total Revenue from contracts with customers \$'000	Total Income of not-for-profit entities \$'000
Revenue and Income Streams											
Course fees and charges											
Domestic students undergraduate	0	0	993	33,076	187,660	0	0	0	0	221,729	0
Onshore overseas students undergraduate	0	0	478,418	0	0	0	0	0	0	478,418	0
Domestic students postgraduate	0	0	31,378	0	69,737	0	0	0	0	101,115	0
Onshore overseas students postgraduate	0	0	583,522	0	0	0	0	0	0	583,522	0
Continuing education	0	0	15,400	0	0	0	0	0	0	15,400	0
Other course fees and charges	0	0	41,570	0	0	0	0	0	0	41,570	0
Total course fees and charges	0	0	1,151,281	33,076	257,397	0	0	0	0	1,441,754	0
Research income	164,476	29,197	0	0	0	105,502	0	26,940	6,271	306,649	25,737
Recurrent government grants	490,691	0	0	0	0	0	0	0	0	0	490,691
Non-course fees and charges											
Student residences	0	0	36,766	0	0	0	0	0	0	36,766	0
Student amenities	0	0	13,215	0	0	0	0	0	0	13,215	0
Other	0	0	22,906	0	0	0	0	0	0	22,906	0
Total non-course fees and charges	0	0	72,887	0	0	0	0	0	0	72,887	0
Other											
Royalties	0	0	0	0	0	0	6,945	0	0	6,945	0
Other	28,230	3,815	0	0	0	5,748	0	58,437	85,741	128,006	53,965
Total Other	28,230	3,815	0	0	0	5,748	6,945	58,437	85,741	134,951	53,965
Total revenue from contracts with customers	192,706	33,012	1,224,168	33,076	257,397	111,250	6,945	5,675	92,012	1,956,241	0
Total income of not-for-profit entities	490,691	0	0	0	0	0	0	79,702	0	0	570,393
Total revenue and income	683,397	33,012	1,224,168	33,076	257,397	111,250	6,945	85,377	92,012	1,956,241	570,393

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

(a) Australian Government grants

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Commonwealth Grant Scheme	34(a)	305,698	306,096	305,698	306,096
Other grants	34(a)	5,024	(1,220)	5,024	(1,220)
Research Training Program	34(c)	95,921	97,660	95,921	97,660
Research Support Program	34(c)	84,049	88,150	84,049	88,150
Australian Research Council	34(e)	37,755	45,802	37,755	45,802
National Health and Medical Research Council		71,044	85,539	71,044	85,539
Other Commonwealth research funding		55,676	61,563	55,676	61,563
Other Commonwealth non-research funding		28,230	26,788	28,230	26,788
Total Australian Government grants		683,397	710,378	683,397	710,378

(b) Higher Education Loan Programs

HECS-HELP		183,538	180,699	183,538	180,699
FEE-HELP		69,831	72,097	69,831	72,097
SA-HELP		4,028	4,105	4,028	4,105
Total Higher Education Loan Programs	34(b)	257,397	256,901	257,397	256,901
Total Australian Government financial assistance		940,794	967,279	940,794	967,279

Research

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

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

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

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

Other Grants

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

4 State and local government financial assistance

	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-capital				
State government research grants	29,197	32,905	29,197	32,905
Other	3,815	2,592	3,815	2,592
Total non-capital	33,012	35,497	33,012	35,497
Capital				
Total capital	0	0	0	0
Total state and local government financial assistance	33,012	35,497	33,012	35,497

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

5 Fees and charges

	Note	Economic entity (Consolidated)		Parent entity (University)	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Course fees and charges					
Fee-paying onshore overseas students		1,061,940	884,693	1,061,940	884,693
Continuing education		15,400	14,533	15,400	14,533
Fee-paying domestic postgraduate students		31,091	33,583	31,091	33,583
Fee-paying domestic undergraduate students		366	502	366	502
Students undertaking non-award courses		914	1,208	914	1,208
Other course fees and charges		41,570	35,662	41,570	35,662
Total course fees and charges		1,151,281	970,181	1,151,281	970,181
Other non-course fees and charges					
Student residences		36,766	26,639	36,766	26,639
Student Services and Amenities Fees from students	34(h)	13,215	12,117	13,215	12,117
Other non-course fees and charges		22,906	18,923	22,906	18,923
Total non-course fees and charges		72,887	57,679	72,887	57,679
Total fees and charges		1,224,168	1,027,860	1,224,168	1,027,860

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

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

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

6 Investment revenue and income

	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Distributions from managed funds	75,245	57,562	75,245	57,562
Dividends received	23,807	20,895	23,807	20,895
Interest received	20,397	17,566	20,397	17,566
Total investment revenue	119,449	96,023	119,449	96,023
Change in fair value of financial assets designated at fair value through profit or loss	71,491	27,948	71,491	27,948
Realised gain/(loss) on financial assets at fair value through profit or loss	22,525	11,573	22,525	11,573
Total other investment income	94,016	39,521	94,016	39,521
Total investment income	213,465	135,544	213,465	135,544

Investment income is recognised as it is earned.

7 Consultancy and contracts

	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Consultancy	5,748	5,187	5,748	5,187
Contract research	105,502	120,406	105,502	120,406
Total consultancy and contracts	111,250	125,593	111,250	125,593

Consultancy revenue is recognised in the period in which the service is provided, having regard to the stage of completion of the service. Refer to note 3(b) for the accounting policy on research funding.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

8 Other revenue

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Bequests and donations	85,377	80,943	85,377	80,943
Contributions (external organisations)	40,256	34,908	40,256	34,908
Farms	3,167	4,110	3,167	4,110
Reimbursement income	20,563	21,330	20,563	21,330
Shop sales	5,786	4,601	5,786	4,601
Veterinary/medical practice income	8,017	8,968	8,017	8,968
Other revenue	14,223	12,109	14,223	12,109
Total other revenue	177,389	166,969	177,389	166,969

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

Bequests and donations

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

9 Employee-related expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	545,816	517,373	545,816	517,373
Contributions to superannuation schemes				
Contributions to funded schemes	42,782	40,521	42,782	40,521
Contributions to unfunded schemes	45,931	43,414	45,931	43,414
Payroll tax	37,998	36,045	37,998	36,045
Workers' compensation	1,380	1,179	1,380	1,179
Long service leave expense	26,795	16,353	26,795	16,353
Annual leave	37,631	31,737	37,631	31,737
Termination payments	3,986	3,453	3,986	3,453
Total academic	742,319	690,075	742,319	690,075
Non-academic				
Salaries	510,310	478,016	510,310	478,016
Contributions to superannuation schemes				
Contributions to funded schemes	38,434	35,837	38,434	35,837
Contributions to unfunded schemes	41,264	38,396	41,264	38,396
Payroll tax	34,502	32,204	34,502	32,204
Workers' compensation	716	361	716	361
Long service leave expense	19,611	13,255	19,611	13,255
Annual leave	35,368	29,396	35,368	29,396
Termination payments	12,655	7,446	12,655	7,446
Total non-academic	692,860	634,911	692,860	634,911
Employee Related Expenses	1,435,179	1,324,986	1,435,179	1,324,986
Deferred employee benefits for superannuation*	33	5	33	5
Total employee related expenses	1,435,212	1,324,991	1,435,212	1,324,991

* Includes expense of \$33k (2018: expense of \$5k) for the Professorial Superannuation Scheme. Refer to note 19(c) for accounting policies on employee benefits.

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

10 Other expenses

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotional expenses	10,764	10,711	10,764	10,711
Audit fees, bank charges, legal costs, insurance and taxes	12,972	14,558	12,972	14,558
Communications	11,480	11,711	11,480	11,711
Farm operations	11,048	10,332	11,048	10,332
Library materials	8,929	7,957	8,929	7,957
Laboratory, medical supplies and materials	27,080	26,776	27,080	26,776
Licences, patents, copyright and commissions	48,043	38,111	48,043	38,111
Non-capitalised equipment	24,829	31,155	24,829	31,155
Operating leases and rental expenses	6,350	14,134	6,350	14,134
Printing and stationary	15,657	13,217	15,657	13,217
Rent and room hire	1,321	17,475	1,321	17,475
Software licences	28,512	24,606	28,512	24,606
Travel, staff development and training	54,876	51,261	54,876	51,261
Utilities and cleaning	48,617	46,940	48,617	46,940
Other expenses	22,662	24,793	22,662	24,793
Total other expenses	333,140	343,737	333,140	343,737

11 Cash and cash equivalents

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	177,797	187,855	177,797	187,855
Short term deposits at call	387,372	346,310	387,372	346,310
Total cash and cash equivalents in the statement of financial position and statement of cash flows*	565,169	534,165	565,169	534,165

As at 31 December 2019, the amount of cash and cash equivalents held by the University that was subject to capital preserved trust restrictions was \$25,800k (2018: \$25,000k).

* These are interest bearing at a variable average rate of 2.02% (2018: 2.15%).

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

12 Receivables and contract assets

		Economic entity (Consolidated)		Parent entity (University)	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Current					
Trade receivables		60,379	50,730	60,379	50,730
Student fees and loans		9,835	9,079	9,835	9,079
Less: allowance for expected credit losses		(11,089)	(3,335)	(11,089)	(3,335)
Total trade receivables		59,125	56,474	59,125	56,474
Accrued income and other receivables		35,239	24,658	35,239	24,658
Contract assets (a)		199	0	199	0
Deferred government benefits for superannuation*	25(d)	99,234	71,420	99,234	71,420
Total other receivables		134,672	96,078	134,672	96,078
Total current receivables		193,797	152,552	193,797	152,552
Non-current					
Deferred government benefits for superannuation*	25(d)	1,532,411	1,485,572	1,532,411	1,485,572
Super Asset Plan (Professorial Superannuation System)	25(d)	5,118	3,666	5,118	3,666
Other receivables		418	391	418	391
Total non-current receivables		1,537,947	1,489,629	1,537,947	1,489,629

* The University contributes to three superannuation schemes within the State Authorities Superannuation Trustee Corporation, see Note 25(f). These are subject to reimbursement arrangements under the *Higher Education Support Act 2003*, in the proportion of 78:22 between the Commonwealth and NSW governments respectively.

Trade receivables

As at 31 December 2019 current receivables of the University with a nominal value of \$11,089k (2018: \$3,335k) were impaired.

The amount of the provision that relates to specific expected credit losses was \$11,062k (2018: \$2,789k). The individually impaired receivables mainly relate to private sector organisations' expected credit loss due to unexpected difficult economic situations.

The remaining provision of \$27k (2018: \$546k) is a provision for a portion of receivables over ninety days where it was assessed that this portion of the receivables is not expected to be recovered.

As at 31 December 2019 trade receivables of \$22,672k (2018: \$22,942k) 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)	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Under 3 months		19,454	12,817	19,454	12,817
3 to 6 months		2,381	3,404	2,381	3,404
6 to 12 months		708	3,081	708	3,081
Over 12 months		129	3,640	129	3,640
Total past due but not impaired receivables		22,672	22,942	22,672	22,942

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

At 1 January	3,335	2,229	3,335	2,229
Provision for expected credit losses	7,996	1,613	7,996	1,613
Receivables written off	(242)	(507)	(242)	(507)
At 31 December	11,089	3,335	11,089	3,335

12 Receivables and contract assets (continued)

Trade receivables (continued)

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less allowance for expected credit losses.

Impairment

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

- a) The contract assets recognised upon adoption of AASB 15 Revenue from Contracts with Customers as at the beginning and end of the year are:

	Economic entity (Consolidated)		Parent entity (University)	
	2019 Closing balance \$'000	2019 Opening balance \$'000	2019 Closing balance \$'000	2019 Opening balance \$'000
Contract assets				
Contract assets - current	199	41	199	41

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

13 Other financial assets

	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Other financial assets at fair value through profit or loss				
Forwards and futures	0	3,702	0	3,702
Total current other financial assets through profit or loss	0	3,702	0	3,702
Non-current				
Other financial assets at fair value through profit or loss				
Listed securities	287,038	240,387	287,038	240,387
External fund managers*	1,285,234	1,183,835	1,285,234	1,183,835
Floating rate notes	75,509	69,126	75,509	69,126
Convertible notes	4,782	4,357	4,782	4,357
Shares in unlisted companies	42,348	25,290	54,348	36,290
Total non-current other financial assets at fair value through profit or loss	1,694,911	1,522,995	1,706,911	1,533,995
Financial assets at amortised cost				
Loans receivable	4,094	4,760	4,094	4,760
Total non-current other financial assets at amortised cost	4,094	4,760	4,094	4,760
Total non-current other financial assets	1,699,005	1,527,755	1,711,005	1,538,755
Total other financial assets	1,699,005	1,531,457	1,711,005	1,542,457

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

13 Other financial assets (continued)

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 the Income statement. Transaction costs incurred in the acquisition of financial assets at fair value through profit or loss are recognised as expenses in net profit in the period in which they are incurred.

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

Financial assets at amortised cost

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

Derecognition

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

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

14 Property, plant and equipment

Parent entity (University)/ Economic entity
(Consolidated)

At 1 January 2018

Cost
Valuation
Accumulated depreciation and impairment

Net book amount

Year ended 31 December 2018

Cost and valuation:

Additions

Transfer from work in progress

Donations

Asset disposals

Asset retirements

Revaluation increment/(decrement)

Non-capitalisable costs

Transfers/recategorisation

Depreciation

Depreciation

Write back accumulated depreciation on
asset:

Disposals

Retirements

Revaluations

Transfers/recategorisation

Closing net book amount

At 31 December 2018

Cost

Valuation

Accumulated depreciation and impairment

Net book amount

The University of Sydney Notes to the financial statements for the year ended 31 December 2019 (continued)

	Teaching and research land \$'000	Teaching and research building \$'000	Teaching and research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Total \$'000
182,647	1,795,464	183,678	0	0	805,704	82,576	310,846	0	542,681	3,903,596		
0	0	0	259,544	271,418	3,030	0	250,419	0	784,411			
0	(506,713)	(64,472)	0	0	(362,015)	(28,207)	0	0	(394,961)	(1,356,368)		
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	
0	0	0	0	520	0	32,319	10,704	339,644	1,149	1,024	385,360	
18	127,807	10,522	0	3,711	0	61,894	2,041	(209,250)	0	(3,257)	0	
0	0	0	0	0	0	0	0	0	4,925	102	5,027	
0	0	0	0	0	0	(1,203)	0	0	0	0	(1,203)	
0	(33,745)	0	0	0	0	(8,287)	0	0	(19)	0	(42,051)	
0	0	0	59,828	(9,423)	338	0	0	(10,647)	0	40,096		
0	0	0	(58)	0	0	0	(53,395)	0	0	(53,453)		
0	(9,626)	0	0	0	0	(3,778)	(30,938)	0	0	(44,342)		
0	(43,748)	(3,920)	0	(7,096)	(66)	(70,099)	(3,650)	0	0	(47,536)	(176,115)	
0	0	0	0	0	0	764	0	0	0	0	764	
0	31,748	0	0	0	0	7,271	0	0	0	0	39,019	
0	0	0	0	0	7,096	66	0	0	0	0	7,162	
0	993	0	0	0	0	0	754	9,318	0	0	11,065	
182,665	1,362,180	125,808	319,314	266,226	3,368	463,324	41,844	387,845	245,827	101,310	3,499,711	
182,665	1,879,901	194,200	0	0	886,651	64,382	387,845	0	543,807	4,139,451		
0	0	0	319,314	266,226	3,368	0	0	245,827	0	834,735		
0	(517,721)	(68,392)	0	0	(423,327)	(22,538)	0	0	(442,497)	(1,474,475)		
182,665	1,362,180	125,808	319,314	266,226	3,368	463,324	41,844	387,845	245,827	101,310	3,499,711	

14 Property, plant and equipment (continued)

Parent entity (University)/ Economic entity (Consolidated)	Teaching and research land \$'000	Teaching and research building \$'000	Teaching and research infrastructure \$'000	Commercial land \$'000	Commercial building \$'000	Commercial infrastructure \$'000	Plant and equipment \$'000	Leasehold improvement \$'000	Work in progress \$'000	Heritage assets \$'000	Library collections \$'000	Right-of-use assets - Leasing \$'000	Total \$'000
At 1 January 2019													
Cost	182,665	1,879,901	194,200	0	0	0	886,651	64,382	387,845	0	543,807	0	4,139,451
Valuation	0	0	0	319,314	266,226	3,368	0	0	0	245,827	0	0	834,735
Accumulated depreciation and impairment	0	(517,721)	(68,392)	0	0	0	(423,327)	(22,538)	0	0	(442,497)	0	(1,474,475)
Net book amount	182,665	1,362,180	125,808	319,314	266,226	3,368	463,324	41,844	387,845	245,827	101,310	0	3,499,711
Adoption of AASB 16*	0	0	0	0	0	0	0	(17,033)	0	0	0	157,487	140,454
Restated net book amount	182,665	1,362,180	125,808	319,314	266,226	3,368	463,324	24,811	387,845	245,827	101,310	157,487	3,640,165
Year ended 31 December 2019													
Cost and valuation:													
Additions	0	0	0	397	758	0	43,474	0	307,323	562	1,012	81,833	435,359
Transfer from work in progress	0	104,171	7,838	0	72,455	0	109,585	14,362	(340,100)	0	0	22,598	(9,091)
Donations	0	0	0	0	0	0	0	0	0	2,013	0	0	2,013
Asset disposals	0	0	0	0	0	0	(801)	0	0	0	0	(22,049)	(22,850)
Asset retirements	0	0	0	0	0	0	(2,153)	0	0	(181)	0	0	(2,334)
Revaluation increment/(decrement)	0	0	0	16,485	(7,466)	36	0	0	0	11,994	0	0	21,049
Non-capitalisable costs	0	0	0	0	0	0	0	0	(50,009)	0	0	0	(50,009)
Transfers/recategorisation	0	(963)	0	0	192	0	771	4,680	31,029	0	0	(14,032)	21,677
Depreciation													
Depreciation	0	(50,666)	(4,499)	0	(8,660)	(74)	(111,070)	(6,804)	0	0	(47,583)	(24,938)	(254,296)
Write back accumulated depreciation on asset:													
Disposals	0	0	0	0	0	0	619	0	0	0	0	0	619
Retirements	0	0	0	0	0	0	1,389	0	0	0	0	0	1,389
Revaluations	0	0	0	0	8,665	74	-	0	0	0	0	0	8,739
Transfers/recategorisation	0	203	0	0	(4)	0	(164)	0	0	0	0	0	35
Closing net book amount	182,665	1,414,923	129,147	336,196	332,166	3,404	504,974	37,049	336,088	260,215	54,739	200,899	3,792,465
At 31 December 2019													
Cost	182,665	1,983,109	202,038	0	0	0	1,037,527	66,391	336,088	0	544,819	225,837	4,578,474
Valuation	0	0	0	336,196	332,166	3,404	0	0	0	260,215	0	0	931,981
Accumulated depreciation and impairment	0	(568,186)	(72,891)	0	0	0	(532,553)	(29,342)	0	0	(490,080)	(24,938)	(1,717,990)
Net book amount	182,665	1,414,923	129,147	336,196	332,166	3,404	504,974	37,049	336,088	260,215	54,739	200,899	3,792,465

* Refer to note 33(c).

14 Property, plant and equipment (continued)

Non-commercial assets

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

Commercial land, buildings and infrastructure

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

Commercial teaching and research land, buildings, and infrastructure are externally valued every year with a formal valuation occurring every five years. The last formal valuation was undertaken as at 31 December 2018. Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation increment/(decrement). To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the Income statement.

Heritage assets

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

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 \$42,800k (2018: \$42,700k).

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.

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

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

Asset sales

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

Depreciation

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

	2019	2018
Plant and equipment	10%-25%	5%-25%
Buildings and infrastructure	2%	2%
Leasehold improvements*	Various	Various
Library collections	10%	10%
Right-of-use assets*	Various	N/A

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

14 Property, plant and equipment (continued)

Right-of-use assets

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

Economic entity (Consolidated)/Parent entity (University)

	Property	Motor Vehicles	Equipment	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January 2019	150,238	1,445	5,804	157,487
Additions of Right-of-use assets including WIP transfer	104,131	(360)	660	104,431
Disposals of Right-of-use assets	(22,049)	0	0	(22,049)
Make good provision movement	(4,163)	0	0	(4,163)
Depreciation charge	(20,513)	(406)	(4,019)	(24,938)
Recategorisation	(9,869)	0	0	(9,869)
At 31 December 2019	197,775	679	2,445	200,899

Policy applicable from 1 January 2019

Right-of-use assets

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

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

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

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

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

The University assesses whether:

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

Accounting for leases - University as lessee

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

Concessionary and peppercorn leases

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

Accounting for leases - University as lessor

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

15 Intangible assets

2018

	Economic entity (Consolidated)				Parent entity (University)				
	Computer software \$'000	Other intangibles \$'000	Digitised library collections \$'000	Goodwill on consolidation \$'000	Total \$'000	Computer software \$'000	Other intangibles \$'000	Digitised library collections \$'000	Total \$'000
At 1 January 2018									
Cost	163,671 (96,813)	4,055 (1,176)	111,306 0	6,129 0	285,161 (97,989)	163,671 (96,813)	4,055 (1,176)	111,306 0	279,032 (97,989)
Net book amount	66,858	2,879	111,306	6,129	187,172	66,858	2,879	111,306	181,043
Year ended 31 December 2018									
Additions	1,476	0	17,553	0	19,029	1,476	0	17,553	19,029
Transfer from work in progress	3,254	0	0	0	3,254	3,254	0	0	3,254
Transfers and recategorisation	2,115	0	0	0	2,115	2,115	0	0	2,115
Asset retirements	(26,673)	0	0	0	(26,673)	(26,673)	0	0	(26,673)
Amortisation									
Amortisation charge	(18,449)	(167)	0	0	(18,616)	(18,449)	(167)	0	(18,616)
Asset retirements/recategorisation	26,441	0	0	0	26,441	26,441	0	0	26,441
Closing net book amount	55,022	2,712	128,859	6,129	192,722	55,022	2,712	128,859	186,593
At 31 December 2018									
Cost	143,842 (88,820)	4,055 (1,343)	128,859 0	6,129 0	282,885 (90,163)	143,842 (88,820)	4,055 (1,343)	128,859 0	276,756 (90,163)
Net book amount	55,022	2,712	128,859	6,129	192,722	55,022	2,712	128,859	186,593

2019

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

15 Intangible assets (continued)

Goodwill

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

Computer software

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

Digitised library collections

The digitised library collections (items for which the University holds a perpetual licence and are not expected to be subject to technical obsolescence or incur maintenance costs) is amortised over 10 years with 10% residual value with effect from 1 January 2019.

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 an indefinite useful life.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

16 Other non-financial assets

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Prepaid expense	32,947	58,230	32,947	58,230
Inventories	54	59	54	59
Total current other non-financial assets	33,001	58,289	33,001	58,289
Non-current				
Livestock				
Balance 1 January	4,224	5,158	4,224	5,158
Purchases and natural increase/revaluation	120	(104)	120	(104)
Sales and natural decrease	(1,142)	(830)	(1,142)	(830)
Total livestock	3,202	4,224	3,202	4,224
Prepaid lease				
Prepaid lease*	0	68,382	0	68,382
Total prepaid lease	0	68,382	0	68,382
Total non-current other non-financial assets	3,202	72,606	3,202	72,606
Total other non-financial assets	36,203	130,895	36,203	130,895

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

* During 2019, the University reclassified all prepaid leases as Right-of-use assets in Property, Plant and Equipment in accordance with AASB 16 Leases.

17 Trade and other liabilities and contract liabilities

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables	26,703	42,310	26,703	42,310
OS-HELP liability to Australian Government	2,813	2,929	2,813	2,929
Prepaid income	137,332	118,813	137,332	118,813
Financial liability pass through	742	0	742	0
Contract liabilities	249,339	0	249,339	0
Accrued expenses	118,899	138,385	118,899	138,385
Total trade and other liabilities	535,828	302,437	535,828	302,437

Foreign currency risk

The total trade and other liabilities of the economic entity shown above includes \$400k (2018: \$3,200k) denominated in currencies other than Australian dollars.

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

Contract liabilities

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

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

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$129,515k.

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

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

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

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

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

17 Trade and other liabilities and contract liabilities (continued)

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

Contract liabilities above include transfers received to acquire or construct a recognisable non-financial asset to be controlled by the University. These contract liabilities were \$28,184k as at 1 January 2019 and \$20,742k as at 31 December 2019.

During the reporting period, movements in the liability arose from cash receipts of \$7,889k and income recognised of \$15,331k as a result of acquiring or constructing non-financial assets.

There was no Australian Government unspent financial assistance in relation to transfers to acquire or construct a non-financial asset in the opening or closing balance for 2019.

Liabilities related to contracts with customers:

	Economic entity (Consolidated)		Parent entity (University)	
	2019 Closing balance \$'000	2019 Opening balance \$'000	2019 Closing balance \$'000	2019 Opening balance \$'000
Contract liabilities				
Contract liabilities - current	249,339	179,085	249,339	179,085

18 Borrowings

	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Lease liabilities	13,351	0	13,351	0
Total current borrowings	13,351	0	13,351	0
Non-current				
Bonds payable	597,538	596,295	597,538	596,295
Lease liabilities	101,871	0	101,871	0
Total non-current borrowings	699,409	596,295	699,409	596,295
Total borrowings	712,760	596,295	712,760	596,295

The fair value of borrowings at balance sheet date was \$681,906k (2018: \$630,064k). Refer to Note 31 for fair value measurement. For an analysis of the sensitivity of borrowings to interest rate and foreign exchange risk refer to Note 30.

	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 rate method.

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

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

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

18 Borrowings (continued)

University as lessee

Amounts recognised in the Income statement

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

Maturity analysis - undiscounted contractual cash flows

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Less than one year	14,690	27,332	14,690	27,332
One to five years	52,814	65,520	52,814	65,520
More than 5 years	86,082	24,858	86,082	24,858
Total undiscounted contractual cash flows*	153,586	117,710	153,586	117,710

* The 2018 comparative disclosure has been prepared under the requirements of AASB 117 Leases. The 2019 disclosure is prepared under the requirements of AASB 16 Leases.

Lease liability

Policy applicable from 1 January 2019

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

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

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

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

Short-term leases and leases of low-value assets

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

18 Borrowings (continued)

University as lessee (continued)

Amounts recognised in Statement of cash flows

	Economic entity (Consolidated)	Parent entity (University)
	2019 \$'000	2019 \$'000
Financing cash outflow for leases	20,421	20,421
Total financing cash outflow for leases	20,421	20,421

19 Provisions

(a) Provisions

	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	86,346	80,288	86,346	80,288
Long service leave	40,695	38,546	40,695	38,546
Defined benefit obligation	99,234	71,420	99,234	71,420
Provision for termination payment	9,324	5,217	9,324	5,217
Provision for make good	68	403	68	403
Deferred lease provisions	0	376	0	376
Deferred payroll tax provisions	1,920	1,335	1,920	1,335
Subtotal	237,587	197,585	237,587	197,585
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	2,922	3,053	2,922	3,053
Long service leave	156,577	137,891	156,577	137,891
Subtotal	159,499	140,944	159,499	140,944
Total current provisions	397,086	338,529	397,086	338,529
Non-current provisions				
Employee benefits				
Long service leave	41,893	35,013	41,893	35,013
Defined benefit obligation	1,537,709	1,490,705	1,537,709	1,490,705
Provision for make good	27,523	24,386	27,523	24,386
Deferred lease provision	0	1,589	0	1,589
Deferred payroll tax provisions	29,751	27,866	29,751	27,866
Total non-current provisions	1,636,876	1,579,559	1,636,876	1,579,559
Total provisions	2,033,962	1,918,088	2,033,962	1,918,088

19 Provisions (continued)
(b) Movements in provisions

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

	Economic entity (Consolidated)			Parent entity (University)		
	Deferred lease \$'000	Make good provisions \$'000	Deferred payroll tax \$'000	Deferred lease \$'000	Make good provisions \$'000	Deferred payroll tax \$'000
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
2019						
Carrying amount at 1 January	1,965	24,789	29,201	1,965	24,789	29,201
Additional provisions recognised	0	2,802	4,043	0	2,802	4,043
Amount used or reversed	(1,965)	0	(1,573)	(1,965)	0	(1,573)
Carrying amount at 31 December	0	27,591	31,671	0	27,591	31,671

(c) Employee benefits

Current provisions

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

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

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

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

Non-current provisions

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

Termination benefits

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

(d) Other provisions

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

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

Make good provisions

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

20 Reserves

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment revaluation reserve	510,475	480,687	510,474	480,686
Associates' reserves	1,312	1,312	0	0
Balance at 31 December	511,787	481,999	510,474	480,686
Movements:				
Property, plant and equipment revaluation reserve				
Balance at 1 January	480,687	433,429	480,686	433,428
Gain on revaluation of property, plant and equipment	29,788	47,258	29,788	47,258
Balance at 31 December	510,475	480,687	510,474	480,686
Hedging reserve - cash flow hedges				
Balance at 1 January	0	(648)	0	(648)
Less: expired hedges	0	648	0	648
Balance at 31 December	0	0	0	0
Associates' reserve				
Balance at 1 January	1,312	1,312	0	0
Less: transfers from reserves	0	0	0	0
Balance at 31 December	1,312	1,312	0	0

The University has the following reserves:

(i) Property, plant and equipment revaluation reserve

This reserve is used to account for the increases or decreases in the value of assets as a result of revaluations. Increases in the value of reserves are in accordance with the valuation of assets policies stated in Note 14. Decrements in reserves are either on revaluation of assets, or on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 Impairment of Assets, where a revaluation reserve had existed for that asset class.

(ii) 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 30(e). Any gain or loss in respect of the ineffective portion of an interest rate swap is recognised immediately in profit or loss.

(iii) Associates' reserve

This represents the reserves held by associated entities and is recognised in the consolidated financial statements using the equity method of accounting (see Note 28).

21 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 S Garton
Professor Lisa Jackson-Pulver AM
Mr T Dolan (To February 2019)
Ms T Rhodes-Taylor
Mr R Fisher AM

Professor D Ivison
Ms R Murray
Professor P Pattison AO
Mr S Phillips
Professor B Messerle (From September 2019)
Ms R Ogilvie (From February 2019)

21 Key management personnel disclosures (continued)

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

	Economic entity (Consolidated)		Parent entity (University)	
	2019 Number	2018 Number	2019 Number	2018 Number
Remuneration of principal officers				
\$45,000 to \$59,999	1	0	1	0
\$75,000 to \$89,999	0	1	0	1
\$120,000 to \$134,999	0	1	0	1
\$195,000 to \$209,999	1	0	1	0
\$360,000 to \$374,999	0	1	0	1
\$450,000 to \$464,999	0	1	0	1
\$465,000 to \$479,999	1	0	1	0
\$480,000 to \$494,999	1	0	1	0
\$510,000 to \$524,999	0	1	0	1
\$525,000 to \$539,999	1	0	1	0
\$540,000 to \$554,999	1	1	1	1
\$555,000 to \$569,999	0	1	0	1
\$600,000 to \$614,999	1	0	1	0
\$630,000 to \$644,999	0	1	0	1
\$705,000 to \$719,999	2	1	2	1
\$765,000 to \$779,999	0	1	0	1
\$810,000 to \$824,999	1	0	1	0
\$930,000 to \$944,999	1	0	1	0
\$1,050,000 to \$1,064,999	0	1	0	1
\$1,515,000 to \$1,529,999	0	1	0	1
\$1,620,000 to \$1,634,999	1	0	1	0
	12	12	12	12

The Vice-Chancellor's contract was renegotiated during 2019. This year is therefore transitional with features of both contracts being summarised in the table below. All amounts disclosed are expensed in the Income statement. Remuneration included:

Short-term employee benefits:

- Base - including the base salary, allowances and leave entitlements paid and provided for in the reporting year.
- Non-monetary benefits - Up to April 2019, included occupation of a residence owned by the University which is required to be available and used regularly for official University functions and promotional activities (2018: Full year). The housing benefit ceased as of April 2019 and was replaced with a housing allowance. The housing benefits are liable for fringe benefits tax which has been included in the remuneration calculations. In addition, other benefits including payment of removal expenses and provision of a motor vehicle are costed in the remuneration package, together with the fringe benefits tax applicable to those benefits.

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 representing long service leave balance movements arising from both accruing or taking long service leave entitlements.

Post-employment benefits comprising superannuation contributions.

	Short-term employee benefits					Long-term employee benefits	Post- employment benefits	Total remuneration
	Base	Allowances	Annual leave entitlement	Non- monetary benefits	Performance payments			
	\$	\$	\$	\$	\$	\$	\$	\$
Vice-Chancellor (2019)	508,064	195,942	(7,667)	490,610	232,671	67,914	133,244	1,620,778
Vice-Chancellor (2018)	570,717	0	(3,704)	613,860	217,293	19,632	109,871	1,527,669

21 Key management personnel disclosures (continued)

(b) Key management personnel compensation

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	6,554	6,280	6,554	6,280
Post-employment benefits	920	875	920	875
Other long-term benefits	186	88	186	88
Termination benefits	40	118	40	118
Total key management personnel compensation	7,700	7,361	7,700	7,361

(c) Loans to key management personnel

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

22 Remuneration of auditors

	Economic entity (Consolidated)		Parent entity (University)	
	2019	2018	2019	2018
	\$'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	593	540	593	540
Audit fees for subsidiaries paid by parent entity	17	19	17	19
Audit fees paid by subsidiaries	74	70	0	0
Audit services by private sector contractors	71	78	24	33
Total remuneration for audit services	755	707	634	592
(b) Other audit and assurance services				
Fees related to services from the Audit Office of NSW				
Audit of regulatory returns	34	33	34	33
Fees paid to other audit firms	43	66	43	66
Total remuneration paid for other audit related services	77	99	77	99
Total remuneration of auditors	832	806	711	691

23 Commitments

Capital commitments

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

	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Property, plant and equipment (PP&E) commitments				
Within one year	144,156	249,330	144,156	249,330
Between one year and five years	7,896	57,429	7,896	57,429
Total PP&E commitments	152,052	306,759	152,052	306,759
Intangibles asset commitments				
Within one year	18,839	22,066	18,839	22,066
Total intangible asset commitments	18,839	22,066	18,839	22,066

24 Contingencies

(i) Bank guarantee facility

The University has a bank guarantee facility up to a limit of \$20,000k of which \$12,450k was used during 2019. The bank guarantees given primarily relate to provision of security for the workers' compensation insurance program.

(ii) Letters of comfort to subsidiaries

The University has provided certain controlled entities (The 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 \$2,088k (2018: net assets of \$1,854k).

25 Defined benefit plans

(a) Fund specific disclosure

State Authorities Superannuation Trustee Corporation

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

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

Professorial Superannuation System (PSS)

The Professorial Superannuation System is closed to new members. Pensioner members receive pension payments from the system. 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 2019.

25 Defined benefit plans (continued)

(a) Fund specific disclosure (continued)

Liability

A net unfunded liability for retirement benefits of \$1,631,825k (2018: \$1,558,459k) is included in the Statement of financial position as \$5,118k (2018: \$3,666k) within non-current receivables, \$1,537,710k (2018: \$1,490,705k) within non-current provisions and \$99,234k (2018: \$71,420k) within current provisions, \$1,631,645k (2018: \$1,556,992k) 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 12.

The valuation methodology and principal actuarial assumptions as at 31 December 2019 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):

	2019 %	2018 %
Discount rate(s)*	1.37%	2.33%
Expected rate(s) of salary increase**	3.20%	2.70%

* The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2019 used 1.30% (2018: 2.30%) as the discount rate assumption.

** The actuarial calculation for the Professorial Superannuation System specifically for the University of Sydney in 2019 used 2.50% (2018: 2.50%) as the salary increase assumption. The actuarial calculation for SASS, SANCS and SSS funds in 2019 used 3.20% (2018: 2.70%) as the salary increase assumption.

The University expects to make a contribution of \$101,985k (2018: \$74,841k) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation is ten years (2018: eleven 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 2019	103,940	100,563	285,059	1,321,200	1,810,762
Defined benefit obligations - 31 December 2018	103,287	101,890	291,032	1,401,329	1,897,538

(b) Categories of plan assets

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

	2019 \$'000		2018 \$'000	
	Active Market	No Active Market	Active Market	No Active Market
Cash and cash equivalents	13,299	7,583	12,879	9,479
Equity instruments	90,585	9,585	80,223	12,284
Debt instruments	6,251	13,641	3,604	15,084
Property	2,915	11,455	2,555	12,366
Other	3,661	38,733	7,427	42,952
Total	116,711	80,997	106,688	92,165

25 Defined benefit plans (continued)

(c) Actuarial assumptions and sensitivity

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	+/-1.0%	Decrease by 9.8%	Increase by 11.7%
Salary growth rate	+/-0.05%	Increase by 0.2%	Decrease by 0.2%

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

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

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

25 Defined benefit plans (continued)

(d) Statement of financial position amounts

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

25 Defined benefit plans (continued)

(d) Statement of financial position amounts (continued)

	\$'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
	130,845	22,401	1,618,454	30,171	1,801,871
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)
	234	(881)	54,890	306	54,549
Contributions					
Plan participants	1,436	0	472	0	1,908
Total	1,436	0	472	0	1,908
Payments from plan					
Benefits paid	(18,268)	(2,775)	(77,030)	(2,942)	(101,015)
	(18,268)	(2,775)	(77,030)	(2,942)	(101,015)
Closing defined benefit obligation	114,247	18,745	1,596,786	27,535	1,757,313
Present value of plan assets - 2018					
Opening fair value of plan assets	125,404	(1,372)	60,009	34,842	218,883
	125,404	(1,372)	60,009	34,842	218,883
Remeasurements					
Interest expense/(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
	1,881	16	977	(556)	2,318
Contributions					
Employers	0	6,434	75,376	0	81,810
Plan participants	1,437	0	471	0	1,908
	1,437	6,434	75,847	0	83,718
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)
	(18,619)	(3,038)	(81,323)	(3,085)	(106,065)
Closing fair value of plan assets	110,103	2,040	55,510	31,201	198,854
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 profit or loss	(18)	31	181	(5)	189
Remeasurement through other comprehensive income	(395)	(74)	233	(1,728)	(1,964)
Closing value of reimbursement right	993	16,020	1,539,979	0	1,556,992
Net liability reconciliation - 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	4,144	16,705	1,541,276	(3,666)	1,558,459
Reimbursement right	993	16,020	1,539,979	0	1,556,992
Total net liability/(asset) in statement of financial position	3,151	685	1,297	(3,666)	1,467

25 Defined benefit plans (continued)

(e) UniSuper defined benefit division (UniSuper)

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

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

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

As at 30 June 2019, the assets of UniSuper in aggregate, were estimated to be \$5,643,000k above vested benefits, after allowing for various reserves. As at 30 June 2018 the total assets of UniSuper were estimated to be \$3,785,000k above vested benefits. The vested benefits are benefits that are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the Defined Benefit Division.

As at 30 June 2019, the assets of UniSuper in aggregate were estimated to be \$7,301,000k above accrued benefits, after allowing for various reserves. As at 30 June 2018 the assets of the fund were estimated to be \$5,477,000k above accrued benefits. The accrued benefits have been calculated as the present value of expected future benefits payments to members and indexed pensioners that arise from membership of UniSuper up to the reporting date.

(f) Retirement benefit obligations

The University provides for superannuation based on information and formulae provided by the Superannuation Administration Corporation in respect of contributors to the defined benefit schemes administered by the SAS Trustee Corporation. 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 System.

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

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

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

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

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

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

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

26 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	
		2019	2018
		%	%
A14 Holdings Pty Limited	Camperdown, NSW	100	100
Kolling Joint Venture Management Pty Limited*	Camperdown NSW	0	100
Suzhou Xi Su Commercial Consulting Co., Limited	Suzhou, China	100	100
SydneyLearning Pty Limited**	Camperdown, NSW	0	100
Sydney Talent Pty Limited***	Camperdown, NSW	0	100
The Warren Centre for Advanced Engineering Limited	Camperdown, NSW	100	100
Westmead IVF Pty Limited	Westmead, NSW	100	100

* Entity was wound up and deregistered on 20 November 2019.

** Entity was wound up and deregistered on 8 June 2019.

*** Entity was wound up and deregistered on 19 February 2019.

(c) Transactions with related parties

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

	2019	2018
	\$'000	\$'000
Controlled entities		
Sale of goods and services	178	120
Interest income	46	43
Purchase of goods and services	2,497	2,569
Grants and funding expense	165	477
Distribution from controlled entity	0	(1,633)
Associates and joint venture		
Sales of goods and services	8,561	7,077
Purchase of goods and services	18,050	16,967
Investment in associate	1,000	1,000

(d) Outstanding balances

	2019	2018
	\$'000	\$'000
Controlled entities		
Trade and other receivables	264	473
Loans receivables	1,288	1,252
Investment in controlled entity	325	325
Trade and other payables	1,065	1,027
Associates and joint venture		
Trade and other receivables	1,203	338
Trade and other payables	163	518

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.

27 Joint operations

Name of joint operations	Nature of relationship	Principle place of business	Ownership interest/ voting rights held	
			2019 %	2018 %
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.

28 Investments accounted for using the equity method

(a) Associates

Name of Entity	Place of business	Measurement method	Ownership Interest	
			2019 %	2018 %
Abercrombie Street Childcare Limited*	Darlington, NSW	Equity method	1	1
Ab initio Pharma Pty Ltd****	Camperdown, NSW	Equity method	25	0
Agerris Pty Ltd****	Sydney, NSW	Equity method	26	0
Acumine Pty Limited***	Eveleigh, NSW	Equity method	0	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
Gradient Institute Ltd*/****	Sydney, NSW	Equity method	20	0
Immune Signatures Pty Ltd	Sydney, NSW	Equity method	35	35
Kinoxis Therapeutics Pty Ltd	Camberwell, VIC	Equity method	25	25
Medsaic Pty Limited	Camperdown, NSW	Equity method	22	22
Nexcan Laboratories Limited****	Sydney, NSW	Equity method	35	0
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	26
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

* 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.

**** These companies became the University's associates during 2019.

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

The University's share of an associates' 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.

28 Investments accounted for using the equity method (continued)

(b) Joint ventures

Name of Entity	Place of business	Measurement method	Ownership Interest %	
			2019	2018
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.

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

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result after income tax from continuing operations	178,637	171,127	177,856	169,598
Depreciation and amortisation	284,747	194,731	284,747	194,731
Retired assets written off	946	3,265	946	3,265
(Gain)/loss on disposal of property, plant and equipment	(221)	12	(221)	12
Non-cash investment income	(72,272)	(27,948)	(71,491)	(27,948)
Non-cash impairment of receivables	8,043	1,128	8,043	1,128
Non-cash other (income)/expenses	(3,043)	87,363	(3,043)	88,892
(Increase)/decrease in inventories	5	581	5	581
(Increase)/decrease in receivables	(89,563)	(17,122)	(89,563)	(17,122)
(Increase)/decrease in other assets	1,021	(26,277)	1,021	(26,277)
(Increase)/decrease in current non-financial assets	(5,745)	(21,339)	(5,745)	(21,339)
Increase/(decrease) in payables	52,514	75,693	52,514	75,693
Increase/(decrease) in other liabilities	46,605	9,171	46,605	9,171
Increase/(decrease) in provisions	115,870	47,412	115,870	47,412
Net cash provided by operating activities	517,544	497,797	517,544	497,797

Reconciliation of liabilities arising from financing activities

	1 January 2019 \$'000	Cash flow payment \$'000	Acquisition/ Disposal \$'000	Non-cash changes			31 December 2019 \$'000
				Foreign exchange movement \$'000	Fair value changes \$'000	Other \$'000	
Long-term borrowings	596,295	0	0	0	0	1,243	597,538
Lease liabilities	67,729	(20,421)	62,998	0	4,916	0	115,222

30 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.

When appropriate, the University uses interest rate swaps to hedge the interest rate risk on a portion of its borrowings drawn on its floating rate bank debt facility. These interest rate swaps are designated as cash flow hedge accounting relationships; see Note 30(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.

30 Financial risk management (continued)

(a) Market risk (continued)

(iv) Summarised sensitivity analysis

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

Economic entity (Consolidated)

31 December 2019

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

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

(b) Credit risk

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

Credit exposure of the debt portfolio is controlled by counterparty limits that are reviewed and approved by the Investment Sub-Committee. Credit risks in respect to the deferred government contribution for superannuation are discussed at Note 12. The University does not have any other significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because counterparties are banks with investment grade long term credit ratings assigned by international credit rating agencies.

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

(c) Liquidity risk

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

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

In addition, the University maintains lines of credit as disclosed below in Note 30(d).

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

30 Financial risk management (continued)

(c) Liquidity risk (continued)

The following tables detail the University's maturity profile as at 31 December 2019 and as at 31 December 2018:

Economic entity (Consolidated)

31 December 2019

	Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial liabilities					
Other current liabilities	119,641	0	0	119,641	119,641
Creditors	29,516	0	0	29,516	29,516
Borrowings	0	200,000	400,000	600,000	597,538
Derivative financial instruments	601	0	0	601	601
Lease liabilities	14,690	52,814	86,082	153,586	115,222
Total financial liabilities	164,448	252,814	486,082	903,344	862,518

31 December 2018

Financial liabilities

Other current liabilities	138,385	0	0	138,385	138,385
Creditors	45,239	0	0	45,239	45,239
Borrowings	0	200,000	400,000	600,000	596,295
Derivative financial instruments	9,925	0	0	9,925	9,925
Total financial liabilities	193,549	200,000	400,000	793,549	789,844

(d) Financial facilities and balances

The University has an unsecured bank line of credit facility of \$200,000k which was undrawn at 31 December 2019 and 31 December 2018.

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

There is also a \$18,035k credit card facility of which \$829k has been utilised at 31 December 2019, and a letter of credit facility of up to \$100k which was unutilised during 2019. The University also has access to a \$20,000k bank guarantee facility of which \$12,450k has been utilised at 31 December 2019.

(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 2019.

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

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

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

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

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

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

Derivatives that do not qualify for hedge accounting

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

31 Fair value measurement

(a) Fair value measurements

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

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

The only balance where the carrying amount and aggregate fair values of financial liabilities differ at balance date is borrowings, as disclosed in Note 18.

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)

(i) Recognised fair value measurements

Fair value measurements are categorised into the following levels at 31 December 2019.

	Notes	2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets at fair value through profit or loss					
Listed securities	13	287,038	287,038	0	0
Convertible notes	13	4,782	4,600	182	0
Managed funds	13	1,285,234	0	1,285,234	0
Unlisted securities	13	42,348	0	0	42,348
Floating rate notes	13	75,509	0	73,506	2,003
Total financial assets at fair value through profit or loss		1,694,911	291,638	1,358,922	44,351
Non-financial assets					
Land and buildings	14	671,766	0	274,959	396,806
Heritage assets	14	260,215	0	240,487	19,727
Livestock	16	3,202	0	3,202	0
Total non-financial assets		935,183	0	518,648	416,533
Financial liabilities					
Borrowings	18	681,906	0	681,906	0
Derivative financial instruments		601	0	601	0
Total liabilities		682,507	0	682,507	0

31 Fair value measurement (continued)

(b) Fair value hierarchy (continued)

	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	13	240,387	240,387	0	0
Convertible notes	13	4,357	4,175	183	0
Managed funds	13	1,183,835	0	1,183,835	0
Unlisted securities	13	25,290	0	0	25,290
Floating rate notes	13	69,126	0	69,126	0
Forward and futures	13	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 buildings	14	588,908	0	260,769	328,138
Heritage assets	14	245,827	0	231,531	14,296
Livestock	16	4,224	0	4,224	0
Total non-financial assets		838,959	0	496,524	342,434
Financial liabilities					
Borrowings	18	629,842	0	629,842	0
Derivative financial instruments		9,925	0	9,925	0
Total liabilities		639,767	0	639,767	0

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

(ii) Disclosed fair values

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

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the University for similar financial instruments (level 3).

Where applicable, the fair value of non-current borrowings disclosed in Note 18 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the University for similar financial instruments.

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

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

(i) Recurring fair value measurements

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

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

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

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

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

31 Fair value measurement (continued)

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

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 31(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.

(ii) Non-recurring fair value measurements

Land and non-current assets (or disposal groups) classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the land was also determined using the sales comparison approach as described under (i) above.

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2019 and 2018.

	Commercial properties	Unlisted securities	Heritage assets	Total
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair Value Measurement 2019				
Balance at 1 January 2019	328,138	25,290	14,296	367,724
Transfers from WIP	67,040	0	0	67,040
Recognised in profit or loss	0	17,058	5,431	22,489
Recognised in other comprehensive income	1,628	0	0	1,628
Balance 31 December 2019	396,806	42,348	19,727	458,881

	Commercial properties	Unlisted securities	Heritage assets	Total
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair Value Measurement 2018				
Balance at 1 January 2018	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 out of level 3	(4,111)	0	0	(4,111)
Transfer 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 2018	328,138	25,290	14,296	367,724

31 Fair value measurement (continued)

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

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 2019 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Shares - unlisted	42,348	Discount rate	30%	The higher the discount rate, the lower the fair value. A one year increase/(decrease) in the remaining life of each asset would cause a 4.45%/(5.29%) increase/(decrease) in the total FV.
Commercial buildings and infrastructure	396,806	Remaining useful life	1-100 years	A 5% increase in average cost would increase fair value of Heritage assets by \$986k.
Heritage assets	19,727	Average value per item	5%	
Total	458,881			

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

32 Events occurring after the balance sheet date

COVID-19

The impact of the COVID-19 outbreak in mainland China is expected to have an impact on the financial performance and liquidity of the University in 2020. As at the time of completion of the 2019 Financial Statements, the University is not yet in a position to fully assess the severity of the impact. There are a number of elements that contribute to this:

- The uncertainty inherent in determining the number of students who will not be able to or choose not to participate in their enrolled subjects during 2020
- The Government's position on the travel ban from China
- The extent to which students are travelling to Australia through jurisdictions which do not have travel bans in place with mainland China and who will be able to commence their studies locally after spending 14 days outside China
- The extent to which course materials will be able to be delivered on-line to students who cannot travel to Australia
- The extent to which the delayed commencement date of March 31 2020 that has been provided by the University will enable affected students to physically commence their studies.

The University has already implemented a number of management actions designed to contain a range of discretionary expenditures. The University has a range of further options at its disposal that are aimed at further reducing discretionary expenditures and enhancing liquidity as the severity of the issue is clearer.

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

33 Other accounting policies

(a) New accounting standards and AASB interpretations not yet issued

(i) AASB 1059 - Service Concession Arrangements: Grantors

This standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. AASB 1059 sets out the accounting for the operator of such arrangements, in relation to its principles for recognising service concession assets. When applied in future periods, it is not expected to have a material impact on the financial position and performance of the University.

This standard applies to annual reporting on or after 1 January 2020.

33 Other accounting policies (continued)

(b) Initial application of Australian Accounting Standards

(i) AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit entities

The University has adopted AASB 15 and AASB 1058 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards is described below.

AASB 15 and AASB 1058

The University adopted AASB 15 and AASB 1058 using the modified retrospective method on transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the University has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application.

The new accounting policies for revenue and other income in accordance with AASB 15 and AASB 1058 respectively are provided in the relevant revenue notes. The accounting policies that applied to revenue for the disclosed comparative period are as follows:

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.

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

Rental income from operating leases is recognised on a straight-line basis over the lease term.

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.

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.

Under the new revenue standards, the University shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific', the University applies the AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the University shall consider whether AASB 1058 applies.

For the nature and effect of the changes as a result of adoption of AASB 15 and AASB 1058 refer to Notes 12 and 17.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of implementing AASB 15 and AASB 1058. The adoption of AASB 15 and AASB 1058 did not have a material impact on other comprehensive income or the University's operating, investing and financing cash flows.

The first column shows the amounts prepared under AASB 15 and AASB 1058 and the second column shows the amount that would have been reported had AASB 15 and AASB 1058 not been adopted.

33 Other accounting policies (continued)

(b) Initial application of Australian Accounting Standards (continued)

Income statement for the year ended 31 December 2019

	Economic entity (Consolidated)			Parent entity (University)		
	AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ (decrease) \$'000	AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ (decrease) \$'000
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	683,397	724,412	(41,015)	683,397	724,412	(41,015)
HELP - Australian Government payments	257,397	257,397	0	257,397	257,397	0
State and local government financial assistance	33,012	46,145	(13,133)	33,012	46,145	(13,133)
Fees and charges	1,224,168	1,224,168	0	1,224,168	1,224,168	0
HECS-HELP - student payments	33,076	33,076	0	33,076	33,076	0
Investment revenue	119,449	119,449	0	119,449	119,449	0
Consultancy and contracts	111,250	144,000	(32,750)	111,250	144,000	(32,750)
Royalties, trademarks and licences	6,945	6,953	(8)	6,945	6,953	(8)
Other revenue	177,389	166,272	11,117	177,389	166,272	11,117
Total revenue from continuing operations	2,646,083	2,721,872	(75,789)	2,646,083	2,721,872	(75,789)
Gain/(loss) on disposal of assets	221	221	0	221	221	0
Share of profit/(loss) on investments accounted for using the equity method	781	781	0	0	0	0
Other investment income	94,016	94,016	0	94,016	94,016	0
Total income from continuing operations	2,741,101	2,816,890	(75,789)	2,740,320	2,816,109	(75,789)
Expenses from continuing operations						
Employee-related expenses	(1,435,212)	(1,435,266)	(54)	(1,435,212)	(1,435,266)	(54)
Depreciation and amortisation	(284,747)	(284,747)	0	(284,747)	(284,747)	0
Repairs and maintenance	(58,454)	(58,454)	0	(58,454)	(58,454)	0
Borrowing costs	(32,168)	(32,168)	0	(32,168)	(32,168)	0
Impairment of assets	(8,043)	(8,043)	0	(8,043)	(8,043)	0
Grant and scholarship expense	(116,772)	(118,709)	(1,937)	(116,772)	(118,709)	(1,937)
Consultants and contractors	(166,696)	(166,703)	(7)	(166,696)	(166,703)	(7)
Teaching and research grants	(127,232)	(132,003)	(4,771)	(127,232)	(132,003)	(4,771)
Other expenses	(333,140)	(333,158)	(18)	(333,140)	(333,158)	(18)
Total expenses from continuing operations	(2,562,464)	(2,569,251)	(6,787)	(2,562,464)	(2,569,251)	(6,787)
Net result before income tax	178,637	247,639	(69,002)	177,856	246,858	(69,002)
Income tax expense	0	0	0	0	0	0
Net result after income tax	178,637	247,639	(69,002)	177,856	246,858	(69,002)
Net result attributable to members of The University of Sydney	178,637	247,639	(69,002)	177,856	246,858	(69,002)

33 Other accounting policies (continued)

(b) Initial application of Australian Accounting Standards (continued)

Statement of financial position as at 31 December 2019

	Economic entity (Consolidated)			Parent entity (University)		
	AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ (decrease) \$'000	AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ (decrease) \$'000
Assets						
Contract assets	199	0	199	199	0	199
Total assets	199	0	199	199	0	199
Liabilities						
Contract liabilities	249,339	0	249,339	249,339	0	249,339
Total liabilities	249,339	0	249,339	249,339	0	249,339
Equity						
Retained earnings	3,546,448	3,795,588	(249,140)	3,541,688	3,790,828	(249,140)
Total equity	3,546,448	3,795,588	(249,140)	3,541,688	3,790,828	(249,140)

The nature of the adjustments as at 1 January and the reasons for the significant changes in the Statement of financial position as at 31 December 2019 and the Income statement for the year ended 31 December 2019 are described below;

- As at the implementation date of 1 January 2019, the University recognised a deferred contract liability of \$179,085k, a financial liability of \$1,837k, a contract asset of \$41k and an offsetting charge to retained earnings of \$180,881k. This represented the value of the revenue that had been recognised in compliance with the previous accounting standards and for which there are outstanding performance obligations to customers that had not then been satisfied.
- In the twelve months to 31 December 2019, the University recognised a further \$70,254k deferred contract liability, a reduction in the financial liability of \$1,096k and increase in the contract asset of \$158k, largely recognising additional unsatisfied performance obligations.
- As at 31 December 2019, the total deferred contract liability was \$249,339k which represents the value of receipts under contracts where performance obligations have been partially satisfied, the financial liability was \$742k and the contract asset was \$199k, representing the value of expenditures incurred in satisfying performance obligations for contracts where the revenue will be recognised on completion of the contract.

(c) Initial application of Australian Accounting Standard AASB 16 Leases

AASB 16 supersedes: AASB 117 Leases. AASB 16 is effective from 1 January 2019.

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 the 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 lease payments made before the commencement date of the lease. Lessees are required to recognise right-of-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-of-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 flows 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 applied the modified retrospective approach on transition and recognised the cumulative effect applying this new standard as an adjustment to opening retained earnings at the date of initial application. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases being AASB 117 and AASB Interpretation 4 *Determining whether an arrangement contains a lease*. The new accounting policies for leases in accordance with AASB 16 are provided in Notes 14 and 18.

The University applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining lease term is twelve months or less from the date of initial application, or if the original cost of the asset is less than \$10k.

The University applied a single weighted average incremental borrowing rate to lease liabilities recognised in the Statement of financial position on the date of initial application of 4.45%.

33 Other accounting policies (continued)

(c) Initial application of Australian Accounting Standard AASB 16 Leases (continued)

The accounting policy that applied to operating leases and rental expenses for the disclosed comparative period is as follows:

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. Payments made under leases (net of incentives received from the lessor) are charged to the Income statement on a straight-line basis over the period of lease. The University previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the University.

The difference between the operating lease commitments disclosed previously by applying AASB 117 and the value of the lease liabilities recognised under AASB 16 on 1 January 2019 is explained as follows:

**Consolidated and Parent entity
1 January 2019**

Operating lease commitments as at 31 December 2018	117,810
Less: GST gross up	(10,710)
Less: Low-value leases recognised on a straight-line basis as an expense	(7,216)
Less: Adjustments for lease committed but not commenced at 1 January 2019	(24,848)
Less: Discounting using University weighted average incremental borrowing rate at 4.45%	(11,566)
Add: Other adjustments	4,259
Value of lease liabilities as at 1 January 2019	67,729

(d) 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 2019
(continued)

34 Acquittal of Australian Government financial assistance

(a) Education - CGS and Other Education Grants

	Commonwealth Grant Scheme ¹		Indigenous Student Success Program		Higher Education Partnership and Participation Program		Disability Performance Funding ²		Promotion of Excellence in Learning and Teaching grant	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only										
Financial assistance received/(returned) in cash during the reporting period	306,937	306,096	2,089	1,965	2,574	(3,404)	361	229	0	0
Net accrual adjustments	(1,239)	0	0	0	0	0	0	0	0	0
Revenue for the period	305,698	306,096	2,089	1,965	2,574	(3,404)	361	229	0	0
Surplus/(deficit) from the previous year	0	0	85	79	3,036	8,559	(610)	(343)	0	1,477
Total revenue including accrued revenue	305,698	306,096	2,174	2,044	5,610	5,155	(249)	(114)	0	1,477
Less expenses including accrued expenses	(305,698)	(306,096)	(2,068)	(1,959)	(2,583)	(2,119)	(1,016)	(496)	0	(1,477)
Surplus/(deficit) for the reporting period	0	0	106	85	3,027	3,036	(1,265)	(610)	0	0

	Australian Mathematics and Science Partnership Program		Total	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only				
Financial assistance received/(returned) in cash during the reporting period	0	(10)	311,961	304,876
Net accrual adjustments	0	0	(1,239)	0
Revenue for the period	0	(10)	310,722	304,876
Surplus/(deficit) from the previous year	0	0	2,511	9,772
Total revenue including accrued revenue	0	(10)	313,233	314,648
Less expenses including accrued expenses	0	10	(311,365)	(312,137)
Surplus/(deficit) for the reporting period	0	0	1,868	2,511

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.

34 Acquittal of Australian Government financial assistance (continued)

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

	HECS-HELP (Australian Government payments)		FEE-HELP		SA-HELP		Total
	2019	2018	2019	2018	2019	2018	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only							
Cash payable/(receivable) at beginning of year	1,487	(115)	234	(294)	34	(58)	1,755
Financial assistance received in cash during the reporting period	184,169	182,301	68,963	72,625	4,080	4,197	257,212
							259,123
Cash available for the period	185,656	182,186	69,197	72,331	4,114	4,139	258,967
Revenue earned	(183,538)	(180,699)	(69,830)	(72,097)	(4,029)	(4,105)	(257,397)
Cash payable/(receivable) at the end of the year	2,118	1,487	(633)	234	85	34	1,570
							1,755

3(b)

(c) Department of Education and Training Research

	Research Training Program		Research Support Program		Total
	2019	2018	2019	2018	2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only					
Financial assistance received in cash during the reporting period	95,921	97,660	84,049	88,150	179,970
Revenue for the period	95,921	97,660	84,049	88,150	179,970
Surplus from the previous year	0	832	0	0	0
Total revenue including accrued revenue	95,921	98,492	84,049	88,150	179,970
Less expenses including accrued expenses	(95,921)	(98,492)	(84,049)	(88,150)	(179,970)
Surplus for the reporting period	0	0	0	0	0

3(a)

Surplus/(deficit) for reporting period

The University of Sydney
Notes to the financial statements
for the year ended 31 December 2019
(continued)

34 Acquittal of Australian Government financial assistance (continued)

(f) OS-HELP

	2019	2018
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	5,037	5,744
Cash spent during the reporting period	<u>(5,154)</u>	<u>(4,507)</u>
Net cash received/(returned)	<u>(117)</u>	<u>1,237</u>
Cash surplus from the previous period	2,929	1,692
Cash surplus for the reporting period	<u>2,812</u>	<u>2,929</u>

(g) Higher Education Superannuation Program

	2019	2018
	\$'000	\$'000
Parent entity (University) only		
Cash received during the reporting period	82,734	77,876
University contribution in respect of current employees	<u>4,461</u>	<u>3,934</u>
Cash available	<u>87,195</u>	<u>81,810</u>
Cash surplus / (deficit) from the previous period	0	0
Cash available for current period	<u>87,195</u>	<u>81,810</u>
Contributions to specified defined benefit funds	<u>(87,195)</u>	<u>(81,810)</u>
Cash surplus/(deficit) for this period	<u>0</u>	<u>0</u>

25

(h) Student Services and Amenities Fee

	2019	2018
	\$'000	\$'000
Parent entity (University) only		
Unspent/(overspent) revenue from previous period	34	(58)
SA-HELP revenue earned	4,028	4,105
Student services fees direct from students	<u>13,215</u>	<u>12,117</u>
Total revenue expendable in period	<u>17,277</u>	<u>16,164</u>
Student services expenses during period	<u>(17,363)</u>	<u>(16,130)</u>
Unspent/(overspent) student services revenue	<u>(86)</u>	<u>34</u>

3(b)
5

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



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