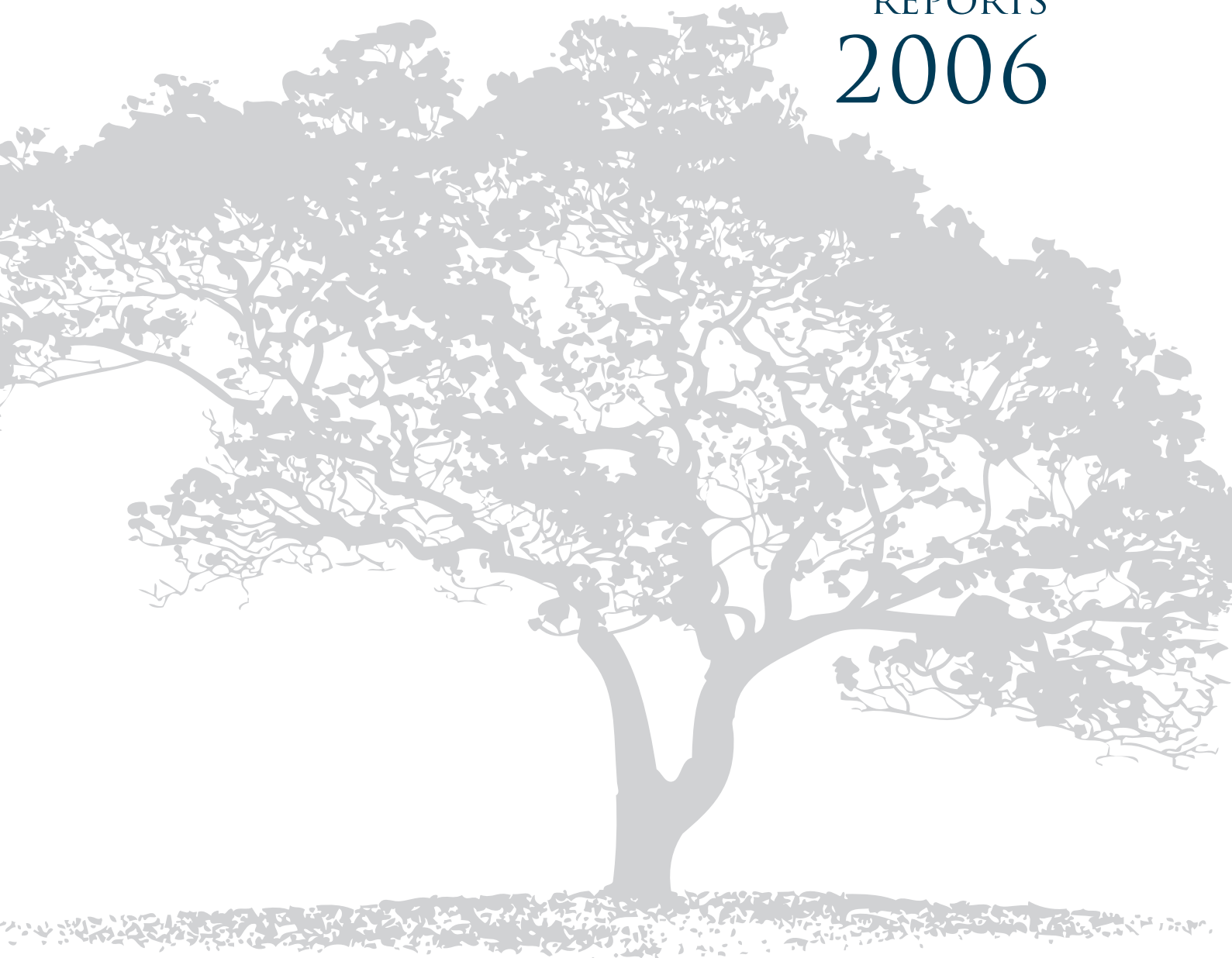


THE UNIVERSITY OF SYDNEY

ANNUAL AND
FINANCIAL
REPORTS
2006



The University of Sydney

Vol.
2
(of 2)



The University of Sydney
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THE UNIVERSITY OF SYDNEY ANNUAL REPORT 2006 - VOL. 2

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SENATE COMMITTEES

Advisory Committee for Honorary Awards

This committee considers annually suggestions for honorary degrees and honorary fellowships, and submits a report and recommendations to Senate. Its membership comprises:

Ex-officio:

The Chancellor (The Hon Justice Kim Santow)
The Deputy Chancellor (Emeritus Professor Ann Sefton) (Chair)
The Vice-Chancellor and Principal (Professor Gavin Brown)
The Chair of the Academic Board (Professor Bruce Sutton)

The Deputy Vice-Chancellors (non-voting):

Provost and Deputy Vice-Chancellor (Professor Don Nutbeam)
Chief Operating Officer and Deputy Vice-Chancellor (Mr Bob Kotic)
Acting Deputy Vice-Chancellor (Research) (Professor Merlin Crossley)
Deputy Vice-Chancellor (Community) (Professor Andrew Coats)
Deputy Vice-Chancellor (International) (Professor John Hearn)

Deputy Vice-Chancellor (Professor Ann Brewer)

Not more than six other Fellows, elected by Senate:

Ms Kim Anderson
The Hon John Aquilina
Dr Robin Fitzsimons
Professor Margaret Harris
Mr John McCarthy
Dr Margaret Varady

Audit and Risk Management Committee

The primary role of this committee is to monitor and report to Senate on:

- effective management of financial and non-financial risks
- reliable management and financial reporting
- compliance with laws and regulations
- maintenance of an effective and efficient internal audit capability
- maintenance of an effective and efficient risk management capability, and
- the financial and non-financial risks of subsidiaries and controlled entities such as Foundations and CRCs and commercial activities.

Its membership comprises:

The Chair of the Audit and Risk Management Committee – elected by Fellows of Senate (not a University of Sydney staff member or student) for two years:

Mr Alan Cameron

Two Fellows of Senate appointed by Senate after consultation by the Chair of the Audit and Risk Management Committee (neither should be a University of Sydney staff member or student) for two years (or for so long as in office if shorter):

Ms Irene Moss
Dr Margaret Varady

Two external members, with appropriate professional expertise and experience, appointed by Senate on the nomination of the Chair of

the Audit and Risk Management Committee with appropriate consultation for up to two years:

Mr Paul Davis
Mr David Smithers

Chair Appointments Committee

This committee approves offers of appointment at a professorial level, promotions to professor, the awarding of the title of professor, proposals for the establishment of/change of name of named lectureships, senior lectureships, associate professorships and chairs, and advises the Vice-Chancellor on appropriate procedures relating to senior academic appointments. Its membership comprises:

Ex-officio:

The Chancellor (The Hon Justice Kim Santow) (Chair)
The Deputy Chancellor (Emeritus Professor Ann Sefton)
The Vice-Chancellor and Principal (Professor Gavin Brown)
The Chair of the Academic Board (Professor Bruce Sutton)
A Deputy Vice-Chancellor on the nomination of the Vice-Chancellor (Professor Don Nutbeam)

Five other Fellows, elected by Senate:

Mr Alan Cameron
Dr Robin Fitzsimons
Professor Margaret Harris
Professor Iqbal Ramzan
Dr Margaret Varady

Finance and Infrastructure Committee

The primary role of this committee is to monitor and advise Senate on issues relating to the financial performance and sustainability of the University of Sydney. Its membership comprises:



Ex-officio:

The Chancellor (The Hon Justice Kim Santow)
The Deputy Chancellor (Emeritus Professor Ann Sefton)
The Vice-Chancellor and Principal (Professor Gavin Brown)
The Chair of the Academic Board (Professor Bruce Sutton)

The Chair of the Finance and Infrastructure Committee elected by Fellows of Senate (not a University of Sydney staff member or student) for two years:

Mr Alexander Brennan

Two other Fellows elected by Fellows of Senate for two years (or for so long as in office if shorter):

Dr Roslyn Bohringer
Vacancy

Three other Fellows appointed by Senate for two years (or for so long as in office if shorter) on the nomination of the Chair of the Finance and Infrastructure Committee, this to be done at the Senate meeting next following the election of a Chair and the other two positions, and after the Chair has consulted with Fellows of Senate, having regard to the balance of expertise on the Committee:

The Hon John Aquilina
Associate Professor Tony Masters
Mr John McCarthy

Two external members, with appropriate professional expertise and experience, appointed by Senate on the nomination of the Chair of the Finance and Infrastructure Committee with

appropriate consultation for up to two years:

Ms Meredith Scott
Mr John Trowbridge

Investment and Commercialisation Committee

The committee's primary role is to monitor and report to the Senate the appropriateness of policies, performance of management and achievement against plans in the investment in and commercialisation of the University. Its membership comprises:

Ex-officio:

The Vice-Chancellor and Principal (Professor Gavin Brown)

The Chair of the Investment and Commercialisation Committee elected by Fellows of Senate (not a University of Sydney staff member or student) for two years:

Mr Joseph Skrzynski

Two Fellows of Senate appointed by Senate after consultation by the Chair of the Investment and Commercialisation Committee with the Vice-Chancellor and the Chancellor for two years (or for so long as in office if shorter):

Ms Kim Anderson
Professor Iqbal Ramzan

Two external members, with appropriate professional expertise and experience, appointed by Senate on the nomination of the Chair of the Investment and Commercialisation Committee with appropriate consultation for up to two years:

Mr Michael Good
Mr Ian Macoun

Nominations Committee

This committee was established as a mechanism pursuant to the National Governance Protocols requiring a systematic process for non-elected appointments to Senate. Its membership comprises:

Ex-officio:

The Chancellor (The Hon Justice Kim Santow) (Chair)
The Deputy Chancellor (Emeritus Professor Ann Sefton)
The Vice-Chancellor and Principal (Professor Gavin Brown)
The Chair of the Academic Board (Professor Bruce Sutton)

Three Fellows who are external persons (within the meaning of section 9 (9) of the Act), appointed to the Committee by the Senate:

Ms Irene Moss
Mr Adam Spencer
Dr Margaret Varady

Remuneration Committee

This committee deals with matters relating to the remuneration and performance evaluation of the Vice-Chancellor and the senior executive. Its membership comprises:

Ex-officio:

The Chancellor (The Hon Justice Kim Santow)
The Deputy Chancellor (Emeritus Professor Ann E Sefton)
The Chair of the Finance and Investment Committee (Mr Alexander Brennan) (Chair)



One person from outside the University appointed by Senate for two years:

Mr Ian Johnson

An additional member appointed by Senate:

The Hon John Aquilina

But such composition would not include staff or student Fellows or any appointee (including as above) for whom there could be persistent issues of conflict, actual or perceived.

Senate/Sports Liaison Committee

This committee is a forum for Sydney University Sports representatives to liaise with Senate and the University administration to discuss issues relating to the objectives and strategies listed in the University of Sydney Mission Statement for Sport, or matters which SU Sport feels it is important for Senate to be made aware of, and to report regularly to Senate.

Its membership comprises:

Ex-officio:

The Vice-Chancellor and Principal (Professor Gavin Brown) – represented at meetings by Chief Operating Officer and Deputy Vice-Chancellor (Mr Bob Kotic)
The Chair of the Academic Board (Professor Bruce Sutton)
The Executive Director, Sydney University Sport (Mr Greg Harris)
The President, Sydney University Sport (Mr Bruce Ross)
The Senior Vice-President, Sydney University Sport (Ms Denise Wee)
The undergraduate student Fellow of Senate (Ms Rose Jackson)
The postgraduate student Fellow of Senate (Dr Norman Chan)

Not less than three Fellows of Senate, elected by Senate for two years:

Associate Professor Anthony Masters
Mr John McCarthy (Chair)
Mr Adam Spencer

Not less than three alumni representatives, including at least one female alumni representative or alternate, recommended by the Executive Director, SU Sport and appointed by Senate for two years:

Mr John Boulton
Mr Peter Montgomery
Ms Ann Titterton

Senate/SRC Liaison Committee

This committee is a forum for the SRC to discuss policy matters relating to undergraduate students with Senate. Its membership comprises:

Ex-officio:

The Chancellor (The Hon Justice Kim Santow) (Chair)
The Deputy Chancellor (Emeritus Professor Ann E Sefton)
The Vice-Chancellor and Principal (Professor Gavin Brown) – represented at meetings by the Pro-Vice-Chancellor (Learning and Teaching)

Four other Fellows (by convention including the Undergraduate Student Fellow of Senate), elected by Senate:

Dr Roslyn Bohringer
Mr Alan Cameron
Ms Rose Jackson (the undergraduate student Fellow of Senate)
Mr Adam Spencer

Four SRC nominees:

Varies each meeting

Senate/SUPRA Liaison Committee

This committee is a forum for SUPRA to discuss policy matters relating to postgraduate students with Senate. Its membership comprises:

Ex-officio:

The Chancellor (The Hon Justice Kim Santow) (Chair)
The Deputy Chancellor (Emeritus Professor Ann Sefton)
The Vice-Chancellor and Principal (Professor Gavin Brown)
The Dean of Graduate Studies (Professor Masud Behnia)
The Chair of the Academic Board's Graduate Studies Committee (Associate Professor Peter McCallum)

Four other Fellows (by convention including the postgraduate student Fellow of Senate), elected by Senate:

Mr Alan Cameron
Dr Norman Chan (postgraduate student Fellow of Senate)
Professor Iqbal Ramzan
Mr Adam Spencer

Three members of the Graduate Studies Committee (nominated by the Chair of the Graduate Studies Committee), appointed by Senate:

Associate Professor Neville Weber
Vacancy
Vacancy

Four SUPRA nominees:

Varies each meeting



MEETINGS OF THE SENATE

Attendance at Senate in 2006 was as follows:

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

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

* VC represented by a member of the Senior Executive Group

** The Committee met as a sub-committee including some members from the various categories.



STUDENT STATISTICS

As of March 2006

Undergraduate enrolments 2001–2006						
Enrolment status	2001	2002	2003	2004	2005	2006
Full-time (female)	14,942	15,669	16,226	16,003	16,009	16,021
Full-time (male)	10,339	10,774	11,262	11,171	11,358	11,442
Part-time (female)	2702	2640	2758	2755	2524	2166
Part-time (male)	1712	1661	1588	1660	1466	1217
Total	29,695	30,744	31,834	31,589	31,357	30,846

Postgraduate enrolments 2001–2006						
Enrolment status	2001	2002	2003	2004	2005	2006
Full-time (female)	2054	2422	3338	3558	3547	3714
Full-time (male)	1972	2215	3488	3360	2893	2905
Part-time (female)	3148	3456	3900	4538	4314	4106
Part-time (male)	3113	3583	3634	4251	3855	3468
Total	10,287	11,676	14,360	15,707	14,609	14,193

Postgraduate enrolments by level 2001–2006						
Enrolment level	2001	2002	2003	2004	2005	2006
Higher doctorate	0	0	0	0	3	2
Doctorate (research)	2544	2511	2555	2673	2777	2859
Doctorate (coursework)	0	25	26	43	37	39
Masters (research)	674	686	714	725	686	683
Masters (coursework)	3814	4568	6290	7211	7256	7453
Postgraduate (preliminary)	1	1	1	2	5	3
Diploma (postgraduate)	1671	1986	2618	2926	2874	2257
Graduate certificate	1473	1751	1949	1889	668	625
Non-award (postgraduate)	61	80	130	130	236	227
Cross-institutional (postgraduate)	49	68	77	108	67	45
Total	10,287	11,676	14,360	15,707	14,609	14,193



Undergraduate and postgraduate enrolments by faculty 2002–2006

Faculty	Undergraduate					Postgraduate					Total				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Agriculture, Food & Natural Resources	596	683	723	689	644	144	153	159	144	135	740	836	882	833	779
Architecture	538	610	608	626	654	521	647	746	710	641	1059	1257	1354	1336	1295
Arts	6442	6047	5815	6165	5895	908	964	1013	1043	1121	7350	7011	6828	7208	7016
Australian Graduate School of Management *±	n/a	n/a	n/a	0	0	2774	3221	3257	2006	1525	2774	3221	3257	2006	1525
Dentistry	280	280	284	277	318	79	81	87	88	97	359	361	371	365	415
Economics & Business	3474	3662	3770	3840	3963	1650	2708	3447	3409	3469	5124	6370	7217	7249	7432
Education & Social Work	1874	2240	2201	2148	2166	452	503	603	584	528	2326	2743	2804	2732	2694
Engineering	2497	2563	2618	2582	2521	413	492	487	447	414	2910	3055	3105	3029	2935
Health Sciences	3841	4095	4081	4073	4092	985	1140	1220	1324	1488	4826	4235	5301	5397	5580
Law	869	874	819	880	898	999	1166	1202	1165	1211	1868	2040	2021	2045	2109
Medicine	908	937	958	987	1048	1066	1182	1245	1332	1405	1974	2119	2203	2319	2453
Nursing & Midwifery **	1016	1023	1063	727	523	263	204	172	162	173	1279	1227	1235	889	696
Pharmacy	813	834	836	995	1024	94	119	160	180	161	907	953	996	1175	1185
Rural Management *	802	830	906	547	295	78	95	139	125	55	880	925	1045	672	350
Science	4403	4546	4392	4288	4304	949	1289	1247	1193	1257	5352	5835	5639	5481	5561
Sydney College of the Arts	533	502	481	491	505	102	116	140	177	173	635	618	621	668	678
Sydney Conservatorium of Music	543	545	577	610	654	94	119	126	152	161	637	664	703	762	815
Veterinary Science	553	582	586	654	742	73	99	112	129	151	626	681	698	783	893
Special Programs	762	981	871	778	600	32	62	70	114	28	794	1043	941	892	628

± This joint venture with the University of New South Wales terminated on 1 January 2006. Under the termination arrangements students who commence prior to 31 December 2006 will remain as students of the joint venture until completion. However, from 1 January 2006 no staff will be considered as joint venture employees or employees of the University of Sydney.

* The low enrolment figures are due to the inclusion of only students who commenced prior to 2005. Students commencing from 2005 onwards became students of Charles Sturt University.

** The low enrolment figures are a result of the transition phase of transfer of undergraduate courses to postgraduate level, commenced in 2005.



Major destinations of University of Sydney first-degree graduates, 2001–2006						
%	2001	2002	2003	2004	2005	2006
Further study	34.4	38.3	36.4	30.5	34.8	31.1
Public sector	15.0	15.5	13.7	20.2	14.7	13.2
Private sector	26.6	26.9	25.1	26.6	27.7	29.6
Other employment*	6.4	5.9	7.1	3.8	5.8	6.8
Not working, seeking full-time work	3.2	2.2	4.1	3.4	3.1	3.0
Not working, seeking part-time work	0.6	0.3	0.5	0.5	0.3	0.4
Working part-time, seeking full-time work	4.6	4.1	5.2	5.6	5.5	5.4
Working part-time, not seeking full-time work	5.0	4.6	5.2	5.5	5.3	6.7
Unavailable for work or study	4.2	2.2	2.7	3.9	2.8	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

The year refers to the date of the survey – Australian citizens and permanent residents who completed their degree studies in the previous year.

* “Other employment” includes those working in educational and non-profit organisations.

Mean UAI for students commencing at the University of Sydney, 2001–2006						
	2001*	2002	2003	2004	2005	2006
Agriculture	86.45	86.8	84.4	87.1	83.95	85.75
Architecture	93.65	94.4	95.4	95.55	94.3	95.0
Arts	85.35	88.95	90.05	92.8	90.85	88.4
Economics	93.45	94.4	95.35	95.65	95.65	95.45
Education	82.7	86.55	87.9	89.4	89.3	89.65
Engineering	93.5	92.9	93.1	92.75	92.35	93.2
Health Sciences	86.15	86.45	86.9	88.8	88.95	89.2
Law	99.55	99.65	99.8	99.8	99.75	99.75
Liberal Studies	89.6	91.35	94.6	94.3	93.5	92.6
Nursing	81.3	80.55	78.65	77.6	76.3	84.85
Science	89.95	92.15	92.6	93.9	92.75	92.6
Veterinary Science	99.0	98.95	98.75	99.25	96.15	93.65
Overall mean	88.6	90.35	90.5	91.85	91.75	91.55

* Figures for 2001 Mean UAIs have been recalculated since the 2001 annual report was published.

NB: The data above excludes students admitted under flexible entry or special admissions schemes.



HUMAN RESOURCES

As at 31 March 2006

Academic staff by level, appointment term and gender							
Appointment term & classification level	No. of women	% of level who are women	% of women at this level	No. of men	% of level who are men	% of men at this level	Total
Tenured							
Level E & above \$126,119+	37	15.9	6.3	196	84.1	23.8	233
Level D \$97,908-\$107,862	62	30.0	10.5	145	70.0	17.6	207
Level C \$81,314-\$93,760	191	43.1	32.3	252	56.9	30.6	443
Level B \$66,380-\$78,826	268	56.2	45.3	209	43.8	25.4	477
Level A \$46,466-\$63,058	34	61.8	5.7	21	38.2	2.6	55
Sub-total	592	41.8	100.0	823	58.2	100.0	1415
Fixed term							
Level E & above \$126,119+	23	22.8	4.0	78	77.2	12.7	101
Level D \$97,908-\$107,862	25	34.7	4.3	47	65.3	7.7	72
Level C \$81,314-\$93,760	62	45.9	10.7	73	54.1	11.9	135
Level B \$66,380-\$78,826	195	51.7	33.5	182	48.3	29.7	377
Level A \$46,466-\$63,058	277	54.4	47.6	232	45.6	37.9	509
Sub-total	582	48.7	100.0	612	51.3	100.0	1194
Total	1174	45.0	100.0	1435	55.0	100.0	2609



General staff by level, appointment term and gender

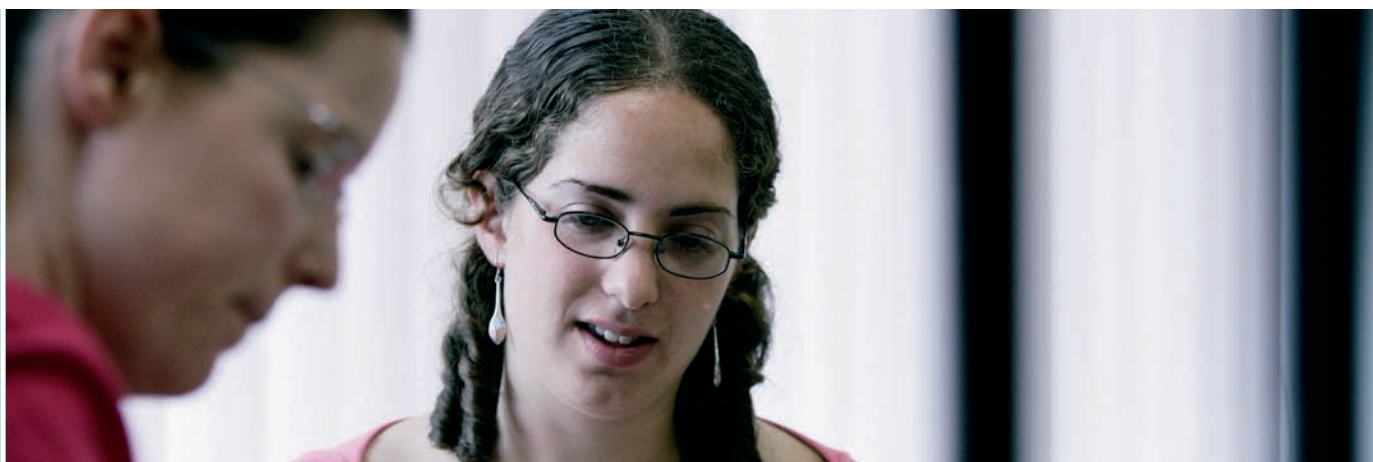
Appointment term & classification level	No. of women	% of level who are women	% of women at this level	No. of men	% of level who are men	% of men at this level	Total
Tenured							
HEO 1 & below <=\$34,884	9	69.2	0.7	4	30.8	0.4	13
HEO 2 \$35,933-\$36,982	45	32.8	3.7	92	67.2	10.0	137
HEO 3 \$37,682-\$41,879	54	43.5	4.4	70	56.5	7.6	124
HEO 4 \$42,929-\$45,377	177	66.0	14.5	91	34.0	9.8	268
HEO 5 \$46,426-\$52,022	296	71.8	24.2	116	28.2	12.6	412
HEO 6 \$53,421-\$57,619	279	62.0	22.8	171	38.0	18.5	450
HEO 7 \$58,669-\$63,915	164	57.3	13.4	122	42.7	13.2	286
HEO 8 \$65,666-\$74,058	109	43.4	8.9	142	56.6	15.4	251
HEO 9 \$76,153-\$80,355	53	43.4	4.3	69	56.6	7.5	122
HEO 10 & above \$81,404	37	44.0	3.0	47	56.0	5.1	84
Sub-total	1223	57.0	100.0	924	43.0	100.0	2147
Fixed term							
HEO 1 & below <=\$34,884	2	22.2	0.3	7	77.8	1.8	9
HEO 2 \$35,933-\$36,982	6	31.6	0.8	13	68.4	3.3	19
HEO 3 \$37,682-\$41,879	41	78.8	5.3	11	21.2	2.8	52
HEO 4 \$42,929-\$45,377	57	68.7	7.4	26	31.3	6.6	83
HEO 5 \$46,426-\$52,022	212	74.6	27.4	72	25.4	18.4	284
HEO 6 \$53,421-\$57,619	184	68.1	23.8	86	31.9	21.9	270
HEO 7 \$58,669-\$63,915	120	65.6	15.5	63	34.4	16.1	183
HEO 8 \$65,666-\$74,058	94	63.1	12.2	55	36.9	14.0	149
HEO 9 \$76,153-\$80,355	36	62.1	4.7	22	37.9	5.6	58
HEO 10 & above \$81,404	21	36.2	2.7	37	63.8	9.4	58
Sub-total	773	66.4	100.0	392	33.6	100.0	1165
Total	1996	60.3	100.0	1316	39.7	100.0	3312

Combined totals of academic and general staff by appointment term and gender

Appointment term	No. of women	% of women	No. of men	% of men	Total
Tenured	1815	51.0	1747	49.0	3562
Fixed term	1355	57.4	1004	42.6	2359
Total	3170	53.5	2751	46.5	5921

Combined totals of academic and general staff by appointment term and gender

Appointment term	Female	Male	Total
Tenured	1815	1747	3562
Fixed term	1355	1004	2359
Total	3170	2751	5921



Academic staff by level, appointment term and gender			
Appointment term & classification level	No. of women	No. of men	Total
Tenured			
Level E & above	37	196	233
Level D	62	145	207
Level C	191	252	443
Level B	268	209	477
Level A	34	21	55
Sub-total	592	823	1415
Fixed term			
Level E & above	23	78	101
Level D	25	47	72
Level C	62	73	135
Level B	195	182	377
Level A	277	232	509
Sub-total	582	612	1194
Total	1174	1435	2609

General staff by level, appointment term and gender, at 31 March 2006			
Appointment term & classification level	No. of women	No. of men	Total
Tenured			
HEO 1 & below	9	4	13
HEO 2	45	92	137
HEO 3	54	70	124
HEO 4	177	91	268
HEO 5	296	116	412
HEO 6	279	171	450
HEO 7	164	122	286
HEO 8	109	142	251
HEO 9	53	69	122
HEO 10 & above	37	47	84
Sub-total	1223	924	2147
Fixed term			
HEO 1 & below	2	7	9
HEO 2	6	13	19
HEO 3	41	11	52
HEO 4	57	26	83
HEO 5	212	72	284
HEO 6	184	86	270
HEO 7	120	63	183
HEO 8	94	55	149
HEO 9	36	22	58
HEO 10 & above	21	37	58
Sub-total	773	392	1165
Total	1996	1316	3312



EQUAL EMPLOYMENT OPPORTUNITY

The Staff and Student Equal Opportunity Unit has continued to provide expert policy advice on matters concerning equal opportunity and anti-discrimination throughout 2006. The Equal Opportunity Unit works with the University community to promote equity in employment and education through policy development and promotion, targeted affirmative action programs, staff and student training and education, and monitoring and reporting on equal opportunity outcomes, to support the University's strategic goals.

The University's Harassment and Discrimination Prevention policies state that every student and employee has a right to be treated with dignity and respect, in an environment free of discrimination and harassment. During 2006, the University completed a comprehensive review of its Harassment and Discrimination Resolution Procedure, and appointed 21 new harassment and discrimination support officers to provide information and support for staff and students with a harassment or discrimination problem, concern or complaint. Many of these support officers also speak a community language other than English.

In 2006, the University also introduced the use of EEOonline, an online interactive professional development program for new staff and new managers and supervisors in harassment and discrimination prevention and EEO issues.

The University's Reconciliation Statement was launched on 1 June

2006 in the presence of Indigenous and non-Indigenous staff, students and community members, and includes strategies for promoting Indigenous education and employment to Indigenous peoples at all levels, creating a protocol for acknowledgement of lands across all campuses, a consultative and collaborative attitude when dealing with Indigenous communities and issues, Indigenous perspective in teaching and learning, and research on Indigenous welfare and health issues.

Outcomes of the University's Indigenous traineeship program in 2006 include two trainees completing their traineeships and moving into full-time positions, one internal and one external to the University, and the recruitment of an Indigenous apprentice. The Indigenous Cross-Cultural Awareness Course was held twice to provide support for new Indigenous appointees and their work colleagues.

In 2007, the University aims to employ two more trainees and two new cadets through the Indigenous Australians Employment Strategy. The trainees will be placed in Campus Property Services and Student Services in business administration roles. The cadets will be working out of the School of Public Health and the Faculty of Education in a research assistant capacity.

In 2006, partnerships have been created with the new SydneyPeople area to ensure Indigenous perspectives are included in all practices and policies in recruitment, career progression, training and delivery of staff benefits. Planned

initiatives for 2007 include establishing an Indigenous leadership and mentoring program for Indigenous academics.

The University's commitment to equal opportunity has again been acknowledged and rewarded by the Commonwealth Equal Opportunity for Women in the Workplace Agency in the form of an Employer of Choice for Women Award. Of approximately 3000 organisations that report to this agency, only 115 organisations across Australia were awarded the right to call themselves an Employer of Choice for Women in 2006.

University of Sydney policies, strategies and programs that support and promote the careers of the University's women staff include the annual Women in Leadership Programs (for academic and general staff), the Sydney University Network for Women (SUN), flexible work practices, and generous parental leave provisions that allow up to 36 weeks of flexible paid maternity leave and a return-to-work support program. The University regularly reviews its family-friendly policies and monitors the representation of women on its committees and boards and in non-traditional fields of employment.

The Women in Leadership Program is a two-day conference designed to address the unique issues faced by women in leadership and to explore the key skills and qualities needed to become an effective leader. Tailored programs were held for both academic and general staff in 2006.



SUN provides peer support and career-related events and seminars for approximately 480 women staff and postgraduate students. Events in 2006 included the creation of a peer group mentoring program and the establishment of four peer groups, networking events including an International Women's Day BBQ and a Women in Education Week event, and seminars for women in science, early career academics, and job interview preparation.

In 2006, the University's revised and updated Disability Action Plan, which details strategies to ensure the

equitable participation of people with a disability in education and employment at the University, was endorsed by the Disability Consultative Committee and Senior Executive Group. The University's most important publication – its website – and its services, buildings and facilities continued to be upgraded to improve accessibility for people with a disability. The Disability Action Plan (2006–2010) details the University's operational strategies in this area over the next five years.

The University's achievements and plans in relation to its linguistically and culturally diverse staff are detailed in the

Ethnic Affairs Priority Statement report on page 22.

The following tables show trends over the last four years in the representation of EEO groups and the distribution of each EEO group across salary levels, in academic and general staff subgroups. The University's progress towards New South Wales Government benchmarks is most marked in women's representation and distribution in the academic staff.

Table A1. Trends in the representation of EEO groups – academic staff¹

EEO group	% of total staff ²					
	Benchmark or target	2002	2003	2004	2005	2006
Women	50	41	43	44	44	45
Aboriginal people and Torres Strait Islanders	2	0.60	0.50	0.60	0.60	0.40
People whose first language was not English	19	8	9	10	10	10
People with a disability	12	3	3	3	3	3

¹Staff numbers are as at 31 March 2006.

²Excludes casual staff.

Table A2. Trends in the representation of EEO groups – general staff¹

EEO group	% of total staff ²					
	Benchmark or target	2002	2003	2004	2005	2006
Women	50	59	59	58	59	60
Aboriginal people and Torres Strait Islanders	2	0.40	0.40	0.40	0.50	0.40
People whose first language was not English	19	10	10	10	10	10
People with a disability	12	3	3	2	2	2
People with a disability requiring work-related adjustment	7	0.40	0.30	0.30	0.30	0.30

¹Staff numbers are as at 31 March 2006.

²Excludes casual staff.



Table B1. Trends in the distribution of EEO groups – academic staff¹

EEO group	Benchmark or target	Distribution index ²				
		2002	2003	2004	2005	2006
Women	100	76	76	76	77	78
Aboriginal people and Torres Strait Islanders	100	n/c	n/c	n/c	n/c	n/c
People whose first language was not English	100	84	81	80	81	85
People with a disability	100	123	123	126	125	121
People with a disability requiring work-related adjustment	100	n/c	n/c	n/c	n/c	n/c

¹Staff numbers are as at 31 March 2006.

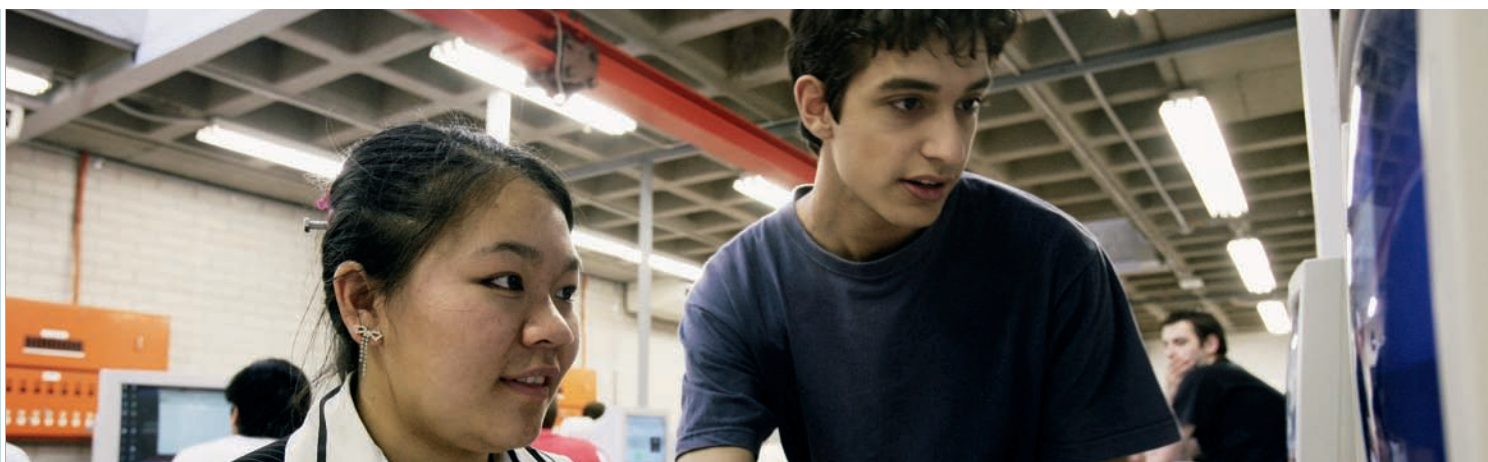
²A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. Values higher than 100 indicate that the EEO group is less concentrated at lower salary levels. N/c means that the distribution index is not calculable due to the small number of staff in the indicated EEO group.

Table B2. Trends in the distribution of EEO groups – general staff¹

EEO group	Benchmark or target	Distribution index ²				
		2002	2003	2004	2005	2006
Women	100	97	96	96	97	97
Aboriginal people and Torres Strait Islanders	100	n/c	n/c	n/c	n/c	n/c
People whose first language was not English	100	95	96	95	94	95
People with a disability	100	98	100	100	98	95
People with a disability requiring work-related adjustment	100	n/c	n/c	n/c	n/c	n/c

¹Staff numbers are as at 31 March 2006.

²A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. Values higher than 100 indicate that the EEO group is less concentrated at lower salary levels. N/c means that the distribution index is not calculable due to the small number of staff in the indicated EEO group.



ETHNIC AFFAIRS PRIORITY STATEMENT REPORT 2006

The University of Sydney is committed to increasing awareness of, and promoting positive values and attitudes towards, the diverse cultural, religious and linguistic needs of its staff and student body and the communities it serves. To this end, the University's Ethnic Affairs Priorities Statement links a range of initiatives and strategies to the major goals of the University's Strategic Plan.

2006 initiatives and achievements

Diversity in learning and teaching

In 2006 the University of Sydney adopted a new learning and teaching plan for the years 2007 to 2010. Goal 3 of the five goals in this plan is to promote internationalisation, cultural diversity and equity, which includes objectives to:

- audit unit of study outlines for evidence of cultural diversity in curriculum and learning activities
- provide incentives for teachers to demonstrate a curriculum that values cultural diversity and inclusive teaching practices
- improve DEST Equity Indicators
- improve participation by Indigenous students in all courses
- develop and offer inclusive programs supporting equity and diversity principles
- develop guidelines for teaching about diversity, for diversity and through diversity, and
- integrate international, intercultural, equity and diversity perspectives in

core staff professional development programs.

In 2006, a working party on cultural diversity in learning and teaching completed drafts of two key documents. The Plan for Cultural Diversity Awareness and Inclusiveness reflects the University's strategic directions and is designed to be adapted within faculties for their particular learning, teaching and supervision contexts. The Guide for Reflective Practice is a resource for individual teachers.

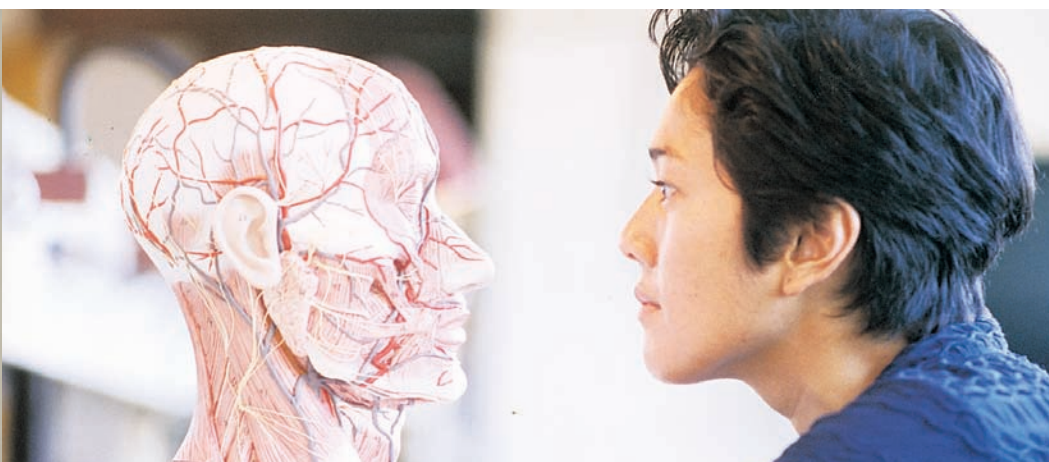
The Institute for Teaching and Learning continues to support faculties and individuals in their efforts to enhance teaching and learning on our culturally diverse campuses. Faculty-based learning and teaching initiatives include the following:

- The Sydney Conservatorium of Music imported a specially commissioned Balinese gamelan to enhance the study of Indonesian music. The gamelan is used for classes in non-Western music traditions, to develop students' understanding of how approaches to music differ between cultures.
- The Faculty of Law offered courses in 2006 with important cross-cultural elements, including Foundations of Law, International Law, Immigration Law and International Business and Law.
- The Faculty of Health Sciences conducted a student placement program known as Operation International (formerly Operation India), in which students work and provide services to communities overseas.

- The Faculty of Economics and Business developed a number of inclusive programs and practices to support students from diverse backgrounds, including online group work resources, peer-assisted study sessions, peer mentoring at all levels of study, and a clubs and societies support program to encourage students from different cultural backgrounds to work more closely together on extracurricular activities. The faculty was also successful in a Carrick grant application to investigate successful practices for embedding intercultural competence in students and staff.

The Faculty of Arts, ranked fifth best in the world in 2006 by the *Times Higher Education Supplement*, provided a curriculum that encouraged students to view Australia and their own contributions to the world in a global context, focusing on international perspectives and cross-cultural communication.

In collaboration with colleagues in School of Philosophical and Historical Inquiry and the School of Languages and Culture, and with public sector groups such as the Human Rights and Equal Opportunity Commission, the Faculty of Arts established a new Bachelor of Arts in Global Studies. The program comprises a three year interdisciplinary core program which takes students through the various dimensions of global change, including issues such as the social and cultural impact of globalisation, human rights and the global public sphere, migration and refugees.



A new cross-disciplinary Master of Arts program in Human Rights – with contributions from the Faculties of Arts, Law, Science and Economics and Business – will be the first humanities-based program in human rights in Australia when it launches in 2008. The social, moral and political consequences of social and cultural diversity are a central part of the core units of this new program. The establishment of this new program has been led by Dr Danielle Celermajer from the Department of Sociology and Social Policy, in close cooperation with colleagues from SOPHI and other faculties.

Support to students from non-English speaking backgrounds

In June 2006, the University launched the WriteSite, an innovative online writing skills tool. The WriteSite is designed to improve students' academic writing skills through a self-paced program which addresses common problem areas and provides accurate and consistent feedback, in conjunction with the support provided by teaching staff.

The Centre for English Teaching delivered a range of language bridging courses for international students. The Learning Centre offers inclusive services to develop students' writing and research skills. The International Student Support Unit provides specialist counselling and welfare support to International students and their families.

The University supported its student representative bodies in a successful discrimination case against the NSW Minister for Transport, a first step towards making NSW student travel concessions available to international students.

Faculty-based initiatives for students from non-English speaking backgrounds included the following:

- The Faculty of Law continued to offer a bridging course for postgraduate and undergraduate students, the vast bulk of whom were international students, to introduce them to the Australian legal system. In conjunction with the Teaching and Learning Unit, the faculty also ran classes assisting students with writing skills. A large percentage of the students who attended these classes were international students.
- The Faculty of Health Sciences conducted a mandatory two-week study preparation program for all international students, which addressed learning and study skills, and social and cultural acclimatisation. The faculty's Learning Centre also provided extensive ongoing support to students with language problems.

Research and critical reflection

The University's scholarly activities continued to enrich knowledge in a broad range of areas related to cultural diversity. Grants were awarded to research projects such as "The Chinese Knowledge Diaspora and the

International Knowledge Network: Australian and Canadian universities compared" and "Between Borders: Refugees, Empires, and Nations".

Conferences hosted by the University included "New Racisms: New Anti-Racisms", which examined new anti-racism strategies aimed at addressing the evolving nature of racism, and brought together people from community associations, advocacy groups and local councils, academics, policy-makers in government and human rights organisations.

Publications included *Seeking Asylum Alone*, a new report by the Faculty of Law's Associate Professor Mary Crock, examining the experiences of unaccompanied child refugees in Australia, and *Windchimes: Asia in Australian Poetry*, a new book co-edited by Dr Noel Rowe and Vivian Smith of the Faculty of Arts aimed at engendering a sense that the imagination offers possibilities for cross-cultural understanding.

Engagement with the community

The University of Sydney continues to receive and encourage support from alumni and friends in meeting the cultural needs of its students and the diverse communities it serves. A number of gifts were received in 2006 for scholarship and research in such areas as Jewish Studies, Japanese Studies, Chinese Studies, Arabic and Islam Studies and the Refugee Language



Program. Gifts were also received by the Hoc Mai Australian Vietnam Medical Foundation and the Australian Lebanese Foundation.

In February, over 1000 Australian Lebanese school children and their parents attended a series of events hosted by the University and organised by the Australian Lebanese Foundation. These events aimed to improve understanding of Lebanese culture and heritage. The foundation also awarded three new scholarships to Australian Lebanese high school students.

A new exhibition, *Lebanon: from Baalbek to Beirut*, was opened by Her Excellency Professor Marie Bashir in the Nicholson Museum in October 2006. The exhibition portrays the rich cultural history of Lebanon through photographs by artist/photographer Rowan Conroy and artefacts from the Nicholson Museum's collection together with loans from the Powerhouse Museum. The exhibition was strongly supported and promoted by members of the Lebanese community and was made possible through the generous sponsorship of the Australian Lebanese Foundation and Carroll & O'Dea Lawyers.

The Seymour Centre has become a hub for many performances with particular relevance to ethnic communities or which seek to broaden the general public's experience of other cultures. Café Carnivale, for instance, held 41 world music concerts in the Seymour's Sound Lounge in 2006, while performances in other theatres included Chinese opera and Vietnamese pop music. In total, 67 events held at the

centre had an ethnic community focus, and the total non-English speaking audience is estimated at around 10,000.

The Centre for Continuing Education offers a large and diverse foreign languages program enrolling more than 6000 students annually. In addition to the perennially popular European and Asian languages, the program is attracting increasingly large numbers to classes in languages such as Arabic, Hindi, Indonesian, Portuguese, Russian, Thai, Turkish and Vietnamese. As well as teaching linguistic skills, these classes play a valuable role in promoting cultural awareness between the many ethnic communities involved and, while most classes are undertaken because people are travelling or working overseas, a growing number of students are enrolling in classes because of personal links outside their own linguistic "community".

Diversity and internationalisation: making connections

The University of Sydney encourages its scholars to study overseas, as well as attracting talented students from around the world. In 2006, there were 8687 international students studying at the University of Sydney. These students came from over 120 different countries with the largest numbers being from the People's Republic of China, Singapore, Hong Kong, South Korea, Malaysia, the United States, Indonesia, India, Canada, Thailand and Germany.

More than 550 international students participated in the Study Abroad Program, while 312 University of Sydney students and 312 international students participated in the Student Exchange Program for either one or two semesters. New Study Abroad and Student Exchange agreements were established with 29 international universities in Canada, China, Denmark, France, Germany, Hong Kong, Italy, Mexico, Norway, South Korea, Spain, Switzerland, The Netherlands, the United States, and the United Kingdom.

The University was also extremely active on the international agreements front with over 150 Memoranda of Understanding either signed for the first time or renewed in 2006 – the largest number ever. The University conducted graduation ceremonies in Malaysia, Singapore, Hong Kong and China during the year.

The Office of University Relations extended opportunities for alumni to engage in the life of the University in Shanghai, Hong Kong, Singapore and Malaysia through signature alumni events which attracted over 200 alumni in each city. The Office also piloted ambassadorial and recruitment programs which engaged key alumni volunteers in 2006.

Managing and promoting cultural diversity

During 2006, the Staff and Student Equal Opportunity Unit developed a cultural diversity resource page for University staff and students. It also



introduced EOnline, a web-based interactive equal opportunity professional development program for staff, managers and supervisors that covers topics such as preventing racial discrimination and fostering a culturally inclusive workplace.

The University appointed 21 new harassment and discrimination support officers, many of whom speak a community language other than English, to provide information and support for staff and students.

University staff from racial or ethno-religious minority groups and from non-English speaking backgrounds attended the 211 in-house training courses held in 2006 at a greater than average rate, demonstrating the additional support provided for employees from diverse backgrounds through non-targeted, inclusive staff development programs.

The working party on cultural diversity in learning and teaching drafted guidelines for teaching and support staff in reflective practices that support cultural diversity.

A new University chaplaincy website was developed to provide access to information about on-campus support for a diversity of religious beliefs and practices.

Identified strategies for 2007

The University will complete the review and updating of its Ethnic Affairs Priority Statement to align with its Strategic Plan 2006–2010. It will continue to:

- cultivate cultural diversity through curriculum development
- ensure a diverse and talented population of student peers
- provide an effective program of scholarships and financial assistance
- provide effective language and bridging support for international students
- lead in educational outreach to the broader community, and
- develop and train staff in core operations and services to best practice levels.



RISK MANAGEMENT, INSURANCE AND OCCUPATIONAL HEALTH AND SAFETY

Risk management

The University considers risk management to be fundamental to good management practice and an important aspect of governance and is thus committed to developing and maintaining policies, procedures, systems and a culture to manage risk, efficiency and assurance. The University's broader focus on risk management is overseen by the Senate's Audit and Risk Management Committee which met five times during 2006, including a special briefing session to all members on the status of the University's risk management program and its future progression.

During 2006, the main focus of the risk management program was the refinement of the University's significant risks which were endorsed by the senior executive and the Audit and Risk Management Committee. Each of the risks identified have been assigned to specific areas within the University which will be accountable for their management. Assessments were conducted in the latter part of the year on the treatment options that are currently in place for each risk, with recommendations on further actions that may be required. These assessments will continue during the early part of 2007 and be used as a basis for regular management reports.

In addition, the Federal Department of Education, Science and Training was satisfied with the University's management of risk towards affiliate organisations in accordance with the National Governance Protocols.

Risk Management Office

As part of the broader structural changes within the University, the Risk Management Office (RMO) was restructured to have closer alignment with Internal Audit. A new department was created called Audit, Risk Management and Assurance to which the Risk Management Office will report. Additionally, the Occupational Health & Safety (OHS) and Workers' Compensation & Injury Management programs were reassigned to the Human Resources function which will allow all staff issues and risks to be handled in a coordinated manner. The Risk Management Office will continue to coordinate and facilitate the University's overall risk management and insurance programs with a key focus to provide advice to the University community and to develop policies, procedures, tools and programs to ensure the University's risks are being managed effectively.

The University's insurance program

The University protects itself from the financial effects of insurable risks by procuring a comprehensive insurance program complemented by funded large deductibles and self-insurance where appropriate. The University's insurance program was renewed during two time periods, March and October 2006. Insurance market conditions continued to improve during 2006, which allowed the University to negotiate broader coverage terms for several policies without incurring additional premium costs. The commercial availability of

medical malpractice insurance coverage for staff and students continues to be problematic across the University sector in NSW and negotiations are still progressing with NSW Health to improve the current indemnity arrangements. NSW Health has agreed to extend a temporary indemnity to the University for medical malpractice claims until the end of June 2007.

OHS, Injury Management and Workers' Compensation

The management of OHS, workers' compensation and injury management moved from Finance into the Human Resources portfolio under the new unit name OHS & Injury Management (OHSIM). The main goals for the year were to consolidate the University's programs for ensuring the health, safety and welfare of its staff, students and visitors, and effective injury management and coordination of return to work for employees claiming workers' compensation.

The network of Zone OHS Committees actively monitored and promoted OHS with oversight by the Central OHS Committee, chaired by the Deputy Vice-Chancellor (Infrastructure). Elections were held for employee representatives on these committees and new members were trained. Other high level committees provided direction and promotion of emergency management and safe, compliant research involving gene technology and ionising radiation.



The University commenced its third OHS management systems audit in the second half of the year with the audit process and content having been improved as a result of the 2005 audit. The results of the 2006 audit will be collated in early 2007 to provide detailed information on compliance with the University's OHS program and direction for future improvement.

A broad range of OHS training was provided for staff and research students in key OHS risk areas ranging from office ergonomics to laboratory safety. OHSIM increased its training resource library to cater for departments seeking to present standard OHS training material on demand locally, particularly for induction of new workers. There were 16 projects completed (with the assistance of agent funding) that targeted injury prevention and claims costs in departments identified as having a high claims risk.

An 11 per cent reduction in the number of workers' compensation claims was achieved in 2006 compared to 2005. Of the 223 claims lodged, 126 were classified as significant cases requiring injury management. Effective workers' compensation and injury management processes ensured that injured employees were able to safely and promptly return to their usual employment at the University. The impressive return to work rate of 98 per cent for the year was the highest in the seven years of recording.

The current insurance premium prediction indicates a reduction of over 30 per cent, a premium saving in the order of \$1.5 million compared with 2005. This improvement resulted primarily from changes to the WorkCover Premium formula (20 per cent reduction) and continued improvements in injury and claims management.

The annual Peter Dunlop Memorial OHS Award was presented to Mr John Goodhew from the Faculty of Economics and Business.



PROMOTIONS TO PROFESSOR

Professor Steven William Armfield
Aerospace, Mechanical and Mechatronic
Engineering

**Australian Professorial Fellow Iver Hugh
Cairns**
Physics

Professor Peter Roland Harrowell
Chemistry

Professor Jules Mitchell Guss
Molecular and Microbial Biosciences

Professor Iain Stewart McGregor
Psychology

Professor Robert Aldrich
Philosophical and Historical Inquiry

Professor Geraldine Barnes
English, Art History, Film and Media

Professor Maria Byrne
Medical Sciences (Anatomy and
Histology)

Professor Ian Cameron
Northern Clinical School (Medicine)

Professor Jonathan Carter
Central Clinical School (Obstetrics and
Gynaecology)

Professor Elizabeth Elliott
Children's Hospital at Westmead Clinical
School (Paediatrics and Child Health)

Professor Christopher Liddle
Western Clinical School
(Medicine – Westmead)

Professor Jacob George
Western Clinical School
(Medicine – Westmead)

Professor Anthony Keech
NHMRC Clinical Trials Centre within the
School of Public Health

Professor Nicholas Charles Sangster
Veterinary Science

Professor Anthony Aspromourgos
Economics and Political Science

Professor Rodney Tiffen
Economics and Political Science

*For staff elected as fellows of learned
academies, see Volume 1, page 28*



HONORARY AWARDS

The following honorary awards were conferred at 2006 graduations.

7 April 2006

Justice Geoffrey Robertson QC
BCL *Oxf* BA LLB

Barrister, Founder and Head, Doughty Street Chambers, Appeal Judge, UN Special Court for Sierra Leone

Honorary degree of Doctor of Laws

21 April 2006

Mrs Roslyn B Poignant
BA

Anthropologist, curator and writer

Honorary degree of Doctor of Letters

Mr Neil Armfield
BA

Theatre, opera, film and television director

Honorary degree of Doctor of Letters

28 April 2006

Ms Dorothy Hoddinott
MA DipEd

Principal of Holroyd High School, and advocate for the rights of students from disadvantaged and non-English speaking backgrounds, former member of the Sydney University Women's Union and the University of Sydney Union Foundation

Honorary Fellow

12 May 2006

Mr Andrew Murray
MBA *UNSW* BSc BE

Stockbroker, Councillor (1984–2002) and Chairman (1999–2002) of St Andrew's College, Deputy Chairman of the St Andrew's College Foundation, a past President of the Sydney University Football Club and a Director of Sydney University Football Club Foundation

Honorary Fellow

Dr Jill K Ker Conway
PhD *Harv* BA

Historian, feminist, literary scholar and writer

Honorary degree of Doctor of Letters

Emeritus Professor Edwin A Judge

Founding Professor of Ancient History, Macquarie University from 1969 to 1993

Honorary degree of Doctor of Letters

19 May 2006

Mr Daniel Lunney
MSc, FRZS

A Principal Research Scientist in the NSW Department of Environment and Conservation

Honorary degree of Doctor of Science

26 May 2006

Mr William T Mansell
FAIA

Managing Director, Chadwick Technology Pty Limited

Honorary degree of Doctor of Engineering

9 June 2006

Mr David Stratton

Director of the Sydney Film Festival 1966 to 1983, film critic, author and television presenter, presenter for the Centre for Continuing Education since 1991

Honorary degree of Doctor of Letters

Mr John D Brockhoff

Former international rugby player, coach and first grade coach, Vice-President, President and Chairman of the Sydney University Football Club

Honorary Fellow



13 June 2006

Emeritus Professor John Chalmers AC
PhD *UNSW* Hon MD *Qld, UNSW & Flin* MB BS BSc(Med), FRACP FRACMA
FRCP FRACS FAA

Professor of Medicine and Senior
Director, The George Institute for
International Health

Honorary degree of Doctor of Medicine

Professor Sir Michael Marmot
MPH PhD *Calif* MB BS BSc(Med),
FRCP FFPHM

Director of the International Centre
for Health and Society and Professor
of Epidemiology and Public Health at
University College, University of London

Honorary degree of Doctor of Medicine

Dr Norman Swan
MBChB *Aberd* DCH (*RCP&S England*),
FRCP MRCP (UK)

Radio and television presenter, producer
and journalist on health and medical
matters

Honorary degree of Doctor of Medicine

16 June 2005

Dr Sydney Ralph Reader CMG
MB BS

Former Medical Director and former
Director of the National Heart
Foundation of Australia

Honorary degree of Doctor of Medicine

20 October 2006

Mr Lou Klepac OAM

Curator, art critic and author, and
former President of the Frederick May
Foundation for Italian Studies

Honorary degree of Doctor of Letters

24 November 2006

**Dr Charles Rowland ('Rowley') B
Richards**
MB BS

A skilled and respected general
practitioner with a lifelong voluntary
commitment to Australian sport and the
well-being of Australian veterans and
their families

Honorary degree of Doctor of Medicine



FREEDOM OF INFORMATION

Under the *NSW Freedom of Information Act 1989*, the University is required to include in its Annual Report information on the processing of requests received by the University. The tables below show the figures for calendar year 2006 with the figures for 2005 given in brackets.

Section A: Numbers of new FOI requests

Information relating to the numbers of new FOI requests received, those processed and those incomplete from the previous period.

FOI requests	Personal	Other	Total
A1 New (incl. transferred in)	5 (20)	5 (3)	10 (23)
A2 Brought forward	1 (0)	0 (0)	1 (0)
A3 Total to be processed	6 (20)	5 (3)	11 (23)
A4 Completed	6 (19)	4 (3)	10 (22)
A5 Transferred out	0 (0)	0 (0)	0 (0)
A6 Withdrawn	0 (0)	0 (0)	0 (0)
A7 Total processed	6 (19)	4 (3)	10 (22)
A8 Unfinished (carried forward)	0 (1)	1 (0)	1 (1)

Section B: What happened to completed requests?

Completed requests are those on line A4.

Result of FOI request	Personal	Other
B1 Granted in full	4 (8)	2 (1)
B2 Granted in part	2 (11)	1 (2)
B3 Refused	0 (0)	1 (0)
B4 Deferred	0 (0)	0 (0)
B5 Completed*	6 (19)	4 (3)

* The figures on line 5 should be the same as the corresponding ones on A4.

Section C: Ministerial Certificates

Number issued during the period.

C1 Ministerial Certificates issued	0 (0)
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Section D: Formal consultations

Number of requests requiring consultations (issued) and total number of formal consultation(s) for the period.

	Issued	Total
D1 Number of requests requiring formal consultation(s)	2 (2)	2 (2)

Section E: Amendment of personal records

Number of requests for amendment processed during the period.

Result of Amendment Request	Total
E1 Result of amendment – agreed	0 (0)
E2 Result of amendment – refused	0 (0)
E3 Total	0 (0)

Section F: Notation of personal records

Number of requests for notation processed during the period.

F1 Number of requests for notation	0 (0)
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Section G: FOI requests granted in part or refused

Basis of disallowing access – number of times each reason cited in relation to completed requests which were granted in part or refused.

	Basis of disallowing or restricting access	Personal	Other
G1	Section 19 {applic. incomplete, wrongly directed}	0 (0)	0 (0)
G2	Section 22 {deposit not paid}	0 (0)	0 (0)
G3	Section 25(1)(a1) {diversion of resources}	0 (2)	0 (0)
G4	Section 25(1)(a) {exempt}	2 (9)	2 (1)
G5	Section 25(1)(b), (c), (d) {otherwise available}	0 (0)	0 (0)
G6	Section 28(1)(b) {documents not held}	0 (4)	0 (1)
G7	Section 24(2) {deemed refused, over 21 days}	0 (0)	0 (0)
G8	Section 31(4) {released to Medical Practitioner}	0 (0)	0 (0)
G9	Totals	2 (15)	2 (2)

Section H: Costs and fees of requests processed during the period

Requests included in lines A4, A5 and A6.

		Assessed Costs	FOI Fees Received
H1	All completed requests	\$240 (\$1350)	\$240 (\$430)

Section I: Discounts allowed

Numbers of FOI requests processed during the period where discounts were allowed.

	Type of discount allowed	Personal	Other
I1	Public interest	0 (0)	0 (0)
I2	Financial hardship – pensioner/child/student	7 (8)	0 (0)
I3	Financial hardship – non profit organisation	0 (0)	0 (0)
I4	Total	7 (8)	0 (0)
I5	Significant correction of personal records	0 (0)	0 (0)

Section J: Days to process

Number of completed requests (A4) by calendar days (elapsed time) taken to process.

	Elapsed Time	Personal	Other
J1	0–21 days	5 (14)	3 (2)
J2	22–35 days	0 (3)	2 (1)
J3	Over 35 days	0 (2)	0 (0)
J4	Totals	5 (19)	5 (3)

Section K: Processing time

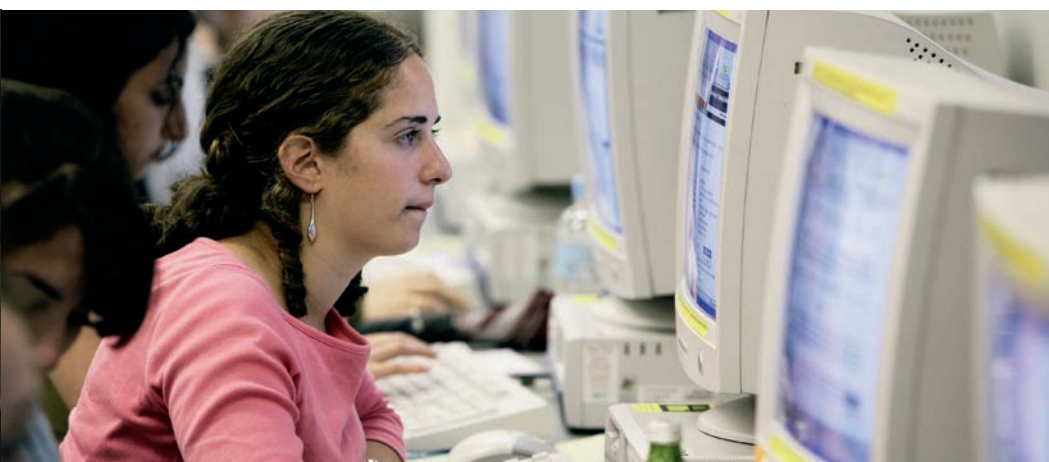
Number of completed requests (A4) by hours taken to process.

	Processing Hours	Personal	Other
K1	0–10 hours	4 (15)	4 (3)
K2	11–20 hours	1 (1)	1 (0)
K3	21–40 hours	0 (3)	0 (0)
K4	Over 40 hours	0 (0)	0 (0)
K5	Totals	5 (19)	5 (3)

Section L: Review and appeals

Number finalised during the period.

L1	Number of internal reviews finalised	0 (2)
L2	Number of Ombudsman reviews finalised	0 (0)
L3	Number of District Court appeals finalised	0 (0)



Details of Internal Review Results – in relation to reviews finalised during the period.

	Bases of Internal Review Grounds on which Internal Review requested	Personal		Other	
		Upheld*	Varied*	Upheld*	Varied*
L4	Access refused	0 (0)	0 (0)	0 (1)	0 (1)
L5	Deferred	0 (0)	0 (0)	0 (0)	0 (0)
L6	Exempt matter	0 (0)	0 (0)	0 (0)	0 (0)
L7	Unreasonable charges	0 (0)	0 (0)	0 (0)	0 (0)
L8	Charge unreasonably incurred	0 (0)	0 (0)	0 (0)	0 (0)
L9	Amendment refused	0 (0)	0 (0)	0 (0)	0 (0)
L10	Totals	0 (0)	0 (0)	0 (1)	0 (1)

* Relates to whether or not the original agency decision was upheld or varied by internal review.

The number of applications was much lower than 2005 with a balance of personal and non-personal affairs. Material exempted from both types of applications generally concerned the third party personal or business affairs or was legally privileged. With much information regarding the University’s affairs publicly available or accessible through administrative mechanisms the *Freedom of Information Act* has little impact on the University.

There were no official investigations carried out by the Ombudsman during the year, nor were any matters referred to the NSW Administrative Decisions Tribunal.

Privacy and Personal Information Protection Act

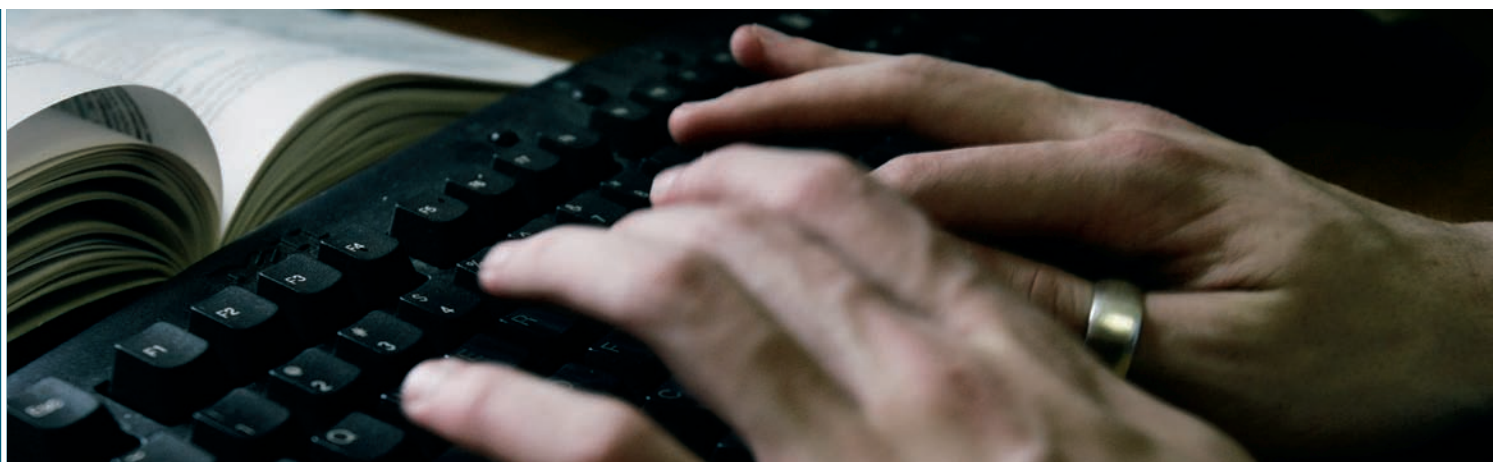
Section 33(3) of the *NSW Privacy and Personal Information Protection Act 1998* (the Act) requires the University to report on the actions it has taken to comply with the Act and to provide statistical details of any review conducted by or on its behalf.

The steps the University has taken to comply with the privacy legislation include:

- adding privacy notices to electronic and hard copy forms used to collect personal information
- adding privacy statements to the University’s websites
- including consideration of privacy issues in the development of University policies, resolutions, rules and procedures
- adding warnings against the unauthorised disclosure of personal information to login screens of corporate computer systems
- administering an awareness and training program on privacy legislation and related matters
- maintaining a privacy website with links to the Privacy Management Plan and other sources of information (www.usyd.edu.au/arms/privacy)
- incorporating a section on privacy in the University Recordkeeping Manual (available in hard copy and electronically)
- revising the access and security regime for the University’s corporate recordkeeping system to further enhance information privacy, and
- providing accurate and timely advice on privacy matters to members of the University community.

Reviews conducted under Part 5 of the *Privacy and Personal Information Protection Act*

No reviews were conducted under part 5 of the Act during 2006.



LEGAL AFFAIRS

Changes to legislation and significant case law

Legislation

Higher Education Legislation Amendment (2006 Budget and Other Measures) Act 2006 (Cth)

This Act amends the *Higher Education Support Act 2003* (HESA). It was passed in October 2006, with the amendments commencing in full on 1 January 2007. Key amendments include provision for various funding increases, increases in FEE-HELP limits, changes to the existing student cohort provisions and provision for the full fee summer school rules to apply to winter schools.

Education Services for Overseas Students Legislation Amendment (2006 Measures No.1) Act 2006 (Cth)

Education Services for Overseas Students Legislation Amendment (2006 Measures No. 2) Act 2006 (Cth)

These Acts amend the *Education Services for Overseas Students Act 2000* (ESOS Act) to strengthen the regulation of education and training services provided to overseas students. The amendments give effect to recommendations of the Federal Government's Evaluation of the ESOS Act which was released in June 2005.

Workplace Relations Amendment (Work Choices) Act 2005 (Cth)

The key provisions of the *Work Choices Act* commenced in full on 27 March 2006. This Act substantially amended the *Workplace Relations Act 1996 (Cth)*, and established a new national workplace relations regulatory framework to replace the existing combination of federal and state-based systems. The new laws also resulted in significant changes in the procedures applicable to the making and registration of collective agreements and Australian Workplace Agreements, the industrial award system, industrial action and access to remedies for unfair dismissal.

Independent Contractors Act 2006 (Cth)

Workplace Relations Amendment (Independent Contractors) Act 2006 (Cth)

These Acts were passed in December 2006. The *Independent Contractors Act 2006* excludes state laws dealing with workplace relations matters from deeming independent contractors to be employees or conferring or imposing rights or obligations on parties to contracts for services to the extent that they deal with workplace relations matters. The Act also creates a federal regime under which independent contractors may seek the review of unfair contracts and, subject to some limited exceptions, precludes the operation of state "unfair contracts" laws. The *Workplace Relations*

Amendment (Independent Contractors) Act 2006 prohibits "sham" contractor arrangements and also makes a number of technical amendments to the *Workplace Relations Act*.

Significant case law

New South Wales and Others v Commonwealth of Australia; Western Australia v Commonwealth of Australia [2006] HCA 52 (14 November 2006)

The states of New South Wales, Victoria, Queensland, South Australia and Western Australia, Unions NSW and the Australian Workers Union challenged the validity of the *Workplace Relations Amendment (Work Choices) Act 2005 (Cth)*. The legislation had been enacted largely in reliance upon the Commonwealth's power to make laws with respect to corporations (section 51(xx) of the Constitution), and the capacity of the Parliament to rely upon that power to underpin the legislation was the principal question at issue in the proceedings.

By a majority of 5:2, the High Court upheld the validity of the legislation.

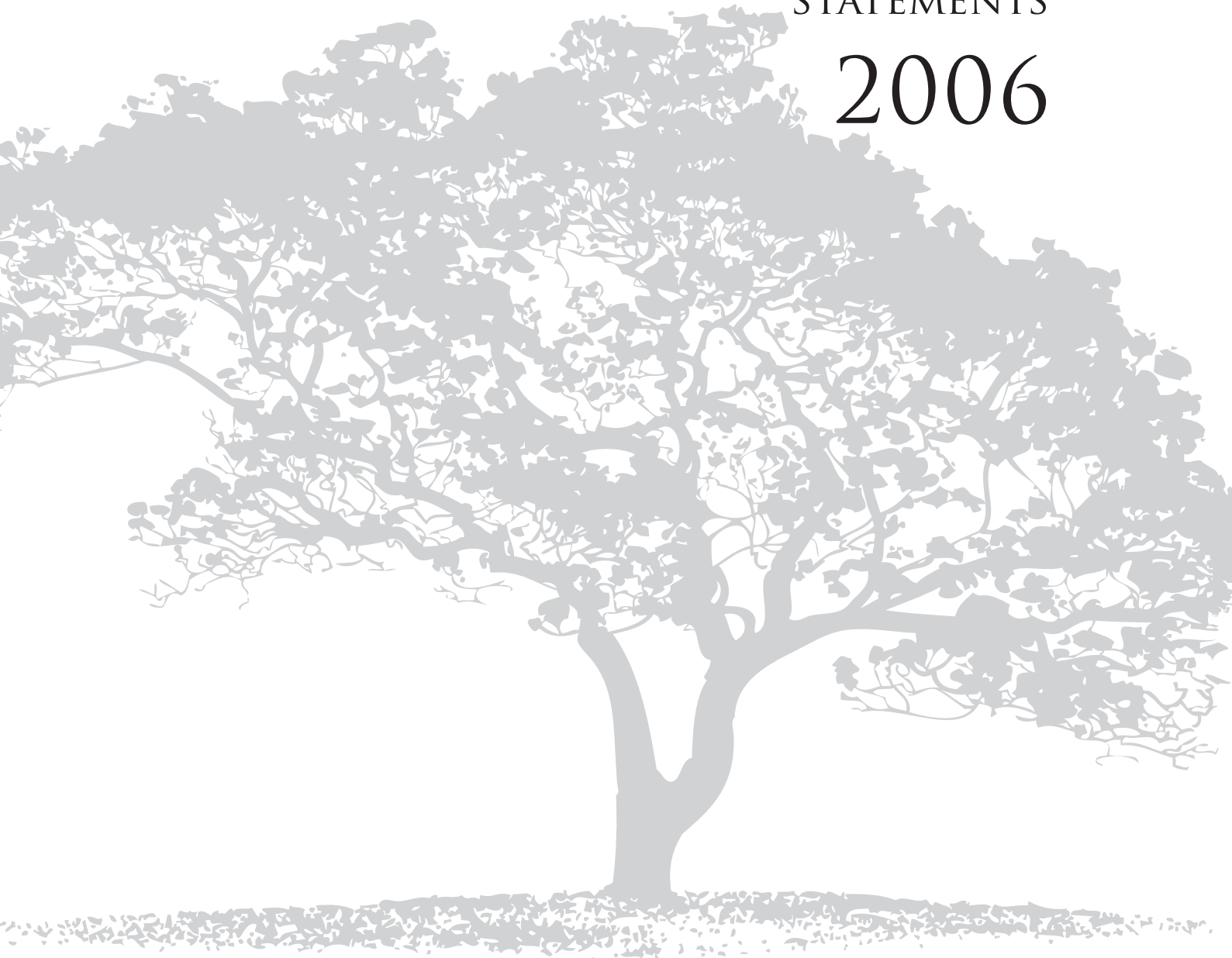




THE UNIVERSITY OF SYDNEY

ANNUAL FINANCIAL
REPORT AND
STATEMENTS

2006



The University of Sydney



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

THE UNIVERSITY OF SYDNEY

To Members of the New South Wales Parliament

Audit Opinion Pursuant to the *Public Finance and Audit Act 1983*

In my opinion, the financial report of The University of Sydney (the University):

- presents fairly the University's and the consolidated entity's financial position as at 31 December 2006 and their financial performance for the year ended on that date, in accordance with Accounting Standards (including Australian Accounting Interpretations), and
- complies with:
 - section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005, and
 - the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2006 Reporting Period', issued by the Australian Government Department of Education Science and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

Audit Opinion Pursuant to the *Charitable Fundraising Act 1991*

In my opinion:

- the financial report of the University and the consolidated entity show a true and fair view of the financial result of fundraising appeals for the year ended 31 December 2006
- the ledgers and associated records of the University and the consolidated entity have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991* (the CF Act) and the *Charitable Fundraising Regulation 2003* (the CF Regulation)
- money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the CF Act and the CF Regulation, and
- there are reasonable grounds to believe that the University and the consolidated entity will be able to pay their debts as and when they fall due.

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

Scope

The Financial Report and Senate's Responsibility

The financial report comprises the balance sheets, income statements, statements of changes in equity, cash flow statements and the accompanying notes to the financial statements for the University and the consolidated entity, for the year ended 31 December 2006. The consolidated entity comprises the University and the entities it controlled during the financial year.

The Senate of the University is responsible for the preparation and true and fair presentation of the financial report in accordance with the PF&A Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Senate in preparing the financial report, and
- examined a sample of the evidence that supports:
 - the amounts and other disclosures in the financial report
 - compliance with accounting and associated record keeping requirements pursuant to the CF Act, and
- obtained an understanding of the internal control structure for fundraising appeal activities.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that members of the Senate had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the University or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

SYDNEY
16 March 2007



The University of Sydney

STATEMENT BY APPOINTED OFFICERS

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

1. The financial report presents a true and fair view of the financial position of the University at 31 December 2006 and the financial performance of the University for the year then ended.
2. The financial report has been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005 and the Financial Statement Guidelines for Australian Higher Education Providers for the 2006 Reporting Period issued by the Australian Government Department of Education, Science and Training.
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 render any particulars included in the financial reports 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 programme guidelines in making expenditure.

Handwritten signature of Kim Santow in black ink.

The Hon Justice Kim Santow OAM
Chancellor

Handwritten signature of Don Nutbeam in black ink.

Professor Don Nutbeam
Acting Vice-Chancellor

2006 ANNUAL FINANCIAL REPORT



INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
Australian Government financial assistance:					
Australian Government grants	2.1	462,595	421,503	462,595	421,503
HECS-HELP – Australian Government payments	2.1	92,131	82,302	92,131	82,302
FEE-HELP	2.1	24,226	22,750	24,226	22,750
New South Wales Government financial assistance	2.2	6,625	7,587	6,625	7,587
HECS-HELP – student payments		31,235	34,715	31,235	34,715
Fees and charges	2.3	223,146	201,438	223,146	201,438
Investment income	2.4	116,092	82,934	116,089	82,916
Royalties, trademarks and licences	2.5	1,368	3,526	1,368	3,526
Consultancy and contract research	2.6	104,780	76,689	104,780	76,689
Other revenue	2.7	30,214	31,813	30,157	31,813
Other income	2.7	63,440	58,785	60,970	57,794
Gains/(losses) on disposal of assets	2.8	57,165	9,254	57,165	9,254
Share of net results of associates and joint ventures accounted for using the equity method	34.1	(2,026)	572	0	0
		1,210,991	1,033,868	1,210,487	1,032,287
Deferred government superannuation contributions	30	(129,419)	(11,863)	(129,419)	(11,863)
Total income from continuing operations		1,081,572	1,022,005	1,081,068	1,020,424
Expenses from continuing operations					
Employee related expenses	3.1	593,253	550,778	591,704	550,229
Depreciation and amortisation	3.2	49,887	44,488	49,029	44,488
Repairs and maintenance	3.3	35,522	32,248	35,522	32,248
Finance costs	4	0	0	0	0
Bad and doubtful debts	3.4	6,542	304	6,542	304
Other expenses	3.5	335,250	295,757	334,287	295,074
		1,020,454	923,575	1,017,084	922,343
Deferred employee benefits for superannuation	30	(129,419)	(11,863)	(129,419)	(11,863)
Total expenses from continuing operations		891,035	911,712	887,665	910,480
Operating result before income tax	42	190,537	110,293	193,403	109,944
Income tax benefit/(expense)	1.4, 5	61	(317)	0	0
Operating result from continuing operations		190,598	109,976	193,403	109,944
Operating result after income tax for the period*		190,598	109,976	193,403	109,944
Operating result attributable to minority interest		0	0	0	0
Operating result attributable to members of The University of Sydney		190,598	109,976	193,403	109,944

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	8	49,377	135,353	49,316	135,229
Trade and other receivables	1.7, 9.1	57,479	59,592	57,427	59,334
Inventories	1.7, 10	1,340	239	1,340	199
Available-for-sale financial assets	1.7, 11.1	69,481	107,744	71,561	107,522
Total current assets		177,677	302,928	179,644	302,284
Non-current assets					
Trade and other receivables	9.2, 29	417,318	537,231	417,318	537,231
Available-for-sale financial assets	1.7, 11.2	1,030,027	825,152	1,030,027	825,152
Other financial assets	1.7, 12	1,339	7,110	1,339	7,110
Investment properties	1.7, 13	14,200	14,425	14,200	14,425
Property, plant and equipment	1.7, 14	1,359,154	1,333,282	1,356,935	1,333,282
Heritage assets	1.7, 15	177,515	164,677	177,515	164,677
Library	1.7, 16, 42	470,440	472,411	470,440	472,411
Works in progress	1.7, 18	83,397	85,273	83,397	85,273
Intangible assets	1.10, 17, 42	36,533	28,873	36,281	28,872
Other non-financial assets	1.7, 19	2,074	3,014	2,074	3,014
Investments accounted for using the equity method	34.2	9,203	11,483	0	0
Total non-current assets		3,601,200	3,482,931	3,589,526	3,471,447
Total assets		3,778,877	3,785,859	3,769,170	3,773,731
LIABILITIES					
Current liabilities					
Trade and other payables	1.8, 20	89,980	99,124	89,063	98,632
Provisions	22.1, 22.2	114,981	110,202	114,966	110,181
Total current liabilities		204,961	209,326	204,029	208,813
Non-current liabilities					
Provisions	22.3	449,380	575,979	449,380	575,948
Deferred tax liabilities	21	0	4	0	0
Total non-current liabilities		449,380	575,983	449,380	575,948
Total liabilities		654,341	785,309	653,409	784,761
Net assets		3,124,536	3,000,550	3,115,761	2,988,970
Equity					
Parent entity interest					
Statutory funds	23.1	590,320	461,828	590,320	461,828
Reserves	1.13, 23.2	289,304	335,828	285,343	326,813
Retained surplus	23.3, 42	2,244,912	2,202,894	2,240,098	2,200,329
Total parent entity interest		3,124,536	3,000,550	3,115,761	2,988,970
Minority interest	24	0	0	0	0
Total equity		3,124,536	3,000,550	3,115,761	2,988,970

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		3,000,550	2,855,372	2,988,970	2,843,824
Transfers to/(from) reserves	23.2	(53,538)	(8,886)	(53,538)	(8,886)
Transfers to/(from) retained surplus	23.2	(5,468)	0	(399)	0
Transfers to/(from) retained surplus	23.3	(20,073)	0	(25,142)	0
Gain/(loss) on revaluation of non financial assets	23.2	(2,718)	6,772	(2,718)	6,772
Changes in the fair value of available-for-sale financial assets	23.2	15,185	37,316	15,185	37,316
Net income recognised directly in equity		(66,612)	35,202	(66,612)	35,202
Operating result for the period	42	190,598	109,976	193,403	109,944
Total recognised income and expense for the period		123,986	145,178	126,791	145,146
Total equity at the end of the financial year		3,124,536	3,000,550	3,115,761	2,988,970
Total recognised income and expense for the year is attributable to:					
Parent entity		123,986	145,178	126,791	145,146
Minority interest	24	0	0	0	0
		123,986	145,178	126,791	145,146
Effect of correction of adjustments resulting from prior year errors					
Obsolete publications to be expensed	42	0	(7,910)	0	(7,910)
Perpetual intellectual property rights being capitalised at cost	42	0	11,610	0	11,610
Increase in equity due to error correction for 2004 and prior year		0	3,700	0	3,700
Obsolete publications to be expensed	42	0	(12,700)	0	(12,700)
Perpetual intellectual property rights being capitalised at cost	42	0	6,710	0	6,710
Decrease in equity due to error correction for 2005		0	(5,990)	0	(5,990)

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Inflows:					
Australian Government grants received	2.1	566,607	539,406	566,607	539,406
New South Wales Government grants received		6,625	7,683	6,625	7,683
HECS- HELP – student payments		32,420	30,871	32,420	30,871
Receipts from student fees and others		443,806	392,688	442,015	390,943
Dividends received		11,966	8,233	11,966	8,233
Interest received		38,184	41,907	38,181	41,890
Other investment income received		63,062	28,441	63,062	28,441
Outflows:					
Payments for employee related expenses		(584,884)	(544,554)	(584,401)	(544,554)
Payments to suppliers (inclusive of goods and services tax)		(405,276)	(318,610)	(403,272)	(316,655)
Net cash provided by/(used in) operating activities	36.2	172,510	186,065	173,203	186,258
Cash flows from investing activities					
Inflows:					
Proceeds from sale of shares, managed funds and fixed income securities		736,725	570,400	736,725	570,400
Proceeds from sale of property, plant and equipment		3,669	3,055	3,669	3,055
Receipts/(payment) for joint venture partnership		(598)	836	(598)	836
Outflows:					
Payments for property, plant and equipment		(116,961)	(87,388)	(116,941)	(87,388)
Payments for shares, managed funds and fixed income securities		(881,971)	(686,944)	(881,971)	(686,944)
Net cash provided by/(used in) investing activities		(259,136)	(200,041)	(259,116)	(200,041)
Cash flows from financing activities					
Inflows:					
Issue of share capital and borrowings		652	107	0	0
Net cash provided by/(used in) financing activities		652	107	0	0
Net increase/(decrease) in cash and cash equivalents		(85,974)	(13,869)	(85,913)	(13,783)
Cash and cash equivalents at beginning of year		135,353	149,222	135,229	149,012
Cash attributable to disposal of subsidiaries		(2)	0	0	0
Cash and cash equivalents at end of year	36.1	49,377	135,353	49,316	135,229
Non-cash financing and investing activities	38	411	1,255	411	1,255

NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

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NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the University as an individual entity and the consolidated entity consisting of the University of Sydney and its subsidiaries.

The financial report was authorised for issue under the delegation of the Senate on 13 March 2007. The University has the power to amend and reissue the financial report.

1.1 Basis of preparation

This financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with Australian Accounting Standards, (including Australian Accounting Standards Board (AASB) interpretations), the requirements of the Department of Education, Science and Training (DEST), the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2005.

Compliance with International Financial Reporting Standards

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. The financial statements and notes of the University comply with the Australian International Financial Reporting Standards (AIFRS), some of which contain requirements specific to not-for profit (NFP) entities that are inconsistent with IFRS requirements. The main NFP entity provisions, adopted by the parent entity, are in respect:

- Accounting for Government grants. Under AASB 1004 'Contributions' a NFP entity is required to recognise government grants upon receipt.
- Impairment of Assets. Under AASB 136 'Impairment of Assets' a NFP entity is entitled to recognise any impairment loss on a revalued asset directly against the available revaluation reserve in respect of the same class of asset.
- Assets received at nil or nominal value. Under AASB 102 'Inventories', AASB 138 'Intangible Assets', AASB 140 'Investment Properties', AASB 116 'Property Plant and Equipment', a NFP entity is entitled to recognise an asset acquired at no cost or nominal cost at its fair value as at the date of acquisition.
- Property held to meet service delivery objectives. Under AASB 140 'Investment Property', a NFP entity is entitled to hold investment property to meet service delivery objectives and as such must account for these assets under AASB 116 'Property Plant and Equipment'.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies.

Accrual basis of accounting

The financial report has been prepared on an accrual accounting basis and on the basis of historical costs and except where stated in notes 1.1 and 1.7, does not take into account changing money values or current valuations of non-current assets.

Consolidated financial statements

The consolidated financial report is prepared in accordance with AASB 127 Consolidated and Separate Financial Statements. The financial report includes the accounts of the parent entity, the University of Sydney, and the accounts of the economic entity, comprising the University of Sydney and the entities it controlled at the end of or during the financial year, as shown in note 31.

The balances and effects of transactions between subsidiaries included in the consolidated financial report have been eliminated.

Separate financial reports are also prepared by the University's subsidiaries and are audited by the Auditor-General of New South Wales.

1.2 Changes in accounting policies

There have been no changes in accounting policies in the current period.

NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

1.3 Insurance

The University and its subsidiaries have insurance policies for coverage of properties, public liability, professional indemnity, clinical trials, veterinary malpractice, directors and officers, personal accident/travel, motor vehicles, workers compensation, aviation hull & liability, principal controlled contract works, marine hull and liability, marine transit and crops. There are elements of self-insurance within the overall insurance program including cover for University staff and students engaged in medical and other clinical activities.

1.4 Income tax

The University is exempt from income tax under Commonwealth income tax legislation. Within the consolidated entity there are entities that are not exempt from income tax. For these entities, the consolidated entity adopts the liability method of tax effect accounting whereby the income tax expense for the period is based on the profit from ordinary activities adjusted for any permanent differences between taxable and accounting income.

Timing differences, which arise due to different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are recognised as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits, including tax losses, are not recognised unless realisation of the benefit is virtually certain.

The recognition of income tax benefits is based on the assumption that adverse changes will not occur in income tax legislation and the consolidated entity will derive sufficient future assessable income so the benefits may be realised and comply with the conditions of deductibility imposed by the law.

1.5 Revenue recognition

Operating revenue

The University's operating activity income consists of Commonwealth grants, Higher Education Contribution Scheme, Higher Education Loan Program, NSW State Government grants, other research grants and contracts, investment income, and fees and charges. Apart from the deferred government contribution to superannuation income, the remaining balance of income is from outside operating activities.

Revenue is recognised where it can be reliably measured in the period to which it relates. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes.

Government grants – the University treats operating grants received from Australian Government entities as income in the year of receipt.

Fees and charges – student fees are recognised as debtors in the relevant session. Revenue from rendering services is recognised in the period in which the service is provided, having regard to the stage of completion of the service.

Investment income – investment income is recognised as it accrues.

Rental income – rental income is recognised as it accrues over the period that the properties are leased to third parties.

Asset sales – net realised gains/(losses) are included as income/(expenses) and are further analysed in Note 2.8.

Other revenue and income – represents contributions from external organisations and miscellaneous income not derived from core operations.

1.6 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax 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 with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet. Cash flows are included in the cash flow statement 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.

1.7 Valuation of assets

Cash and cash equivalents

Available-for-sale financial assets with a maturity date of three months or less, from the date of deposit or issue and where there is an insignificant risk of a change in value, are re-classified to cash and cash equivalents.

NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

Property, plant and equipment

In 2001 the University had the option of measuring each class of non-current asset on either a cost basis or fair value basis. With effect from 1 January 2001, the University elected to apply the cost model to value its plant and equipment, library collections and non-commercial teaching and research land, buildings and infrastructure and the revaluation model for commercial teaching and research land, buildings, infrastructure, farms and student housing, in accordance with AASB 116.

By adopting the cost model, the carrying amount of plant and equipment, library collections and non-commercial teaching and research land, buildings and infrastructure were carried at their cost less any accumulated depreciation and any accumulated impairment losses.

Under the revaluation model, the commercial teaching and research land, buildings, infrastructure, farms, student housing, heritage assets and livestock are carried at their revalued amount, being fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. As 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. The increase on the assets carrying amount as a result of revaluation is credited to revaluation reserve.

Each year the University undertakes a process of rolling perpetual stocktake of its plant and equipment. This form of stocktake means that the University reviews the assets held by each area at least once per annum.

Land

In 2001 the University adopted the cost basis for its non-commercial teaching and research land and the fair value basis for commercial teaching and research land.

Non-commercial land, buildings and infrastructure are those assets, which are subject to specific restrictions e.g. land grants, zoned specific use and specific contractual arrangements.

A valuation of the University's non-commercial teaching and research land was carried out as at 31 December 2004 and, based on the capital value of land assumed to be vacant, was valued at \$208,354,400. The value of commercial land, buildings and infrastructure used for teaching and research purposes (and not forming part of the investment class) but not subject to the same restrictions as the non-commercial teaching and research land, buildings and infrastructure are to be valued every three years. A valuation of these assets was undertaken as at 31 December 2006.

Buildings

In 2001 the University adopted the cost basis for its non-commercial teaching and research buildings, with the exception of five overseas properties constituting less than one per cent of this class, which are subject to revaluation. The University adopted the fair value basis for commercial teaching and research buildings. The University buildings have been insured at replacement cost of \$2,033,914,589.

Non-portfolio investment buildings

Non-portfolio investment buildings are land and buildings carried at fair value and are used by the University to meet service delivery obligations.

Infrastructure

Infrastructure includes roads, paths and paving, ovals, playing fields, perimeter fencing, boundary gates, farm fencing (wire, electric or post and rail), water, electricity, gas, telecommunications services, sewerage, drainage, bridges, pedestrian ramps, surface car parks, power generation plants, reservoirs, dams and landscaping. In 2001 the University adopted the cost basis for its non-commercial infrastructure and the fair value basis for commercial teaching and research infrastructure.

Commercial farms

The University's commercial farms have been revalued at 31 December 2006.

Student housing

The University's student housing have been revalued at 31 December 2006.

Plant and equipment

The University's plant and equipment are recorded at historical cost. All items with a cost of acquisition in excess of \$5000 are capitalised at cost. All items with a cost of less than \$5000 are expensed.

NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

Embedded plant and equipment in buildings

Embedded plant and equipment in buildings includes assets which are capitalised with the building, and can be separately identified and depreciated at a different rate than the host building.

Motor vehicles

The University's motor vehicles are recorded at historical cost.

Heritage assets

Valuations for the University's heritage assets were provided by the curators of each collection. The valuation for the University's rare books collection was as at 31 December 2006. 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 (MCA). The collection was last valued in 2006 by the Museum of Contemporary Art Limited and is recorded on the University's books at a value of \$16,500,000. The entire collection has been insured at a value of \$18,500,000. The valuation for the other collections are provided annually by the curators of each collection and are based on current market value using a combination of prices at auction of similar works, the curator's experience and appropriate indexation. Where assets are valued in a foreign currency they are translated into A\$ equivalent at reporting date. These assets are not subject to depreciation. With the application of AASB116 the valuations are arrived at by curators using the fair value method.

Library

Valuations for the University's libraries were provided by University librarians. The University's research and undergraduate collections were capitalised as at 31 December 1998 based on 1997 prices indexed to 1998 prices to reflect current market value. Under AASB 116, the library collections continue to be valued on the cost model. Only the undergraduate collection is subject to depreciation; the research collection does not diminish in value because of the nature of the collection.

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 (IT) systems developments that had not been implemented as at the reporting date.

Other non-current assets

Milk quota

As a result of dairy deregulation, the Dairy Adjustment Authority advised the University that its entitlement to compensation would be \$901,779 payable in 32 quarterly instalments. A total of \$732,680 has been received.

Self Generating and Regenerating Assets (SGARA)

These assets comprise livestock and other living assets such as crops. The University values its SGARAs on a fair value basis.

• Livestock

Livestock was valued at current market prices by independent valuers at reporting date.

• Crops

The University has a number of crops at its farms. All winter crops had been harvested and with the exception of some items have been sold by 31 December 2006. The unsold crops have been valued at fair value. Some summer crops were growing at that time but had not reached sufficient maturity to enable them to be insured with an underwriter. Therefore no value has been recognised in the accounts at reporting date.

Inventories

Inventories consist of store stock. Inventories are valued at cost. Costs have been assigned to inventory quantities on hand at reporting date using the first in first out basis. Unsold crops in silos are valued at fair value.

NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

Trade and other receivables

All debtors are recognised at the amounts receivable and are due for settlement in no more than 30 days. A provision is raised for any doubtful debts based on a review of all outstanding amounts at reporting date. Bad debts are written off in the period in which they are identified.

Available-for-sale financial assets

Available-for-sale financial assets (see note 11) are initially brought to account at fair value. Subsequent increases in the value of these financial assets are required by Accounting Standards to be credited directly to the asset revaluation reserve unless they are reversing a previous decrement charged to the income statement in which case the increment is credited to the income statement. Decreases in the value of these financial assets are charged as investment losses in the income statement unless they reverse a previous increment credited to the asset revaluation reserve in which case the decrement is debited to the asset revaluation reserve. Upon disposal of these financial assets, the applicable revaluation balances are transferred to the income statement.

Other financial assets

The University has investments in a number of companies that are unlisted. These are brought to account at cost as there is no available market value. Based on the latest available published financial accounts the University estimates that the recoverable amounts are greater than cost.

Investment properties

Investment properties are carried at fair value and changes in fair value are recognised in the income statement.

1.8 Trade and other payables

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

1.9 Foreign currency transactions

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

1.10 Intangible assets

Intangibles include major IT computer software and a digitised library collection which represents the cost to the University of major information technology systems and digitised library assets that have been purchased/developed and/or implemented. These are recorded at historic costs.

1.11 Employees entitlements

Employee entitlements comprising annual leave, long service leave and superannuation benefits together with related on-costs have been fully provided. The total liability in respect of employee entitlements has been brought to account, in accordance with AASB119.

- **Annual Leave**

Liabilities for annual leave are recognised and measured based on staff leave entitlements at reporting date at current pay rates. Accrued annual leave is treated as a current liability.

- **Long service leave**

A liability for long service leave is recognised, and is measured using the net present value method. An actuarial valuation of the University's liability was undertaken by Alea Actuarial Consulting Pty Limited as at 31 December 2006.

Accrued long service leave is treated as both a current and a non-current liability.

- **Superannuation**

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 fully funded defined benefits scheme. The University also contributes to the University of Sydney Professorial Superannuation System. Actuarial gains and losses on defined benefits superannuation schemes are recognised in the income statement in the year they occur.

NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

1.12 Depreciation

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:

	Per annum
Plant and equipment	10%
Computing equipment	25%
Motor vehicles*	15%
Buildings	2%
Embedded plant & equipment in buildings	
– Embedded mechanical & electrical installation	6.7%
– Embedded plant & equipment	10%
Library undergraduate collection	20%
Leasehold improvements	2%
Intangibles – computer software	40%
Infrastructure	2%
Commercial teaching and research farms	2%
Commercial teaching and research student housing	2%

*Rate changed from 5% effective 1 July 2006.

1.13 Reserves

The University has the following reserves:

- **Asset 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 valuation of assets policies stated in note 1.7. Decrements in reserves are either on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 Impairment of Assets where a revaluation reserve had existed for that asset class.

- **Associates reserves**

This represents the reserves held by associated entities and is brought to account in the consolidated financial report using the equity method of accounting (see note 32).

In addition an initial asset valuation reserve was created in 1992 for the purpose of bringing to account the University's assets for the first time and includes the transfer of properties between the University and the Department of School Education in 1994; this transfer did not involve any cash transactions. This initial asset valuation reserve is included in retained surplus.

1.14 Joint ventures

The proportionate interests in the assets, liabilities and expenses of joint venture partnerships have been incorporated in the financial report under the appropriate headings. Details of the interest in joint ventures are set out in notes 33. The University also has interests in a number of Cooperative Research Centres (CRC) joint venture operations, contributions to which are expensed. Details of the CRC joint ventures are provided in note 35.

1.15 Associates

The proportionate interests in the profits or losses of associates have been incorporated in the financial report. Details of the interest in associated entities are set out in note 32.

1.16 Private sector participation in the provision of student accommodation

The University of Sydney 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 the private sector. 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 40 years after opening of the SUV. At this stage the emerging share of the asset is not material.

NOTES TO THE FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2006

1.17 New Accounting Standards and AASB interpretations

At the reporting date, a number of new accounting standards and interpretations have been issued but are not yet operative and have not been early adopted by the University.

AASB 2005-10 details amendments to Accounting Standards which are applicable, where relevant to annual reporting periods beginning on or after 1 January 2007 with early adoption permitted for annual reporting periods beginning on or after 1 January 2005. AASB Interpretation 4 is applicable to annual reporting periods beginning on or after 1 January 2008. Early adoption is permitted for an annual reporting period beginning on or after 1 January 2005 but before 1 January 2008 under certain conditions.

The University has elected not to early adopt any of these standards and interpretations as they are either not relevant or they have no impact on its financial reports for 2006. Similarly, application of the standard from 2007 is not expected to impact the financial results for annual reporting periods beginning on or after 1 January.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	<i>Economic entity</i>		<i>Parent entity</i>	
		<i>[Consolidated]</i>		<i>[University]</i>	
		<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
2. Income from continuing operations					
2.1 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs					
Commonwealth Grants Scheme and other grants	40.1				
Commonwealth Grants Scheme		182,273	176,365	182,273	176,365
Higher Education Equity Support Program		295	270	295	270
Workplace Reform Program		2,432	2,387	2,432	2,387
Workplace Productivity Program		344	0	344	0
Learning and Teaching Performance Fund		4,950	0	4,950	0
Indigenous Support Fund		1,181	0	1,181	0
Collaboration and Structural Reform Program		0	81	0	81
Total Commonwealth Grants Scheme and other grants		191,475	179,103	191,475	179,103
Higher Education Loan programmes	40.2				
HECS-HELP		92,131	82,302	92,131	82,302
FEE-HELP		24,226	22,750	24,226	22,750
Total higher education loan programs		116,357	105,052	116,357	105,052
Scholarships	40.3				
Australian Postgraduate Awards		8,902	9,079	8,902	9,079
International Postgraduate Research Scholarships		1,991	1,980	1,991	1,980
Commonwealth Education Costs Scholarships		967	582	967	582
Commonwealth Accommodation Scholarships		1,619	1,086	1,619	1,086
Total Scholarships		13,479	12,727	13,479	12,727
DEST – research	40.4				
Institutional Grants Scheme		30,523	29,973	30,523	29,973
Research Training Scheme		56,986	56,902	56,986	56,902
Systemic Infrastructure Initiative		625	350	625	350
Research Infrastructure Block Grants		23,727	21,150	23,727	21,150
Total DEST – research		111,861	108,375	111,861	108,375
Australian Research Council (ARC)					
Discovery	40.5 (a)				
Projects		35,933	29,836	35,933	29,836
Fellowships		(8)	654	(8)	654
Federation fellowships		5,043	4,107	5,043	4,107
Total Discovery		40,968	34,597	40,968	34,597
Linkages	40.5 (b)				
Linkage – infrastructure		6,946	3,644	6,946	3,644
International researcher exchange		510	276	510	276
Projects		8,728	7,225	8,728	7,225
Total Linkages		16,184	11,145	16,184	11,145
Networks and Centres	40.5 (c)				
Research networks		832	817	832	817
Centres		4,867	5,637	4,867	5,637
Total Networks and Centres		5,699	6,454	5,699	6,454

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
2. Income from continuing operations (continued)				
Other Australian Government financial assistance				
Environment, sport and territories	267	177	267	177
Education, science and training	4,609	1,922	4,609	1,922
Human services and health	69,564	56,326	69,564	56,326
Industry, technology and regional development	742	865	742	865
Primary industry and energy	7,113	8,552	7,113	8,552
Other	634	1,260	634	1,260
Total other Australian Government financial assistance	82,929	69,102	82,929	69,102
Total Australian Government financial assistance	578,952	526,555	578,952	526,555
Reconciliation				
Australian Government grants	462,595	421,503	462,595	421,503
HECS-HELP – Australian Government payments	92,131	82,302	92,131	82,302
FEE-HELP – other Australian Government loan programs	24,226	22,750	24,226	22,750
Total Australian Government financial assistance	578,952	526,555	578,952	526,555
Australian Government grants received – cash basis				
Commonwealth Grants Scheme and other grants	191,475	179,103	191,475	179,103
Higher education loan programs	104,810	117,008	104,810	117,008
Scholarships	13,479	12,727	13,479	12,727
DEST – research	111,861	108,375	111,861	108,375
ARC Discovery	40,968	34,544	40,968	34,544
ARC Linkages	16,184	11,145	16,184	11,145
ARC Networks and Centres	5,699	6,454	5,699	6,454
Other Australian Government financial assistance	82,929	69,102	82,929	69,102
Total Australian Government grants received - cash basis	567,405	538,458	567,405	538,458
OS-HELP liability to Australian Government (net)	(798)	948	(798)	948
Total Australian Government funding received - cash basis	566,607	539,406	566,607	539,406
2.2 New South Wales State Government financial assistance				
Sydney Conservatorium of Music	1,598	1,502	1,598	1,502
State Government research grants	4,317	4,984	4,317	4,984
Other	710	1,101	710	1,101
Total state and local government financial assistance	6,625	7,587	6,625	7,587

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
2. Income from continuing operations (continued)				
2.3 Fees and charges				
Course fees and charges				
Continuing education	11,210	9,138	11,210	9,138
Fee-paying domestic undergraduate students	15,050	15,403	15,050	15,403
Fee-paying overseas students	148,076	136,804	148,076	136,804
Fee-paying domestic postgraduate students	15,384	14,696	15,384	14,696
Law extension course fees	1,695	1,739	1,695	1,739
Summer school fees	8,781	1,480	8,781	1,480
Course fees	7,246	7,138	7,246	7,138
Students undertaking non-award courses	1,131	890	1,131	890
Total course fees and charges	208,573	187,288	208,573	187,288
Other fees and charges				
Fees late enrolment	225	109	225	109
Hire of equipment and venues	2,319	2,537	2,319	2,537
Library fines	652	679	652	679
Parking fees	1,903	2,287	1,903	2,287
Rental – other	1,010	1,225	1,010	1,225
Miscellaneous	2,425	1,841	2,425	1,841
Library service charges	1,532	1,543	1,532	1,543
Student residences	4,507	3,929	4,507	3,929
Total other fees and charges	14,573	14,150	14,573	14,150
Total fees and charges	223,146	201,438	223,146	201,438
2.4 Investment income				
Rental income from investment properties	1,440	2,094	1,440	2,094
Loan interest	76	159	76	141
Interest from investments	39,045	42,088	39,042	42,088
Dividends received – other	11,014	8,018	11,014	8,018
Distributions from managed funds	63,143	30,403	63,143	30,403
Realised gain/(loss) on short-term investments	0	172	0	172
Trust estate income	1,374	0	1,374	0
Total investment income	116,092	82,934	116,089	82,916
2.5 Royalties, trademarks and licences				
Licence and royalty income	1,368	3,526	1,368	3,526
Total royalties, trademarks and licences	1,368	3,526	1,368	3,526

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
2. Income from continuing operations (continued)					
2.6 Consultancy and contracts					
Local collaborative & other research		23,307	18,428	23,307	18,428
Consultancy		11,515	9,057	11,515	9,057
Research grants industry		4,459	3,894	4,459	3,894
Research grants individuals & foundations		28,344	14,523	28,344	14,523
Research grants overseas organisations		37,155	30,787	37,155	30,787
Total consultancy and contract research		104,780	76,689	104,780	76,689
2.7 Other revenue and income					
Other revenue					
Donations and bequests		26,528	28,436	26,471	28,436
Scholarships and prizes		3,686	3,377	3,686	3,377
		30,214	31,813	30,157	31,813
Other income					
Contributions (external organisations)		31,456	30,123	31,068	30,123
Shop sales (incl. Commercial Services)		5,901	4,720	5,900	4,720
Veterinary/medical practice		6,782	5,980	6,782	5,980
Special events income		1,512	1,001	1,398	1,001
Commission received		481	779	481	779
Membership and subscriptions		1,226	1,253	1,226	1,253
Farms		3,819	4,278	3,819	4,278
Income from associates		0	0	315	0
Net gain on revaluation of investment properties		0	5	0	5
Recovery of expenses from external organisations		4,807	4,255	4,807	4,255
Other		7,456	6,391	5,174	5,400
		63,440	58,785	60,970	57,794
Total other revenue and income**		93,654	90,598	91,127	89,607
<i>**Gains/(losses) on disposal of assets 2005 have been included in note 2.8.</i>					
2.8 Sales of non-current assets					
2.8.1 Disposal of property, plant and equipment					
Proceeds from sale		3,645	3,055	3,645	3,055
Carrying amount of assets sold		(2,720)	(3,338)	(2,720)	(3,338)
Net gain/(loss) on disposal of property, plant and equipment		925	(283)	925	(283)
The consolidated net gain on disposal of property, plant and equipment in 2006 includes a gain of \$400k on sale of commercial teaching and resource land and building; and a gain of \$525k on sale of plant and equipments.					
2.8.2 Sale of shares, managed funds and fixed income securities					
Proceeds from sale		385,965	76,990	385,965	76,990
Carrying amount of assets sold		(383,264)	(76,339)	(383,264)	(76,339)
Realised revaluation gain on sale of financial assets		53,539	8,886	53,539	8,886
Net gain/(loss) on sale of shares, managed funds and fixed income securities		56,240	9,537	56,240	9,537
The consolidated net gain on disposal of shares, managed funds and fixed income securities in 2006 includes a gain of \$55,671k on disposal of shares, gain of \$3,192k on disposal of managed funds and loss of (\$2,623k) on disposal of fixed income securities.					
Total of net gain/(loss) on sale of non-current assets		57,165	9,254	57,165	9,254

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
3. Expenses from continuing operations				
3.1 Employee-related expenses				
Academic				
Salaries	250,429	229,789	250,429	229,789
Contributions to superannuation and pension schemes:				
Emerging costs	6,177	6,933	6,177	6,933
Funded	27,579	30,950	27,579	30,950
Payroll tax	15,837	16,711	15,837	16,711
Workers compensation	2,881	2,627	2,881	2,627
Long service leave expense	6,595	3,352	6,595	3,352
Annual leave	3,219	3,488	3,219	3,488
Total academic	312,717	293,850	312,717	293,850
Non-academic				
Salaries	228,409	207,638	227,022	207,128
Contributions to superannuation and pension schemes:				
Emerging costs	5,567	5,113	5,546	5,074
Funded	24,856	22,652	24,762	22,652
Payroll tax	13,944	14,631	13,923	14,631
Workers compensation	2,317	2,029	2,291	2,029
Long service leave expense	4,771	3,353	4,771	3,353
Annual Leave	672	1,512	672	1,512
Total non-academic	280,536	256,928	278,987	256,379
Total employee benefits and on costs	593,253	550,778	591,704	550,229
Deferred government employee benefits for superannuation	(129,419)	(11,863)	(129,419)	(11,863)
Total employee related expenses including deferred government employee benefits for superannuation	463,834	538,915	462,285	538,366
3.2 Depreciation and amortisation				
Depreciation				
Plant, equipment and office furniture	12,281	10,664	11,444	10,664
Motor vehicles	1,228	583	1,228	583
Computer equipment	2,193	2,998	2,193	2,998
Infrastructure	2,792	2,819	2,792	2,819
Buildings	19,278	18,462	19,278	18,462
Libraries	618	566	618	566
Leasehold improvements	132	68	132	68
Commercial teaching and research building	2,039	1,731	2,039	1,731
Commercial teaching and research infrastructure	9	6	9	6
Total depreciation	40,570	37,897	39,733	37,897
Amortisation				
Intangibles – computer software	9,317	6,591	9,296	6,591
Total depreciation and amortisation	49,887	44,488	49,029	44,488
3.3 Repairs and maintenance				
Maintenance of buildings and grounds	20,436	17,323	20,436	17,323
Other buildings and grounds expenses	15,086	14,925	15,086	14,925
Total repairs and maintenance	35,522	32,248	35,522	32,248

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

Notes	Economic entity		Parent entity	
	[Consolidated]		[University]	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
3. Expenses from continuing operations (continued)				
3.4 Bad and doubtful debts				
Bad debts	50	332	50	332
Doubtful debts	6,492	(28)	6,492	(28)
Total bad and doubtful debts	6,542	304	6,542	304
3.5 Other expenses				
Scholarships, grants and prizes	55,705	48,837	55,705	48,837
Non capitalised equipment	18,749	18,642	18,749	18,642
Advertising, marketing and promotional expenses	3,464	3,063	3,464	3,063
Audit fees, bank charges, legal costs, insurance and taxes	10,318	10,112	10,095	10,106
Net loss on revaluation of investment properties	225	600	225	600
Consultants and contractors	26,435	24,031	26,397	24,031
Farm operations	4,400	3,265	4,400	3,265
Investments – amortisation expense	1,056	1,229	1,056	1,229
Laboratory, medical supplies and materials	19,616	16,887	19,616	16,887
Library materials	5,088	4,152	5,088	4,152
Licences, patents, copyright and commissions	6,740	4,545	6,704	4,545
Miscellaneous expenses*	22,692	14,857	22,283	14,180
Retired assets at net book value	5,716	12,372	5,716	12,372
Operating lease rental expenses	5,236	3,907	5,236	3,907
Printing, postage and stationery	10,990	9,893	10,958	9,893
Rent and room hire	2,173	2,023	2,173	2,023
Teaching & research grants, contracts-external organisations	84,705	63,893	84,705	63,893
Telecommunications	8,671	8,241	8,472	8,241
Travel and related staff development & training	31,653	26,828	31,635	26,828
Equipment repairs and maintenance	5,127	5,680	5,119	5,680
Impairment on non current financial assets	6,161	0	6,161	0
Loss on impairment of library research collections	330	12,700	330	12,700
Total other expenses	335,250	295,757	334,287	295,074
<i>*Net loss of \$283k on sale of property, plant and equipment of 2005 has been recognised as income refer to note 2.8.</i>				
4. Finance costs	0	0	0	0
	0	0	0	0
5. Income tax expense (benefit)	(61)	317	0	0
	(61)	317	0	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

6. Key management personnel disclosures

6.1 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 and principal officers of the University are shown in Volume 1 of this Annual Report, on pages 49 and 51 respectively.

6.2 Remuneration of executives

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
\$200,000 to \$209,999	1	0	1	0
\$230,000 to \$239,999	0	1	0	1
\$250,000 to \$259,999	0	1	0	1
\$280,000 to \$289,999	0	2	0	2
\$290,000 to \$299,999	1	0	1	0
\$300,000 to \$309,999	0	1	0	1
\$310,000 to \$319,999	1	0	1	0
\$330,000 to \$339,999	1	0	1	0
\$340,000 to \$349,999	0	1	0	1
\$360,000 to \$369,999	0	1	0	1
\$370,000 to \$379,999	1	1	1	1
\$380,000 to \$389,999	1	0	1	0
\$480,000 to \$489,999	0	1	0	1
\$490,000 to \$499,999	1	0	1	0
\$570,000 to \$579,999	0	1*	0	1*
\$720,000 to \$729,999	1*	0	1*	0

* As a responsibility of office, one executive occupies a residence owned by the University. The residence is required to be available and used regularly for official University functions and promotional activities. The deemed value of this benefit for the executive is \$139,000. The associated costs, including FBT amount to \$346,000 (2005: \$332,000). During 2006 a portion of this benefit was converted to salary and is included in the details provided above.

During 2006 a restructure of the Executive Group resulted in a reduction of two members. Remuneration for these executives was in the ranges \$70,000 to \$79,999 and \$80,000 to \$89,999.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

6. Key management personnel disclosures (continued)

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
Aggregate remuneration of executives	3,281	3,510	3,281	3,510

The above figures include superannuation, performance loading, housing interest assistance, motor vehicle usage and the associated FBT costs for the period that these executives have held this office during the relevant year.

7. Remuneration of auditors

Auditing of the annual financial report	416	357	396	339
Audit fees for subsidiaries paid by parent entity	18	18	18	18
Audit services by private sector contractors	35	19	35	19
	469	394	449	376

8. Cash and cash equivalents

Cash at bank and on hand*	8,799	6,840	8,738	6,716
Cash equivalents**	40,578	128,513	40,578	128,513
	49,377	135,353	49,316	135,229

* These are interest bearing at variable average rate of 5.75%.

** These are reclassified investments with a maturity date of three months or less from the date of deposit and have an insignificant risk of a change in value.

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of year as shown in the statement of cash flows as follows:

Gross cash balance	49,377	135,353	49,316	135,229
Total cash and cash equivalents	49,377	135,353	49,316	135,229

9. Trade and other receivables

9.1 Current

Student fees	1,840	2,437	1,840	2,437
Provision for doubtful debts	(73)	0	(73)	0
	1,767	2,437	1,767	2,437
Debtors	36,348	32,923	36,296	35,643
Provision for doubtful debts	(6,239)	(5,400)	(6,239)	(5,400)
Disposal of subsidiary	(60)	0	0	0
	30,049	27,523	30,057	30,243
Accrued income	20,449	24,053	20,449	21,075
GST recoverable	4,526	4,882	4,526	4,882
Other	688	697	628	697
	55,712	57,155	55,660	56,897
Total current trade and other receivables	57,479	59,592	57,427	59,334

9.2 Non-current

Deferred Government contribution for superannuation	29	385,567	514,986	385,567	514,986
Super Asset Plan (State Authorities Superannuation Trustee Corporation)		31,638	22,245	31,638	22,245
Other		113	0	113	0
Total non current trade and other receivables		417,318	537,231	417,318	537,231
Total trade and other receivables		474,797	596,823	474,745	596,565

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
10. Inventories				
Current				
Finished goods	0	1	0	1
Other	1,381	238	1,340	198
Disposal of subsidiary	(41)	0	0	0
	<u>1,340</u>	<u>239</u>	<u>1,340</u>	<u>199</u>
11. Available-for-sale financial assets				
11.1 Current				
Investment securities at fair value:				
Government and government-guaranteed stock	0	46,797	0	46,797
Bank securities and deposits	52,140	56,017	52,140	55,795
Non government securities	19,421	4,930	19,421	4,930
Unsecured company loan	0	0	2,080	0
Provision against unsecured company loan	(2,080)	0	(2,080)	0
Total current available-for-sale financial assets	<u>69,481</u>	<u>107,744</u>	<u>71,561</u>	<u>107,522</u>
11.2 Non-current				
Investment securities at fair value:				
Government and government-guaranteed stock	102,546	67,176	102,546	67,176
Bank securities and deposits	272,570	220,832	272,570	220,832
Non government securities	104,018	89,411	104,018	89,411
Secured company loans	8,401	8,653	8,401	8,653
Shares – quoted	4,279	88,044	4,279	88,044
External fund managers – domestic equities	301,006	189,118	301,006	189,118
External fund managers – foreign equities	186,599	123,412	186,599	123,412
External fund managers – property equities	50,272	34,403	50,272	34,403
Mortgage	165	165	165	165
Loans to affiliated organisations	3,671	3,938	3,671	3,938
Provision against loans to affiliated organisations	(3,500)	0	(3,500)	0
Total non current available-for-sale financial assets	<u>1,030,027</u>	<u>825,152</u>	<u>1,030,027</u>	<u>825,152</u>
Total available-for-sale financial assets	<u>1,099,508</u>	<u>932,896</u>	<u>1,101,588</u>	<u>932,674</u>
11.3 Summarised by maturity date				
Within 3 months	61,983	44,708	61,983	44,708
Within 4 to 12 months	7,496	63,037	9,576	62,815
Within 1 to 2 years	36,767	33,163	36,767	33,163
Within 2 to 5 years	264,103	220,505	264,103	220,505
More than 5 years	187,002	116,497	187,002	116,497
No maturing date	542,157	454,986	542,157	454,986
(shares, convertible notes, property trusts, etc.)				
	<u>1,099,508</u>	<u>932,896</u>	<u>1,101,588</u>	<u>932,674</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

<i>Economic entity</i>		<i>Parent entity</i>	
<i>[Consolidated]</i>		<i>[University]</i>	
2006	2005	2006	2005
\$'000	\$'000	\$'000	\$'000

11. Available-for-sale financial assets (continued)

11.4 Summarised by class

Bank securities and deposits	324,710	276,849	324,710	276,627
Non government securities	123,439	94,341	123,439	94,341
Mortgage	165	165	165	165
Government and government-guaranteed stock	102,546	113,973	102,546	113,973
Loans to affiliated organisations	171	3,938	171	3,938
Shares - quoted	4,279	88,044	4,279	88,044
Unsecured company loan/(provision)	(2,080)	0	0	0
Secured company loans	8,401	8,653	8,401	8,653
External fund managers – domestic equities	301,006	189,118	301,006	189,118
External fund managers – foreign equities	186,599	123,412	186,599	123,412
External fund managers – property equities	50,272	34,403	50,272	34,403
	<u>1,099,508</u>	<u>932,896</u>	<u>1,101,588</u>	<u>932,674</u>
Total other financial assets	<u>1,099,508</u>	<u>932,896</u>	<u>1,101,588</u>	<u>932,674</u>

Available for sale financial assets:

At beginning of year	932,896	761,635	932,674	761,426
Adjustment on adoption of AASB132 and AASB139	0	370		370
Additions	1,421,976	1,420,825	1,421,976	1,420,812
Disposals (sale and redemption)	(1,264,969)	(1,287,250)	(1,262,667)	(1,287,250)
Provisions	(5,580)	0	(5,580)	0
Revaluation surplus transfer to equity	15,185	37,316	15,185	37,316
At end of year	<u>1,099,508</u>	<u>932,896</u>	<u>1,101,588</u>	<u>932,674</u>

12. Other financial assets

Non-current

Shares in associates	308	3,297	308	3,297
Other unlisted securities	1,031	3,813	1,031	3,813
	<u>1,339</u>	<u>7,110</u>	<u>1,339</u>	<u>7,110</u>

13. Non current assets – investment properties

Freehold at fair value*

At beginning of year	14,425	14,425	14,425	14,425
net gain/(loss) from fair value adjustment	(225)	0	(225)	0
At end of year	<u>14,200</u>	<u>14,425</u>	<u>14,200</u>	<u>14,425</u>

* In 2006 freehold consisted of 22 properties including 21 home units (in 2005: 22 properties including 21 home units).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

14. Property, plant and equipment

	Non-com		Com T&R		Non-com		Com T&R		Non-com		Com T&R		Commercial		Student		Plant &		Motor		Computer		Leasehold		Total	
	T & R	land	land	T & R	buildings	investment	P & E in	T & R	infra	farms	housing	equip	vehicles	equip	improve-	ments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Economic entity [Consolidated]																										
As at 1 January 2005																										
Cost	171,884	0	908,220	0	0	0	0	132,530	0	0	0	151,449	10,633	30,970	3,023										1,408,709	
At valuation	0	58,454	0	66,810	0	0	0	0	406	30,598	15,125	0	0	0	0	0									171,393	
Accumulated depreciation write back	0	0	(124,574)	0	0	0	0	(22,668)	0	0	0	(90,253)	(1,274)	(25,373)	(127)										(264,269)	
	171,884	58,454	783,646	66,810	0	0	109,862	406	30,598	15,125	61,196	9,359	5,597	2,896											1,315,833	
Year ended 31 December 2005																										
Opening net book amount	171,884	58,454	783,646	66,810	0	0	109,862	406	30,598	15,125	61,196	9,359	5,597	2,896											1,315,833	
Revaluation increment/(decrement)	0	0	0	0	0	0	0	0	0	5,272	(439)	0	0	0	0	0									4,833	
additions/recategorisations	(29)	0	21,406	17,043	0	0	315	0	0	0	17,748	3,019	1,359	372											61,233	
Disposals/retirements	0	0	(5,521)	0	0	0	0	0	0	0	(800)	(2,803)	(39)	0											(15,956)	
Depreciation expense	0	0	(18,425)	(1,361)	0	0	(2,808)	(17)	(95)	(286)	(6,358)	(245)	(2,998)	(68)											(32,661)	
Close net book amount	171,855	58,454	781,106	82,492	0	0	107,369	389	35,775	13,600	65,793	9,330	3,919	3,200											1,333,282	
As at 31 December 2005																										
Cost	171,855	0	922,931	0	0	0	132,845	0	0	0	162,404	10,849	25,817	3,395											1,430,096	
At valuation	0	58,454	0	83,853	0	0	0	406	35,775	13,600	0	0	0	0											192,088	
Accumulated depreciation write back	0	0	(141,825)	(1,361)	0	0	(25,476)	(17)	0	0	(96,611)	(1,519)	(21,898)	(195)											(288,902)	
Net book amount	171,855	58,454	781,106	82,492	0	0	107,369	389	35,775	13,600	65,793	9,330	3,919	3,200											1,333,282	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

14. Property, plant and equipment (continued)

	Parent entity [University]											Total			
	Non-com T & R land	Com T&R land	Non-com T & R buildings	Com T&R buildings	Non- portfolio investment buildings	Embedded P & E in buildings	Non-com T & R infra	Com T&R infra	Commercial farms	Student housing	Plant & equip		Motor vehicles	Computer equip	Leasehold improve- ments
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 January 2005															
Cost	171,884	0	908,220	0	0	0	132,530	0	0	0	151,449	10,633	30,970	3,023	1,408,709
At valuation	0	58,454	0	66,810	0	0	0	406	30,598	15,125	0	0	0	0	171,393
Accumulated depreciation write back	0	0	(124,574)	0	0	0	(22,668)	0	0	0	(90,253)	(1,274)	(25,373)	(127)	(264,269)
	171,884	58,454	783,646	66,810	0	0	109,862	406	30,598	15,125	61,196	9,359	5,597	2,896	1,315,833
Year ended 31 December 2005															
Opening net book amount	171,884	58,454	783,646	66,810	0	0	109,862	406	30,598	15,125	61,196	9,359	5,597	2,896	1,315,833
Revaluation increment/(decrement) additions/recategorisations	0	0	0	0	0	0	0	0	5,272	(439)	0	0	0	0	4,833
Disposals/retirements	(29)	0	21,406	17,043	0	0	315	0	0	0	17,748	3,019	1,359	372	61,233
Depreciation expense	0	0	(5,521)	0	0	0	0	0	0	(800)	(6,793)	(2,803)	(39)	0	(15,956)
Close net book amount	171,855	58,454	781,106	82,492	0	0	107,369	389	35,775	13,600	65,793	9,330	3,919	3,200	1,333,282
As at 31 December 2005															
Cost	171,855	0	922,931	0	0	0	132,845	0	0	0	162,404	10,849	25,817	3,395	1,430,096
At valuation	0	58,454	0	83,853	0	0	0	406	35,775	13,600	0	0	0	0	192,088
Accumulated depreciation write back	0	0	(141,825)	(1,361)	0	0	(25,476)	(17)	0	0	(96,611)	(1,519)	(21,898)	(195)	(288,902)
Net book amount	171,855	58,454	781,106	82,492	0	0	107,369	389	35,775	13,600	65,793	9,330	3,919	3,200	1,333,282

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

14. Property, plant and equipment (continued)

	Non-com		Com T&R		Non-com		Com T&R		Non-portfolio		Embedded		Non-com		Com T&R		Commercial		Student		Plant &		Motor		Computer		Leasehold		Total
	T & R land	\$'000	land	\$'000	T & R buildings	\$'000	buildings	\$'000	investment buildings	\$'000	P & E in buildings	\$'000	T & R infra	\$'000	infra	\$'000	farms	\$'000	housing	\$'000	equip	\$'00	vehicles	\$'000	equip	\$'000	improve- ments	\$'000	
Year ended 31 December 2006																													
Opening net book amount	171,855	58,454	781,106	82,492	0	0	107,369	389	35,775	13,600	65,793	9,330	3,919	3,200	1,333,282														
Revaluation increment/ (decrement)	2,455	200	8,683	(16,843)	0	0	0	(12)	(975)	(56)	0	0	0	0	(6,548)														
additions/recategorisations			48,576	39	18,736	5,344	8,301	0	0	0	14,909	2,125	1,532	5,526	105,088														
Disposals/retirements	(4,000)	(500)	(31,451)	(500)	0	0	(2,502)	0	0	0	(6,964)	(2,867)	(3,518)	0	(52,302)														
Depreciation expense			(15,723)	942	0	(34)	(2,286)	15	(25)	(68)	(5,666)	(698)	1,280	(322)	(22,585)														
Close net book amount	170,310	58,154	791,191	66,130	18,736	5,310	110,882	392	34,775	13,476	68,072	7,890	3,213	8,404	1,356,935														
As at 31 December 2006																													
Cost	170,310	0	948,738	0	18,736	5,344	138,645	0	0	0	170,350	10,107	23,831	8,920	1,494,981														
At valuation	0	58,154	0	66,549	0	0	0	393	34,800	13,544	0	0	0	0	173,440														
Accumulated depreciation write back	0	0	(157,547)	(419)	0	(34)	(27,763)	(1)	(25)	(68)	(102,278)	(2,217)	(20,618)	(516)	(311,486)														
Net book amount	170,310	58,154	791,191	66,130	18,736	5,310	110,882	392	34,775	13,476	68,072	7,890	3,213	8,404	1,356,935														

Parent entity
[University]

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
15. Heritage assets					
Works of art – University collection					
Balance 1 January		30,629	29,847	30,629	29,847
Add: acquisitions		85	160	85	160
revaluation		522	622	522	622
Balance 31 December		31,236	30,629	31,236	30,629
Rare books					
Balance 1 January		63,853	62,537	63,853	62,537
Add: acquisitions		139	112	139	112
revaluation		199	1,255	199	1,255
Less: retirements		0	(51)	0	(51)
recategorisation		17	0	17	0
Balance 31 December		64,208	63,853	64,208	63,853
Museum collection					
Balance 1 January		70,195	70,195	70,195	70,195
Add: acquisitions		6	0	6	0
revaluation		11,870	0	11,870	0
Balance 31 December		82,071	70,195	82,071	70,195
Total heritage assets		177,515	164,677	177,515	164,677
16. Library collections					
Undergraduate collection					
Balance 1 January		46,874	46,402	46,874	46,402
Add: acquisitions		828	751	828	751
		47,702	47,153	47,702	47,153
Less: disposals		(1,301)	(279)	(1,301)	(279)
Balance 31 December		46,401	46,874	46,401	46,874
Less: accumulated depreciation		(44,231)	(44,914)	(44,231)	(44,914)
Written down value 31 December		2,170	1,960	2,170	1,960
Research collection					
Balance 1 January		470,451	492,311	470,451	492,311
Less: 2004 and prior years' adjustments	42	0	(7,910)	0	(7,910)
Restated balance		470,451	484,401	470,451	484,401
Add: acquisitions		3,984	4,671	3,984	4,671
Less: retirements		(6,148)	(5,921)	(6,148)	(5,921)
recategorisation		(17)	0	(17)	0
2005 adjustments	42	0	(12,700)	0	(12,700)
Balance 31 December		468,270	470,451	468,270	470,451
Total library collections		470,440	472,411	470,440	472,411

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
17. Intangible assets					
17.1 Intangibles – computer software					
As at 1 January					
Major IT computer software at cost		28,015	20,725	28,015	20,725
Less: accumulated amortisation charge		(17,463)	(10,872)	(17,463)	(10,872)
Net book amount		10,552	9,853	10,552	9,853
Year ended 31 December					
Opening net book amount		10,552	9,853	10,552	9,853
Add: net completed major IT computer software		11,328	7,291	11,055	7,290
Less: amortisation charge		(9,317)	(6,591)	(9,296)	(6,591)
Closing net book amount		12,563	10,553	12,311	10,552
At 31 December					
At cost		39,344	28,016	39,071	28,015
Less: accumulated amortisation charge		(26,781)	(17,463)	(26,760)	(17,463)
Closing net book amount		12,563	10,553	12,311	10,552
17.2 Intangibles – digitalised library collections					
Restated opening net book amount 1 January	42	18,320	11,610	18,320	11,610
Add: acquisitions		5,650	6,710	5,650	6,710
Closing net book amount 31 December		23,970	18,320	23,970	18,320
Total intangible assets		36,533	28,873	36,281	28,872
18. Works in progress					
18.1 Capital works in progress					
Balance 1 January		69,905	47,509	69,905	47,509
Add: new capital works expenditure		72,569	59,937	72,569	59,937
		142,474	107,446	142,474	107,446
Less: completed capital works – non-commercial buildings	14	(58,513)	(19,884)	(58,513)	(19,884)
completed capital works – commercial buildings	14	(39)	(16,997)	(39)	(16,997)
completed capital works – leasehold improvements	14	(489)	(372)	(489)	(372)
infrastructure	14	(8,301)	(288)	(8,301)	(288)
Balance 31 December		75,132	69,905	75,132	69,905

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

Notes	Economic entity		Parent entity	
	[Consolidated]		[University]	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
18. Works in progress (continued)				
18.2 Major IT works in progress				
Balance 1 January	15,368	10,927	15,368	10,927
Add: new capital works expenditure	7,761	12,561	7,761	12,561
	<u>23,129</u>	<u>23,488</u>	<u>23,129</u>	<u>23,488</u>
Less: Major IT computer software capitalised	(11,539)	(7,290)	(11,539)	(7,290)
Major IT computer software de-recognised	(3,325)	(830)	(3,325)	(830)
Balance 31 December	<u>8,265</u>	<u>15,368</u>	<u>8,265</u>	<u>15,368</u>
Total works in progress	<u>83,397</u>	<u>85,273</u>	<u>83,397</u>	<u>85,273</u>

19. Other non-financial assets

Livestock

Balance 1 January	3,014	2,952	3,014	2,952
Add: revaluation increment/(decrement)	(630)	62	(630)	62
Less: retirements	(310)	0	(310)	0
Balance 31 December	<u>2,074</u>	<u>3,014</u>	<u>2,074</u>	<u>3,014</u>

20. Trade and other payables

Current

Joint venture liability	2,084	2,682	2,084	2,682
Creditors	41,117	38,973	40,398	38,499
Accrued expenses	14,899	15,595	14,850	15,577
Prepaid income	30,505	40,926	30,296	40,926
Deferred income	1,285	0	1,285	0
Loans to students*	150	948	150	948
Disposal of subsidiary	(60)	0	0	0
Total current payables**	<u>89,980</u>	<u>99,124</u>	<u>89,063</u>	<u>98,632</u>

* The net amount of money received from the Australian Government under OS-HELP that is yet to be disbursed.

** The consolidated deferred tax liability 2005 has been recognised as non current deferred tax liabilities.

21. Deferred tax liabilities

Non-current

Deferred tax liability	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

Notes	Economic entity		Parent entity	
	[Consolidated]		[University]	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
22. Provisions				
22.1 Current provisions expected to be settled within twelve months				
Provision for annual leave				
Balance 1 January	35,566	30,798	35,545	30,771
Less: disposal of subsidiary	(24)	0	0	0
Add/(less): net movements	3,909	4,768	3,891	4,774
Balance 31 December	39,451	35,566	39,436	35,545
Provision for Professorial Widow Superannuation scheme				
Balance 1 January	3,623	3,282	3,623	3,282
Add/(less): net movements	222	341	222	341
Balance 31 December	3,845	3,623	3,845	3,623
Total of current provisions expected to be settled within twelve months	43,296	39,189	43,281	39,168
22.2 Current provisions expected to be settled after more than twelve months				
Provision for long service leave				
Balance 1 January	12,430	12,810	12,430	12,810
Add/(less): net movements	59,255	(380)	59,255	(380)
Add: recategorisation	0	58,583	0	58,583
Balance 31 December	71,685	71,013	71,685	71,013
Total current provisions	114,981	110,202	114,966	110,181
22.3 Non-current				
Deferred contributions to superannuation schemes				
Balance 1 January	561,517	566,397	561,517	566,397
Increase/(decrease) in unfunded liability (SASS, SANCS, SSS)	(120,253)	(4,944)	(120,253)	(4,944)
Increase/(decrease) in unfunded liability (professorial/widow)	(6,453)	64	(6,453)	64
Balance 31 December	434,811	561,517	434,811	561,517
Provision for long service leave				
Balance 1 January	73,045	74,146	73,014	74,123
Less: disposal of subsidiary	(17)	0	0	0
Add/(less): net movements	(58,459)	(1,101)	(58,445)	(1,109)
Less: recategorisation	0	(58,583)	0	(58,583)
Balance 31 December	14,569	14,462	14,569	14,431
Total non-current provisions	449,380	575,979	449,380	575,948
Total provisions	564,361	686,181	564,346	686,129

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
23. Equity				
23.1 Statutory funds				
Capital preserved trusts				
Accumulated funds at the beginning of the reporting period	186,543	159,431	186,543	159,431
Plus net operating result	54,056	27,112	54,056	27,112
Accumulated funds at the end of the reporting period	240,599	186,543	240,599	186,543
Bequests				
Accumulated funds at the beginning of the reporting period	231,382	221,409	231,382	221,409
Plus net operating result	65,584	9,973	65,584	9,973
Accumulated funds at the end of the reporting period	296,966	231,382	296,966	231,382
ARC grants				
Accumulated funds at the beginning of the reporting period	18,532	13,653	18,532	13,653
Plus net operating result	5,132	4,879	5,132	4,879
Accumulated funds at the end of the reporting period	23,664	18,532	23,664	18,532
NHMRC grants				
Accumulated funds at the beginning of the reporting period	10,473	6,968	10,473	6,968
Plus net operating result	3,660	3,505	3,660	3,505
Accumulated funds at the end of the reporting period	14,133	10,473	14,133	10,473
Australian Government financial assistance				
Accumulated funds at the beginning of the reporting period	3,994	3,180	3,994	3,180
Plus net operating result	(555)	814	(555)	814
Accumulated funds at the end of the reporting period	3,439	3,994	3,439	3,994
Scholarships				
Accumulated funds at the beginning of the reporting period	9,902	8,842	9,902	8,842
Plus net operating result	508	1,060	508	1,060
Accumulated funds at the end of the reporting period	10,410	9,902	10,410	9,902
Prizes				
Accumulated funds at the beginning of the reporting period	1,002	1,065	1,002	1,065
Plus net operating result	107	(63)	107	(63)
Accumulated funds at the end of the reporting period	1,109	1,002	1,109	1,002
Total statutory funds at the beginning of the reporting period	461,828	414,548	461,828	414,548
Plus net operating result	128,492	47,280	128,492	47,280
Total statutory funds at the end of the reporting period	590,320	461,828	590,320	461,828

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
23. Equity				
23.2 Reserves				
Initial asset valuation reserve				
Balance 1 January	0	1,660,499	0	1,660,499
Less: reserves transferred to retained surplus	0	(1,660,499)	0	(1,660,499)
Balance 31 December	0	0	0	0
Property, plant and equipment revaluation reserve				
Balance 1 January	217,088	210,754	216,998	210,664
Add: revaluation increments in the year – Orange Campus	11,292	0	11,292	0
Less: disposals in the year – Orange Campus	(11,292)	0	(11,292)	0
Less: reserves transferred to retained surplus	(399)	(438)	(399)	(438)
Revaluation increments/(decrements)	(2,718)	6,772	(2,718)	6,772
Balance 31 December	213,971	217,088	213,881	216,998
Available-for-sale investments revaluation reserve				
Balance 1 January	109,815	120,307	109,815	120,307
Less: realised (gains) transferred from reserves	(53,538)	(8,886)	(53,538)	(8,886)
Less: reserves transferred to retained surplus	0	(38,922)	0	(38,922)
Revaluation increments and adjustments	15,185	37,316	15,185	37,316
Balance 31 December	71,462	109,815	71,462	109,815
Associates reserves				
Balance 1 January	8,940	10,769	0	0
Add: transfers to reserves	0	15	0	0
Less: transfers from reserves	(5,069)	(1,844)	0	0
Revaluation increments and adjustments	0	0	0	0
Balance 31 December	3,871	8,940	0	0
Total reserves				
Balance 1 January*	335,843	2,002,314	326,813	1,991,470
Add: transfers to reserves and retained surplus	0	15	0	0
Add: revaluation increments in the year – Orange Campus	11,292	0	11,292	0
Less: disposals in the year – Orange Campus	(11,292)	0	(11,292)	0
Less: transfers to retained surplus	0	(1,701,703)	0	(1,699,859)
Less: transfer realised gains from reserves	(53,538)	(8,886)	(53,538)	(8,886)
Less: reserves transferred to retained surplus	(5,468)	0	(399)	0
Revaluation increments and adjustments	12,467	44,088	12,467	44,088
Balance 31 December	289,304	335,828	285,343	326,813

* The consolidated balance for 2006 includes a minority interest of \$15k.

Increase (decrease) in reserves arising from revaluations

Reserves revaluation art works	(733)	1,877	(733)	1,877
Reserves revaluation buildings	(16,597)	0	(16,597)	0
Reserves revaluation livestock	(348)	62	(348)	62
Reserves revaluation asset other	13,323	0	13,323	0
Reserves revaluation farms	(8,614)	5,272	(8,614)	5,272
Reserves revaluation student housing	148	(439)	148	(439)
Reserves revaluation land	8,873	0	8,873	0
Reserves revaluation infrastructure	1,230	0	1,230	0
Total of asset revaluation reserves	(2,718)	6,772	(2,718)	6,772
Revaluation investments	15,185	37,316	15,185	37,316
Total of asset revaluation reserve and revaluation investments	12,467	44,088	12,467	44,088

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	<i>Economic entity</i>		<i>Parent entity</i>	
	<i>[Consolidated]</i>		<i>[University]</i>	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
23. Equity (continued)				
23.3 Retained surplus				
Retained surplus at 1 January	2,202,894	438,517	2,200,329	437,806
Plus net operating result for the year*	62,106	62,696	64,911	62,664
Disposal of assets held in Orange Campus	(25,142)	0	(25,142)	0
Transfer (to)/from reserves	5,069	1,701,688	0	1,699,859
Minority interest	(15)	(7)	0	0
Retained surplus at 31 December	2,244,912	2,202,894	2,240,098	2,200,329

* Excludes amount set aside for statutory funds (refer to note 23.1).

24. Minority interest

Interest in:

Share Capital	0	15	0	0
Retained surplus	0	(15)	0	0
Total minority interest	0	0	0	0

25. Revenue recognition

In general, revenue is recognised, where it can be reliably measured, in the period to which it relates. Grants received from Australian Government entities are treated as income in year of receipts.

Revenue, excluding deferred income government contributions for superannuation, was derived from:

Operating activities	1,060,830	929,918	1,060,827	929,900
Support activities*	152,187	103,378	149,660	102,387
Total	1,213,017	1,033,296	1,210,487	1,032,287

* The balance for 2005 has been reduced by \$283k of net loss on disposal of property, plant and equipment, refer to note 2.8.1.

26. Commitments**

26.1 Capital Expenditure Commitments

Property, plant and equipment payable:

Within one year	86,588	58,037	86,588	58,037
Later than one year and not longer than five years	24,985	4,661	24,985	4,661
	111,573	62,698	111,573	62,698

Intangible assets payable:

Within one year	1,619	0	1,619	0
Later than one year and not longer than five years	223	0	223	0
	1,842	0	1,842	0

26.2 Operating lease commitments

Within one year	6,240	3,847	6,240	3,847
Later than one year and not longer than five years	9,531	6,417	9,531	6,417
Later than five years	978	11	978	11
	16,749	10,275	16,749	10,275

26.3 Other non-payroll expenditure commitments

Within one year	11,192	16,057	11,192	16,057
	11,192	16,057	11,192	16,057

** Commitments are GST inclusive.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

27. Contingencies

The University currently has no significant legal claims outstanding, nor any outstanding claims which are not covered by appropriate insurance.

Occupancy Support Deed – Carillon Avenue Pty Ltd.

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

28. Orange Campus transfer

Transfer of Orange Campus

Following the passing of the legislation to amend both the Higher Education (Amalgamation) Act 1989 no 65 and the University of Sydney Act 1989 in June 2006, the University of Sydney transferred the Orange Agricultural campus to Charles Sturt University (CSU).

The transfer of assets of Orange Campus was carried out at fair value of \$36.8 million, resulting in a net adjustment to equity of \$25.1 million.

The transfer comprised Land and Buildings \$22.6 million, Plant and Equipment \$0.992 million, Library Collections \$1.047 million and Inventory \$0.505 million.

29. Amounts owing by Commonwealth/State governments

Since 1987, the University has recognised amounts owing from the Commonwealth and State Governments for unfunded deferred liability for superannuation schemes on the basis of a number of past events. These events include correspondence that provides for the Commonwealth Government, together with the State Government, to meet the unfunded liability for the University's State Superannuation Schemes on an emerging cost basis. The events also include the *State Grants (General Reserve) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation which authorises annual expenditure, and estimates for the expenditure in the Commonwealth's three-year forward program. Whilst there is no formal agreement and therefore no guarantee regarding these specific amounts between the State Government, the Commonwealth Government and the University, and the three-year life of the forward budget estimates is less than the time period which the Commonwealth Government would require to meet its obligations, the University is of the view that the Commonwealth and State Governments will continue to progressively meet this amount in accordance with current practice. The amount owing in respect of these schemes as at 31 December 2006 was \$385,567,015 (2005: \$514,985,583) and this is reflected in note 9 as non-current trade and other receivable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

30. Superannuation commitments

State Authorities 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), the State Authorities Non-contributory Scheme (SANCS) and the State Superannuation Scheme (SSS).

The change in the actuarial assessment of superannuation as at 31 December 2006 provided by the State Authorities Superannuation Board resulted in a negative deferred income item of (\$129,418,567) (2005: negative \$11,862,740) that is offset by a negative expenditure item under "Deferred employee benefits for superannuation" (see note 3.1). Actuarial gains and losses are recognised immediately in the income statement of the year in which they occur. These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. All these three schemes are closed to new members (SASS; SANC & SSS).

Professorial Superannuation Scheme (PSS)

Professorial Superannuation Scheme is closed to new members and provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the system. The "Defined Benefits Section" of the system provides members with an optional funded Widows' Contributory Pension; an optional funded Spouses' Contributory Pension; and an unfunded "Non-Contributory Pension" payable from age 65. These benefits are fully 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 2006.

Liability

A net unfunded liability for retirement benefits of \$398,920,016 (2005:\$537,226,583) is included in the Balance sheet as \$395,075,016 within non-current liability and \$3,845,000 current liability. \$385,567,016 of this is payable by the Commonwealth and State governments (refer note 29).

Liability and prepaid contributions comprise the following

	SASS	SANCS	SSS	Professorial	Total
	\$,000	\$,000	\$,000	\$,000	\$,000
Gross liability assessed by actuaries as at 31 December 2006	115,575	29,089	900,152	13,353	1,058,169
Less: estimated reserve account balance	(147,213)	(12,739)	(493,633)	0	(653,585)
Net liability/ (prepaid superannuation asset)	(31,638)	16,350	406,519	13,353	404,584
Future service liability	(25,157)	(8,961)	(13,999)	0	(48,117)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

30. Superannuation commitments (continued)

	SASS	SANCS	SSS	PSS	Total
	2006	2006	2006	2006	2006
	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation					
Present value of defined benefit obligations at beginning of year	113,214	31,548	983,454	48,945	1,177,161
Current service cost	4,800	1,750	4,176	409	11,135
Interest cost	5,732	1,543	50,609	2,265	60,149
Contributions by fund participants	2,043	0	5,934	0	7,977
Actuarial (gains)/losses	2,594	(1,692)	(87,291)	(3,639)	(90,028)
Benefits paid	(12,808)	(4,060)	(56,729)	(3,943)	(77,540)
Present value of defined benefit obligations at end of year	115,575	29,089	900,153	44,037	1,088,854
Reconciliation of the fair value of fund assets					
Fair value of fund assets at beginning of the year	134,798	12,259	468,190	26,704	641,951
Expected return on fund assets	9,856	1,200	33,393	1,937	46,386
Actuarial gains/(losses)	8,550	729	37,638	2,363	49,280
Employer contributions	4,774	2,611	5,208	3,623	16,216
Contributions by Fund participants	2,043	0	5,934	0	7,977
Benefits paid	(12,808)	(4,060)	(56,729)	(3,943)	(77,540)
Fair value of fund assets at end of the year	147,213	12,739	493,634	30,684	684,270
Reconciliation of the assets and liabilities recognised in the balance sheet					
Present value of funded defined benefit obligations at end of year	115,575	29,089	900,152	44,037	1,088,853
Fair value of fund assets at end of year	(147,213)	(12,739)	(493,633)	(30,684)	(684,269)
Net liability/(asset) recognised in balance sheet at end of year	(31,638)	16,350	406,519	13,353	404,584
Expense recognised in income statement					
Components recognised in Income Statement					
Current service cost	4,800	1,750	4,176	409	11,135
Interest cost	5,732	1,543	50,609	2,265	60,149
Expected return on fund assets (net expenses)	(9,856)	(1,200)	(33,393)	(1,937)	(46,386)
Actuarial losses/(gains) recognised in year	(5,955)	(2,420)	(124,929)	(6,002)	(139,306)
Expense/(income) recognised	(5,279)	(327)	(103,537)	(5,265)	(114,408)
Actual return on fund assets					
Actual return on fund assets	17,722	1,928	61,399	4,299	85,348

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

30. Superannuation commitments (continued)

	SASS	SANCS	SSS	PSS	Total
	2005	2005	2005	2005	2005
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Reconciliation of the present value of the defined benefit obligation					
Present value of defined benefit obligations at beginning of year	93,812	30,277	947,864	45,511	1,117,464
Current service cost	4,712	1,770	5,283	(47)	11,718
Interest cost	5,433	1,519	51,540	2,189	60,681
Contributions by fund participants	2,046	0	6,068	0	8,114
Actuarial (gains)/losses	13,196	2,756	18,012	4,274	38,238
Benefits paid	(5,985)	(4,774)	(45,313)	(2,982)	(59,054)
Present value of defined benefit obligations at end of year	113,214	31,548	983,454	48,945	1,177,161
Reconciliation of the fair value of fund assets					
Fair value of fund assets at beginning of the year	108,357	12,473	426,273	23,334	570,437
Expected return on fund assets	7,649	1,207	29,220	1,720	39,796
Actuarial gains/(losses)	17,888	1,098	46,261	1,184	66,431
Employer contributions	4,843	2,255	5,680	3,448	16,226
Contributions by Fund participants	2,046	0	6,068	0	8,114
Benefits paid	(5,985)	(4,774)	(45,313)	(2,982)	(59,054)
Fair value of fund assets at end of the year	134,798	12,259	468,189	26,704	641,950
Reconciliation of the assets and liabilities recognised in the balance sheet					
Present value of funded defined benefit obligations at end of year	113,214	31,548	983,454	48,945	1,177,161
Fair value of fund assets at end of year	(134,798)	(12,259)	(468,190)	(26,704)	(641,951)
Net liability/(asset) recognised in balance sheet at end of year	(21,584)	19,289	515,264	22,241	535,210
Expense recognised in income statement					
Components recognised in Income Statement					
Current service cost	4,712	1,770	5,283	(47)	11,718
Interest cost	5,433	1,519	51,540	2,189	60,681
Expected return on Fund assets (net expenses)	(7,649)	(1,207)	(29,220)	(1,720)	(39,796)
Actuarial losses/(gains) recognised in year	(4,692)	1,658	(28,249)	3,090	(28,193)
Expense/(income) recognised	(2,196)	3,740	(646)	3,512	4,410
Actual Return on Fund Assets					
Actual return on Fund Assets	16,052	2,306	62,106	2,904	83,368

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

30. Superannuation commitments (continued)

Fund assets

	SSS, SASS, SANCS		PSS	
	2006	2005	2006	2005
The percentage invested in each asset class at the balance sheet date:				
Australian equities	35%	36%	41%	39%
Overseas equities	28%	28%	21%	20%
Australian fixed interest securities	9%	10%	18%	18%
Overseas fixed interest securities	6%	7%	8%	7%
Property	9%	9%	0%	4%
Cash	7%	6%	12%	13%
Other	6%	4%	0%	0%

Fair value of fund assets

All fund assets are invested by the Superannuation Trustee Corporation (STC) for SASS, SANCS and SSS and by the Professorial Superannuation scheme at arms length through independent fund managers.

Valuation method and principal actuarial assumptions at the balance sheet date as at 31 December.

(a) Valuation Method

The Projected Unit Credit (PCU) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs.

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

b) Economic Assumptions

	SSS, SASS, SANCS		PSS	
	2006	2005	2006	2005
Salary increase rate (excluding promotional increases)	4.0% pa to June 2008; 3.5% pa thereafter	4.0% pa	4.50% pa	4.50% pa
Rate of CPI Increase	2.5% pa	2.5% pa		
Expected rate of return on assets	7.6% pa	7.3% pa	7.8% pa	7.3% pa
Discount rate	6.0% pa	5.3% pa	6.1% pa	5.3% pa

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

30. Superannuation commitments (continued)

Superannuation Scheme for Australian Universities

In addition to the above state superannuation schemes the University contributes to a defined benefit plan as part of the Superannuation Scheme for Australian Universities called the UniSuper defined Benefit Division (DBD).

DBD is a defined benefit plan under Superannuation Law but, as a result of amendments to Clause 34 of UniSuper, a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2006 the assets of the DBD in aggregate were estimated to be \$958 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving) the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBD.

As at 30 June 2006 the assets of the DBD in aggregate were estimated to be \$1,834 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 13 July 2006 on the actuarial investigation of the DBD as at 31 December 2005. The financial assumptions used were:

	<i>Vested benefits</i>	<i>Accrued benefits</i>
Gross of tax return investment return	7.0% p.a.	8.3% p.a.
Net of tax investment return	6.5% p.a.	7.8% p.a.
Consumer Price Index	2.5% p.a.	2.5% p.a.
Inflationary salary increases long term	3.5% p.a.	3.5% p.a.
Inflationary salary increases next three years	5.0% p.a.	5.0% p.a.

(additional promotional salary increases are assumed to apply based on past experience)

Assets have been included at their net market value, i.e. allowing for realisation costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

31. Subsidiaries

	Country of incorporation	Ownership interest	
		2006	2005
Parent entity University of Sydney	Australia	100%	100%
Subsidiaries			
Wentworth Annexe Limited was incorporated in 1987 as a company limited by guarantee. The objects include the administration of the planning and construction of the Wentworth Annexe and other building works the University of Sydney Union may wish to undertake. A summary of the company's results is shown below.	Australia	The University approves the appointment of directors	The University approves the appointment of directors
Rural Australia Foundation Limited was incorporated in 1979 as a company limited by guarantee. Principal activities include the operation of Agrimart Bookshop and externally funded projects in co-operation with the University. It was transferred to Charles Sturt University on 31 December 2006. A summary of the company's results is shown below.	Australia	n/a*	The University approves the appointment of directors
I-Care Medical Pty Limited was acquired by the University in order to take commercial advantage arising out of patents. It was deregistered in 2006.	Australia	n/a	83.33%
Elastagen Pty Limited known as Ucom Nine Pty Limited previously was set up by the University initially as a non operating company in order to take commercial advantage arising out of patents. A summary of the company's results is shown below.	Australia	100%	100%
Ucom Ten Pty Limited was a subsidiary as at 31 December 2005 and is an associate as at 31 December 2006. The operating result on disposal was nil.	Australia	n/a	100%
Ucom Six Pty Limited was set up by the University initially as a non operating company in order to take commercial advantage arising out of patents. It has no activity since 2004.	Australia	50%	50%
Ucom Seven Pty Limited, Ucom Eleven Pty Limited and Ucom Fourteen Pty Limited (deregistered on 14/1/07) were set up by the University initially as non operating companies in order to take commercial advantage arising out of patents. They did not have any activity in 2005 and 2006.	Australia	100%	100%
Ucom Sixteen Pty Limited was set up by the University initially as a non operating company in order to take commercial advantage arising out of patents. A summary of the company's results is shown below.	Australia	100%	100%
Nucleos Pty Limited and Ucom Seventeen Pty Limited were deregistered in 2006.	Australia	n/a	100%
The Bosch Institute was incorporated in 2006 as an Australian public company, limited by guarantee. The object is the advancement of public health and medical research activities to improve the health of individuals and the community. Its members are the University of Sydney and the Sydney South West Area Health Service. It did not have activity in 2006.	Australia	50%	0%
The Sydney Institute of Health and Medical Research was incorporated in 2006 as an Australian public company, limited by guarantee. The object is the advancement of public health and medical research activities to improve the health of individuals and the community. Its members are the University of Sydney and the Sydney South West Area Health Service. It did not have activity in 2006.	Australia	50%	0%
The Institute For Magnetic Resonance Research was acquired by the University of Sydney in 2006 in order to take commercial advantage of scientific research. A summary of the company's results is shown below.	Australia	100%	0%
Ucom Twelve Pty Limited and Ucom Fifteen Pty Limited were set up by the University initially as non operating companies in order to take commercial advantage arising out of patents. They have no activity since 2004.	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

31. Subsidiaries (continued)

	2006 \$,000	2005 \$,000
Wentworth Annexe Limited		
Gross income	5	4
Surplus/(deficit)	0	0
Net assets	0	0
Rural Australia Foundation Limited*		
Gross income	587	661
Surplus/(deficit)	(305)	(3)
Net assets	0	305
Elastagen Pty Limited**		
Gross income	106	281
Surplus/(deficit)	(78)	(207)
Net assets	(287)	(209)
Ucom Sixteen Pty Limited**		
Gross income	37	46
Surplus/(deficit)	1	1
Net assets	2	1
I-Care Medical Pty Limited**		
Gross income	0	0
Surplus/(deficit)	0	(21)
Net assets	0	0
The Institute For Magnetic Resonance Research (IMRR)***		
Gross income	574	n/a
Surplus/(deficit)	(1,961)	n/a
Net assets	(143)	n/a

* A board resolution was passed effective 31 December 2006 to allow Charles Sturt University (CSU) to approve appointment of directors.

** 2005 result is 18 months results covering 1 July 2004 to 31 December 2005.

*** 2006 result is 18 months results covering 1 July 2005 to 31 December 2006. IMRR became a wholly owned subsidiary on 25 January 2006.

Note:

Ucom Six Pty Limited, Ucom Seven Pty Limited, Ucom Eleven Pty Limited, Ucom Twelve Pty Limited, Ucom Fourteen Pty Limited, Ucom Fifteen Pty Limited, the Bosch Institute and The Sydney Institute of Health and Medical Research did not have any activity in 2006.

	Gross income \$,000	Surplus/ (deficit) \$,000	Net assets \$,000
31.1 Summary of results for consolidation of subsidiaries in 2006			
Subsidiaries as at 31 December 2006 (as above)	2,845	(525)	(428)
Subsidiaries as at 31 December 2005 (as above)****	1,009	(224)	97

**** Includes Ucom Ten Pty Limited which is an associate in 2006.

For consolidation purposes, the summary results have been eliminated for intragroup sales of \$283k.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

32. Investments in associates

Investments in associates are accounted for in the financial statements using the equity method of accounting. Information relating to the associates is set out below:-

Name of entity	Principal activity	Ownership interest		Carrying amount	
		2006	2005	2006 \$,000	2005 \$,000
Acumine Pty Ltd	Commercialisation of research	33.33%	33.33%	103	103
Australian Technology Park Innovations Pty Ltd (ATPI)	Business incubation	25%	25%	4,251	5,191
Evisense Pty Ltd*	Commercialisation of research	47%	47%	0	0
Nuflora International Pty Ltd	Commercialisation of research	38%	38%	163	163
Sport Knowledge Australia Pty Ltd	Sports Science and management	33.33%	33.33%	47	691
Ucom Two Pty Ltd	Commercialisation of research	50%	50%	2	2
Ucom Ten Pty Ltd	Commercialisation of research	23.08%	n/a	86	n/a
University of Sydney Foundation Program Pty Ltd	Education programs	50%	50%	17	44
Universal Solar and Surface Science Pty Ltd (previously University of Solar Science Pty Ltd)	Commercialisation of research	50%	50%	1,388	2,080
United States Studies Centre Ltd	Collaborative research on US and Australia relationship	50%	n/a	0	n/a
ZingoTx Pty Ltd	Commercialisation of research	20.78%	24.96%	85	64
				6,142	8,338

For the purposes of the University's final accounts and due to the lack of audited or published accounts.

1. The University's equity interest at 31 December 2006 is based on audited accounts for:

(a) as at 30 June 2006:

Australian Technology Park Innovations Pty Ltd
Sport Knowledge Australia Pty Ltd
Universal Solar and Surface Science Pty Ltd (previously University of Solar Science Pty Ltd)
ZingoTx Pty Ltd

2. The University's equity interest at 31 December 2006 is based on management accounts for:

(a) as at 30 June 2006:

Evisense Pty Ltd
Ucom Two Pty Ltd

(b) as at 31 December 2006:

Ucom Ten Pty Ltd
University of Sydney Foundation Program Pty Ltd
United States Studies Centre Ltd

(c) as at 30 June 2005:

Nuflora International Pty Ltd

(d) as at 30 November 2005:

Acumine Pty Ltd

* The carrying amount of Evisense Pty Ltd in 2006 is in deficit of \$9k and therefore in accordance with AASB128 the investment has been recorded as zero.

In addition the University has interests in Australian Photonics Pty Ltd (APPL) and its subsidiary Redfern Photonics Pty Ltd. APPL is the commercialisation of the Australian Photonics Co-operative Research Centre ("CRC"). APPL and its subsidiaries are currently under administration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

32. Investments in associates (continued)

As at 31 December 2006 the University holds a 35.3% (30 June 2005: 34%) interest in Medical Therapies Limited, by way of an initial public offering. The University has not equity accounted this investment in accordance with AASB 128 'Investments in Associates' as it does not exercise significant influence over the company. The University has not appointed a director to its Board and accordingly does not participate in policy-making processes, nor does it exercise significant influence over the day-to-day affairs of the company.

In accordance with AASB 128 the following disclosures are provided:

The University has recorded the value of the shares it received as available-for-sale financial assets, at its fair value. Based on audited accounts as at 30 June 2006 the results of the company are:

	2006	2005
	\$'000	\$'000
Revenues	117	35
Operating profits/(losses) before income tax	(2,760)	(1,019)
Total assets	6,039	5,228
Total liabilities	525	76

Economic Entity

[Consolidated]

	2006	2005
	\$'000	\$'000

Movements in carrying amounts of investments:

Carrying amounts of investments at the beginning of the year	8,338	8,621
Share of operating profits (losses) after income tax	(2,196)	(283)
Share of increment/(decrement) on revaluation of land and buildings	0	0
Carrying amount at the end of the financial year	6,142	8,338

Share of associate's operating result

Operating profits (losses) before income tax	(2,257)	33
Income tax benefits/(expense)	61	(316)
Operating profits (losses) after income tax	(2,196)	(283)
Transfer to/(from) reserves	5,069	1,829
Retained profits (losses) attributable to associates at the beginning of the financial year	(602)	(2,148)
Retained profits (losses) attributable to associates at the end of the financial year	2,271	(602)

Reserves attributable to associates

Associates capital reserve		
Balance at the beginning of the financial year	8,940	10,769
Share of associates increase/(decrease) in capital	(5,069)	(1,829)
Share of associates increase/(decrease) on revaluation of land and buildings	0	0
Balance at the end of the financial year	3,871	8,940

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

33. Interests in joint venture partnership

Name of joint venture partnership	Principal activity	Ownership interest	
		2006	2005
Nanostructural Analysis Network Organisation	Facilitate commercial outcome of the Major National Research Facility	27.4%	27.4%

	Notes	
	[Consolidated]	
	2006	2005
	\$'000	\$'000
Equity accounted investment		
Carrying amount of investment in partnership		
Carrying amount at the beginning of the financial year	3,145	2,606
Share of profits from ordinary activities before income tax	(84)	539
Carrying amount at the end of the financial year	3,061	3,145
Share of partnership's assets and liabilities		
Current assets		
Receivables	2,281	2,878
Non-current assets		
Plant and equipments	2,548	2,035
Total assets	4,829	4,913
Non-current liabilities		
Payables	1,768	1,768
Total liabilities	1,768	1,768
Net assets	3,061	3,145
Share of partnership's revenues, expenses and results		
Operating revenue	3,100	4,502
Operating expenses	3,184	3,963
Net operating result before income tax	(84)	539
Retained surplus:		
at the beginning of the financial year	3,145	2,606
at the end of the financial year	3,061	3,145

Share of partnership's commitments

There are no lease commitments and capital commitments at the end of financial year.

Contingent liabilities relating to joint ventures

Each of the partners are jointly and severally liable for the debts of the partnership and the share of partnership's contingent liabilities in respect of guarantees of bank loans to employees. The assets of the partnership exceed its debts. The parent entity has guaranteed a bank loan of a participant in the joint venture.

34. Investments accounted for using the equity method

34.1 Summary of results of associates and joint venture partnership before income tax:

Associated entities*	32	(1,942)	33
Joint venture partnership	33	(84)	539
		(2,026)	572

* The consolidated balance for 2006 was eliminated by \$315k for intragroup sales, refer to note 2.7.

34.2 Summary of net assets of associates and joint venture partnership:

Associated entities	32	30	6,142	8,338
Interest in joint venture partnership	33	31	3,061	3,145
Total investments accounted for using the equity method			9,203	11,483

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

35. Joint venture operations

In 2006, the University signed a deed of dissolution with the University of New South Wales to dissolve the joint venture operation in the Australian Graduate School of Management (AGSM).

The University has an interest in the following joint ventures in the same proportion as the total economic entity contribution bears to the total agreed contribution of all venturers. The contributions are for year to 30 June 2006. Contributions in cash and in-kind are expensed and included in the Income Statement. The interest % represents the University's share of contributions and are not included in the Balance Sheet. In the event that a CRC research results in a move to commercialisation a separate legal entity is established and the University's share of the new entity is treated as an investment, joint venture, associate or subsidiary in the Balance Sheet as appropriate.

	<i>Interest</i>	<i>Contributions cash and in-kind 2006 \$'000</i>
The Cotton Catchment Communities CRC (previously CRC for Australian Cotton), the principal activity of which is to enhance the development and growth of the Australian cotton industry through the application of collaborative research, education and the adoption of sustainable farming systems.	7.00%	297
Australasian Invasive Animal CRC (previously CRC for Biological Control of Pest Animals), the principal activity of which is to develop new biological control agents for Australia's most damaging pest animals.	3.10%	253
CRC for Cochlear Implant, Speech and Hearing Research, the principal activity of which is to improve communication for the millions of hearing-impaired adults and children in Australia and the world.	0.50%	38
CRC for Construction Innovation, the principal activity of which is to deliver innovative and sustainable constructed assets to further the financial, environmental and social benefit to the construction industry and the community.	8.10%	571
CRC for Innovative Dairy Products, the principal activity of which is the development of innovative dairy products using genomic technology.	20.46%	2,915
CRC for Polymers, the principal activity of which is research into polymer synthesis.	0.50%	120
CRC for Technology Enabled Capital Markets, the principal activity of which is to underpin the research and development effort of enterprises striving to be the technology provider of choice to global securities businesses/markets.	17.27%	1,149
CRC for Value Added Wheat, the principal activity of which is to stimulate commercial innovations and advances in quality wheat products and processes through an integrated program of basic, strategic and applied research, education and training.	16.35%	775
CRC for Advanced Composite Structures, the principal activity of which is to conduct research and development programs into the design, manufacture, testing, durability and supportability of advanced composite structures. CRC for Advanced Composite Structures Limited, a company limited by guarantee was established to further these aims.	10.10%	787
CRC for Asthma and Airways (previously CRC for Asthma), the principal activity of which is to reduce the burden of asthma on the Australian community. CRC for Asthma Limited, a company limited by guarantee was established to further this aim.	3.67%	200
CRC for Welded Structures, the principal activity of which is to maximise the economic, environmental and social benefits to Australia through collaborative research, technology transfer and education in the total product life cycle engineering of welded structures. CRC for Welded Structures Limited, a company limited by guarantee was established to further these aims.	1.47%	197
CRC for Smart Internet Technology combines research in artificial intelligence, social interaction and network development to create enabling technologies for smart internet applications to allow users to manage the complexity.	10.96%	1,011
Australian Photonics CRC develops technologies for next generation systems, subsystems and components for sensors and communication networks. Its activities were terminated in June 2006. Identification and ownership of the residual owners is being attended to.	43.60%	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

35. Joint venture operations (continued)

	<i>Interest</i>	<i>Contributions cash and in-kind 2006 \$'000</i>
CRC for Sustainable Resource processing, the principal activity is the development of a science and technology platform for finding, implementing and monitoring profitably and innovative ways for sustainable mineral resource processing.	9.73%	109
CRC for Mining, the principal activity is the development of a range of new technologies and processes to generate major improvements in the way mining operations are conducted.	14.90%	1,227
CRC for Australian Bio Security for Emerging Infectious Disease, the principal activity of which is to enhance the national capacity to respond to emerging infectious diseases by developing new capabilities to detect, monitor, assess, predict and respond to emerging infectious disease threats.	3.93%	333
CRC for Internationally Competitive Pork Industry, the principal activity is to enhance international competitiveness of the Australian pork industry by providing and adopting new and novel technologies that reduce feed costs, improve herd feed conversion efficiency and increase the functionality of Pork products	0.00%	20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

36. Notes to the cash flow statements

36.1. Reconciliation of cash

For the purposes of the statement of cash flows, and in accordance with AASB107 'Cash flow statement', the University considers cash to include cash on hand and cash equivalents which are short term investments with a maturity date of three months or less from the date of deposit and have an insignificant risk of a change in value. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Notes	Economic entity		Parent entity	
		[Consolidated]		[University]	
		2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	8	8,799	6,840	8,738	6,716
Cash equivalents	8	40,578	128,513	40,578	128,513
		49,377	135,353	49,316	135,229

36.2 Reconciliation of net operating result to net cash inflow

Net operating result		190,598	109,976	193,403	109,944
Depreciation expense		49,887	44,488	49,029	44,488
Retired assets written off		5,716	12,372	5,716	12,372
Gain on sale of fixed assets	2.8	(57,165)	(9,254)	(57,165)	(9,254)
Non cash investment income		(5,521)	(3,792)	(5,521)	(3,792)
Non cash investment amortisation		1,056	1,229	1,056	1,229
Non cash other (income)/expenses		(4,451)	311	(3,241)	391
(Increase)/decrease in inventories		(1,142)	449	(1,142)	454
(Increase)/decrease in receivables		1,994	(6,499)	1,796	(6,471)
(Increase)/decrease in joint venture operation and associates		2,280	283	0	0
(Increase)/decrease in other assets		24	1	0	0
Increase/(decrease) in payables		(8,959)	33,714	(8,972)	33,548
Increase/(decrease) in provisions		(131,226)	(8,512)	(131,175)	(8,514)
Increase/(decrease) in non current liabilities		0	(564)	0	0
Non cash adjustment for superannuation		129,419	11,863	129,419	11,863
Net cash provided by operating activities		172,510	186,065	173,203	186,258

Included in the cash/bank balances of the University are the following foreign currency accounts. The balances shown are in Australian dollar equivalent as at 31 December 2006. The accounts and balances are:

	\$,000	\$,000
United States dollar bank account	2,183	1,806
English Pound bank account	580	1,460
Euro bank account	175	237
	2,938	3,503

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

37. Financial instruments

The following table details the economic entity's exposure to interest rate risk as at 31 December 2006:

2006	Average interest rate %	Variable interest rate \$'000	Fixed interest rate maturity			Non-interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years* \$'000		
Financial assets							
Cash	5.75	49,377					49,377
Receivables (excl. prepaid)						37,030	37,030
Non-current receivables						417,318	417,318
Govt and govt guaranteed stock	7.49			64,167	38,379		102,546
Bank securities and deposits	6.17		52,140	180,013	92,557		324,710
Non-government securities	6.18		19,420	58,076	45,943		123,439
Secured company loans	8.03				8,401		8,401
Unsecured company loan/(provision)			(2,080)				(2,080)
Mortgage	7.00				165		165
Shares – quoted						4,279	4,279
Shares – unquoted						1,339	1,339
Freehold						14,200	14,200
Ext. fund managers – domestic equities						301,006	301,006
Ext. fund managers – foreign equities						186,599	186,599
Ext. fund managers – property equities						50,272	50,272
Loans to affiliated organisations	6.15				171		171
Total financial assets		49,377	69,480	302,256	185,616	1,012,043	1,618,772
Weighted average interest	6.39						
Financial liabilities							
Other current liabilities						17,133	17,133
Creditors						41,057	41,057
Provisions for employee entitlements						564,361	564,361
Total financial liabilities		0	0	0	0	622,551	622,551
Net financial assets (liabilities)		49,377	69,480	302,256	185,616	389,492	996,221

* It includes \$20,009k bank securities which are interest bearing but have no maturity date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

37. Financial instruments (continued)

The following table details the economic entity's exposure to interest rate risk as at 31 December 2005:

2005	Average interest rate %	Variable interest rate \$'000	Fixed interest rate maturity			Non-interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years* \$'000		
Financial assets							
Cash	5.10	135,353					135,353
Receivables (excl. prepaid)						35,539	35,539
Non-current receivables						537,231	537,231
Govt and govt guaranteed stock	9.03		46,798	15,994	51,181		113,973
Bank securities and deposits	5.99		56,017	179,984	40,848		276,849
Non-government securities	6.42		4,930	53,752	35,659		94,341
Secured company loans	8.03				8,653		8,653
Mortgage	7.00				165		165
Shares - quoted						88,044	88,044
Shares - unquoted						7,110	7,110
Freehold						14,425	14,425
Ext. fund managers-domestic equities						189,118	189,118
Ext. fund managers-foreign equities						123,412	123,412
Ext. fund managers-property equities						34,403	34,403
Loans to affiliated organisations	5.92			3,938			3,938
Total financial assets		135,353	107,745	253,668	136,506	1,029,282	1,662,554
Weighted average interest	6.48						
Financial liabilities							
Other current liabilities						19,229	19,229
Creditors						38,973	38,973
Provisions for employee entitlements						686,181	686,181
Total financial liabilities		0	0	0	0	744,383	744,383
Net financial assets (liabilities)		135,353	107,745	253,668	136,506	284,899	918,171

* It includes \$20,009k bank securities which are interest bearing but have no maturity date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

37. Financial instruments (continued)

Reconciliation of net financial assets to net assets

	<i>Economic entity</i>	
	<i>[Consolidated]</i>	
	2006	2005
	\$'000	\$'000
Net financial assets as above	996,221	918,171
Non-financial assets and liabilities:		
Inventories	1,340	239
Land, buildings, plant and equipment	1,359,154	1,333,282
Heritage assets	177,515	164,677
Library collections	470,440	472,411
Capital works in progress	83,397	85,273
Intangibles	36,533	28,873
Other assets	31,726	38,550
Other liabilities	(31,790)	(40,926)
Net assets as per balance sheet	3,124,536	3,000,550

Interest rate risk

Cash at bank, loans and investments in government bonds, debenture and bank securities and deposits are exposed to the risk that their value will fluctuate due to changes in market interest rates.

Credit risk exposure

The maximum exposure to credit risk on financial assets of the economic entity, excluding investments, relates to receivables which are exposed to the risk of financial loss due to the other party to the contract failing to discharge a financial obligation. The maximum credit risk exposure in relation to receivables is the carrying amount less the provision for doubtful debts as set out in note 9. The economic entity is not materially exposed to any individual or group.

Market risk

Shares, listed convertible notes and investments with managed funds are exposed to the risk that their value will fluctuate due to changes in market valuation.

Foreign currency risk

Balances in the foreign currency bank accounts are in that country's currency as part of investment program. The University also has investments in foreign equities through external fund managers. These arrangements expose the economic entity to the risk of currency fluctuations.

Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-investment financial assets and financial liabilities of the economic entity approximate their carrying value. The net fair value of investment assets is based upon market prices where a market exists or at the lower of cost or net recoverable amount where no ready market exists for the investment.

38. Non-cash financing and investing activities

The University had no non-cash financing or investing activities, with the exception of the following non-cash items received in 2006: books of \$313k (2005: \$1.135M) and works of art gifted to the University of \$51k (2005: \$120k), and museum collectibles of \$47k (2005: nil).

39. Financing facilities and balances

The University has access to an unsecured overdraft facility of \$5,000,000 and has no other borrowings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

40. Acquittal of Australian Government financial assistance

40.1 DEST – CGS and Other DEST Grants

Parent entity [University] ONLY

	Commonwealth grants scheme#		Workplace reform program		Equity programs*		Learning & teaching performance	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	182,273	176,365	2,432	2,387	295	270	4,950	0
Net accrual adjustments	0	0			0	0	0	0
Revenue for the period	182,273	176,365	2,432	2,387	295	270	4,950	0
Surplus/(deficit) from the previous year		0			0	0	0	0
Total revenue including accrued revenue	182,273	176,365	2,432	2,387	295	270	4,950	0
Less expenses including accrued expenses	(182,273)	(176,365)	(2,432)	(2,387)	(295)	(270)	(4,950)	0
Surplus/(deficit) for reporting period	0	0	0	0	0	0	0	0

Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading

* Includes HE Disability Support programme and HE Equity Support program

	Workplace productivity program		Indigenous support fund		Collaboration and structural reform program		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	344	0	1,181	0	0	81	191,475	179,103
Net accrual adjustments	0	0			0	0	0	0
Revenue for the period	344	0	1,181	0	0	81	191,475	179,103
Surplus/(deficit) from the previous year		0	0	0	0	0	0	0
Total revenue including accrued revenue	344	0	1,181	0	0	81	191,475	179,103
Less expenses including accrued expenses	(344)		(1,181)	0	0	(81)	(191,475)	(179,103)
Surplus/(deficit) for reporting period	0	0	0	0	0	0	0	0

Financial assistance received in cash during the reporting period

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

40. Acquittal of Australian Government financial assistance (continued)

40.2 Higher education loan programs

Parent entity [University] ONLY

	HECS-HELP Australian Government payment		FEE-HELP*		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	92,131	82,302	12,679	34,706	104,810	117,008
Net accrual adjustments	0	0	11,547	(11,956)	11,547	(11,956)
Revenue for the period	92,131	82,302	24,226	22,750	116,357	105,052
Surplus/(deficit) from the previous year	0	0	0	2,910	0	2,910
Total revenue including accrued revenue	92,131	82,302	24,226	25,660	116,357	107,962
Less expenses including accrued expenses	(92,131)	(82,302)	(24,226)	(25,660)	(116,357)	(107,962)
Surplus/(deficit) for reporting period	0	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

40. Acquittal of Australian Government financial assistance (continued)

40.3 Scholarships

Parent entity [University] ONLY

	Australian postgraduate awards		International postgraduate research scholarships		Commonwealth education costs scholarships		Commonwealth accommodation scholarships	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	8,902	9,079	1,991	1,980	967	582	1,619	1,086
Net accrual adjustments		0	0	0	0	0		
Revenue for the period	8,902	9,079	1,991	1,980	967	582	1,619	1,086
Surplus/(deficit) from the previous year	291	0	0	0	19	0	84	4
Total revenue including accrued revenue	9,193	9,079	1,991	1,980	986	582	1,703	1,090
Less expenses including accrued expenses	(8,472)	(8,788)	(1,991)	(1,980)	(780)	(563)	(1,246)	(1,006)
Surplus/(deficit) for reporting period	721	291	0	0	206	19	457	84

Financial assistance received in cash during the reporting period

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Total	
2006 \$'000	2005 \$'000
13,479	12,727
0	0
13,479	12,727
394	4
13,873	12,731
(12,489)	(12,337)
1,384	394

Financial assistance received in cash during the reporting period

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

40. Acquittal of Australian Government financial assistance (continued)

40.4 DEST - Research

Parent entity [University] ONLY

	Institutional grants scheme		Research training scheme		Systemic infrastructure initiative		Research infrastructure block grants	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	30,523	29,973	56,986	56,902	625	350	23,727	21,150
Net accrual adjustments	0	0	0	0	0	0	0	0
Revenue for the period	30,523	29,973	56,986	56,902	625	350	23,727	21,150
Surplus/(deficit) from the previous year	0	0	0	0	0	0	3,600	266
Total revenue including accrued revenue	30,523	29,973	56,986	56,902	625	350	27,327	21,416
Less expenses including accrued expenses	(30,523)	(29,973)	(56,986)	(56,902)	(246)	(350)	(25,646)	(17,816)
Surplus/(deficit) for reporting period	0	0	0	0	379	0	1,681	3,600

Total	
2006 \$'000	2005 \$'000
111,861	108,375
0	0
111,861	108,375
3,600	266
115,461	108,641
(113,401)	(105,041)
2,060	3,600

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

40. Acquittal of Australian Government financial assistance (continued)

40.5 Australian Research Council grants

(a) Discovery

Parent entity [University] ONLY

	Projects		Fellowships		Federation fellowships		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	35,933	29,836	(8)	654	5,043	4,054	40,968	34,544
Net accrual adjustments		0		0	0	53	0	53
Revenue for the period	35,933	29,836	(8)	654	5,043	4,107	40,968	34,597
Surplus/(deficit) from the previous year	10,093	8,758	0	0	1,202	289	11,295	9,047
Total revenue including accrued revenue	46,026	38,594	(8)	654	6,245	4,396	52,263	43,644
Less expenses including accrued expenses	(35,182)	(28,501)	8	(654)	(4,726)	(3,194)	(39,900)	(32,349)
Surplus/(deficit) for reporting period	10,844	10,093	0	0	1,519	1,202	12,363	11,295

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

40.5 Australian Research Council grants

(b) Linkages

Parent entity [University] ONLY

	Linkage – infrastructure		International research exchange		Projects		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	6,946	3,644	510	276	8,728	7,225	16,184	11,145
Net accrual adjustments	0	0	0	0	0	0	0	0
Revenue for the period	6,946	3,644	510	276	8,728	7,225	16,184	11,145
Surplus/(deficit) from the previous year	6,159	4,747	162	117	5,665	5,263	11,986	10,127
Total revenue including accrued revenue	13,105	8,391	672	393	14,393	12,488	28,170	21,272
Less expenses including accrued expenses	(6,339)	(2,232)	(453)	(231)	(7,791)	(6,823)	(14,583)	(9,286)
Surplus/(deficit) for reporting period	6,766	6,159	219	162	6,602	5,665	13,587	11,986

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

40. Acquittal of Australian Government financial assistance (continued)

40.5 Australian Research Council grants

(c) Networks and centres

Parent entity [University] ONLY

	Research networks		Centres		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Financial assistance received in cash during the reporting period	832	817	4,867	5,637	5,699	6,454
Net accrual adjustments	0	0	0	0	0	0
Revenue for the period	832	817	4,867	5,637	5,699	6,454
Surplus/(deficit) from the previous year	584	395	609	347	1,193	742
Total revenue including accrued revenue	1,416	1,212	5,476	5,984	6,892	7,196
Less expenses including accrued expenses	(965)	(628)	(5,101)	(5,375)	(6,066)	(6,003)
Surplus/(deficit) for reporting period	451	584	375	609	826	1,193

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

41. Charitable fundraising activities

The University of Sydney conducts direct fundraising through foundations under its control. Income received and the cost of raising income has been recognised in the Financial Statements of the University of Sydney. Fundraising activities are dissected as follows:

	<i>Parent entity [University]</i>			
	2006			
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>Income raised</i>	<i>Direct expenditure*</i>	<i>Indirect expenditure +</i>	<i>Net proceeds</i>
Appeals	2,931	169	1	2,761
Functions	301	114	0	187
Raffles	89	1	0	88
Other	43	33	0	10
	3,364	317	1	3,046
Percentage of income	100%	9%	0%	91%

	<i>Parent entity [University]</i>			
	2005			
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>Income raised</i>	<i>Direct expenditure*</i>	<i>Indirect expenditure +</i>	<i>Net proceeds</i>
Appeals	2,320	77	56	2,187
Functions	449	144	26	279
Raffles	97	12	0	85
Other	242	0	34	208
	3,108	233	116	2,759
Percentage of income	100%	8%	4%	89%

* *Direct expenditure includes printing, postage, consulting fees etc.*

+ *Indirect expenditure includes overheads such as office staff administrative costs, cost apportionment of light, power, and other overheads.*

	<i>Parent entity [University]</i>	
	2006	2005
	<i>\$'000</i>	<i>\$'000</i>
The net proceeds were used for the following purposes:		
Purchase of equipment and consumables	5	192
Scholarships/prizes and academic chairs	810	1,425
Other	1,168	559
Held for research purposes or scholarships	367	578
Held for specific purchases	696	5
	3,046	2,759

The provisions of the *Charitable Fundraising Act 1991* and the regulations under that Act have been complied with and internal controls exercised by the University of Sydney are considered appropriate and effective in accounting for all the income received in all material respects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

42. Adjustment resulting from prior period errors

The University purchased perpetual rights to on-line access to certain publications, and journals which have resulted in certain library publications, and journals becoming obsolete. These perpetual rights were previously incorrectly expensed.

This has resulted in the understatement of the capital nature of the intellectual property acquisition and an overstatement of the library collections as those publications and journals were retained in the accounts at their full value.

The correction of this prior year adjustment will ensure that the research collection within the library collection will be correctly stated after accounting for obsolescence, and capitalising perpetual intellectual property rights.

Under AASB 108 requirements the changes have to be reflected in the prior year where that adjustment would have occurred.

	<i>Parent entity</i>	
	<i>[University]</i>	
	<i>2004</i>	<i>2005</i>
	<i>\$'000</i>	<i>\$'000</i>
Non current assets – Library		
Original amount stated in the annual financial results	494,086	493,021
Restated opening non-current assets – library		(7,910)
Less: obsolete publications to be expensed 2004 and prior	(7,910)	0
Less: obsolete publications to be expensed 2005	0	(12,700)
Amended closing non-current assets library	486,176	472,411
Non-current assets – intangible digitalised library collections		
Original amount stated in the annual financial results on a cost model	0	0
Restated opening non current assets – intangible digitalised library collections		11,610
Add: perpetual intellectual property rights being capitalised at cost 2004 and prior	11,610	0
Add: perpetual copyrights being capitalised at cost 2005	0	6,710
Amended closing non current assets – intangibles library digitalised library collections	11,610	18,320
Equity – retained surplus		
Original amount stated in the annual financial results for 2005		115,934
Less: obsolete publications to be expensed		(12,700)
Add: perpetual intellectual property rights being capitalised at cost		6,710
Amended closing equity – retained surplus 2005		109,944
Less: transfer to statutory funds		(47,280)
Add: transfer to/(from) reserves		1,699,859
Equity – retained surplus		
Original amount stated in the annual financial results 2004	434,106	
Restated opening equity – retained surplus		437,806
Obsolete publications to be expensed	(7,910)	
Perpetual intellectual property rights being capitalised at cost	11,610	
Amended closing equity – retained surplus	437,806	2,200,329

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

43. Disaggregated information

The University reports revenue, results and assets by segments in accordance with Guidelines for the Preparation of Annual Financial Statements for the reporting period by Australian Higher Education Institutions, issued by Department of Education, Science and Training.

*Economic entity
[Consolidated]*

Industry	Revenue*		Results		Assets	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Higher education	1,102,900	979,945	185,524	101,725	3,769,674	3,774,376
TAFE	0	0	0	0	0	0
Other	108,091	53,923	5,074	8,251	9,203	11,483
	1,210,991	1,033,868	190,598	109,976	3,778,877	3,785,859

*Economic entity
[Consolidated]*

Geographical	Revenue*		Results		Assets	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Australia	1,208,485	1,031,579	190,278	109,402	3,778,877	3,785,859
Asia	2,224	2,041	298	525	0	0
Other	282	248	22	49	0	0
	1,210,991	1,033,868	190,598	109,976	3,778,877	3,785,859

* Revenues exclude deferred government super contribution.

B J Kotic, FCPA
Chief Operating Officer and
Deputy Vice-Chancellor

**END OF FINANCIAL STATEMENTS
AUDITED BY THE AUDITOR GENERAL**

FINANCE – YEAR 2006 IN REVIEW

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

\$128.2 million of the 2006 net operating result was applied to fund capital expenditure.

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

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

Net operating result (\$193.4 million)

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

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

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

During the year the University re-organised part of its investment portfolio by disposing of its internally managed share pool and re-investing the proceeds in externally managed funds. In accordance with current accounting standards, this substitution of investment portfolios required bringing to income cumulative revaluation gains, previously credited to revaluation reserves of \$53.5 million (2005: \$8.9 million).

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

Net operating result after appropriation (\$2.9 million)

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

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

Deferred superannuation

As in previous years the revenue and corresponding expense items relating to deferred superannuation, each at \$129.4 million (\$11.9 million in 2005) are excluded from this review of the year 2006 as they are non-cash items which distort both the operating revenue and operating expense comparisons to the previous year.

The deferred non-cash revenue and the offsetting deferred non-cash expenses for superannuation, both with a value of \$129.4 million referred to above, relate principally to the movement on the assessed unfunded liability for superannuation as at 31 December 2006. The Commonwealth and State Governments have accepted responsibility for these unfunded amounts, which stand at \$385.6 million as at 31 December 2006 (2005: \$515.0 million).

The annual expenditures incurred by the University fall into four main categories:

	2006 \$m	2005 \$m	Increase for 2006 \$m
1. Employee related expenses	591.7	550.2	41.5
2. Payments for services/purchase of minor equipment and consumables/repairs and maintenance/ bad and doubtful debts	376.4	327.7	48.7
3. Depreciation & amortization	49.0	44.5	4.5
Sub-total operating expenses excluding unfunded superannuation expenses	1,017.1	922.4	94.7
4. Expenditure on assets – including new equipment, building and infrastructure upgrades, as well as IT software and hardware	128.2	102.1	26.1
Total	1,145.3	1,024.5	120.8

The University's annual budget processes require that there is a matching of revenues to support expenditures of both operating and capital nature in a given year. However, the presentation of results in the Annual Financial Report, in accordance with accounting standards, does not provide the matching of revenue and expenditure in a single statement.

Operating revenue

Net operating revenue for 2006 of \$1210.5 million was \$178.2 million greater than for 2005. The major components of the increased revenue of \$178.2 million were:

	2006 \$m	2005 \$m	Increase for 2006	
			\$m	%
Income from students	356.1	327.1	29	8.9
Commonwealth Government operating grants	191.5	179.1	12.4	6.9
Research and consultancy activities	380.2	324.1	56.1	17.3
NSW Government operating grant	2.3	2.6	-0.3	-11.5
Income from private sources	280.4	199.3	81.1	40.7
Total *	1,210.50	1,032.30	178.2	17.3

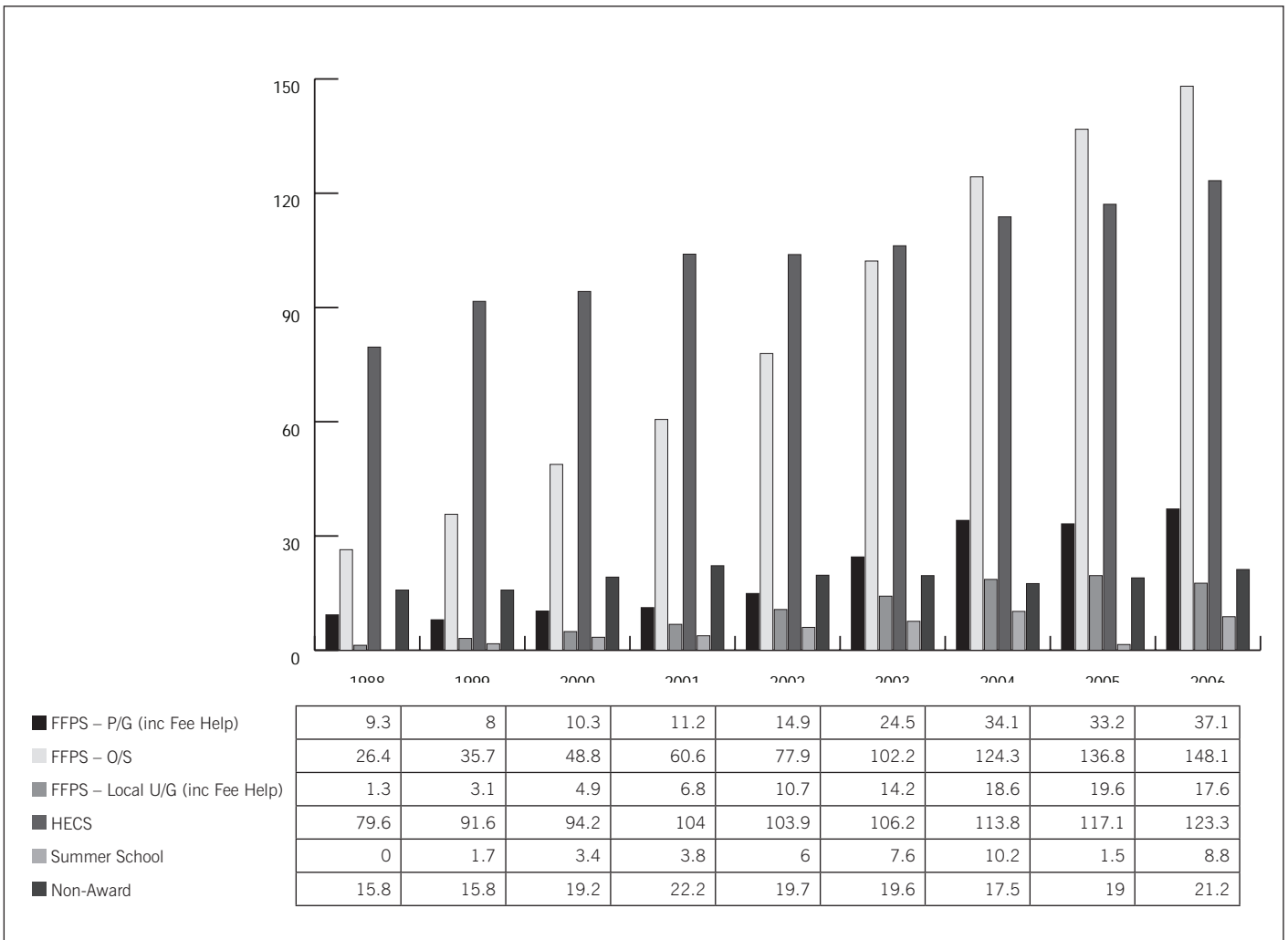
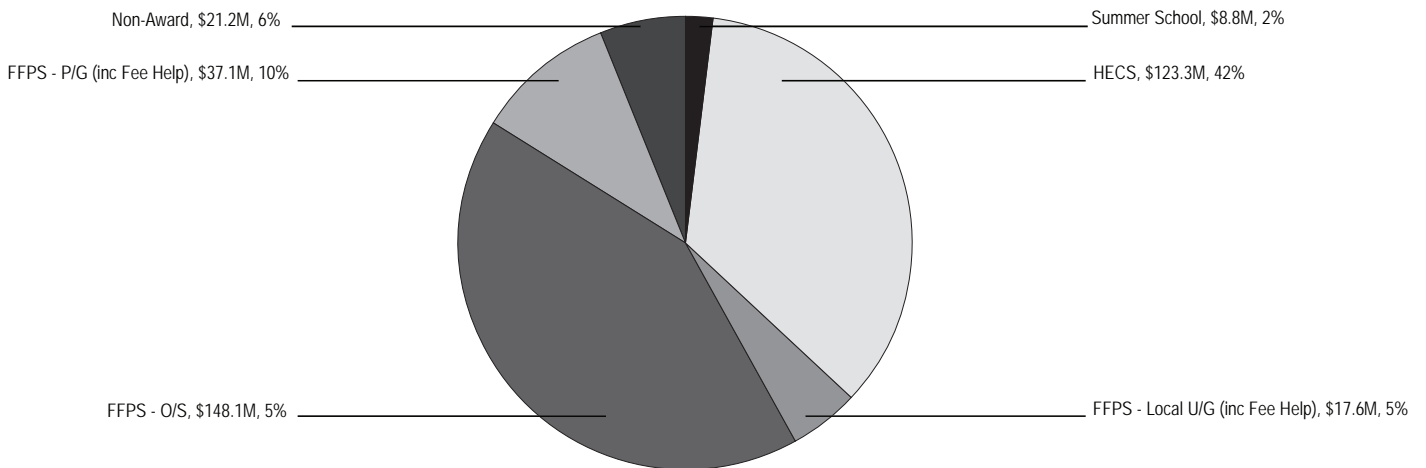
*Excludes deferred government superannuation contributions.

Income from students

The increased revenue from students of \$29.0 million included additional fees from overseas students of \$11.3 million (+8.3%); reduction in HECS upfront payments by students of \$3.5 million (-10%), an increase in HECS-HELP Australian Government payments of \$9.8 million (+12%) and an increase in summer school fees of \$7.3 million (+493%) resulting from a timing difference between invoicing and delivery of the course.

Full fee-paying students (FFPS) continued to provide significant sources of income to the University, and remain a larger source of income than that derived from HECS payments.

Income from students 2006



Commonwealth Government funding

The overall level of funding from the Commonwealth increased by \$41.1 million or 9.7% in 2005, to \$462.6 million.

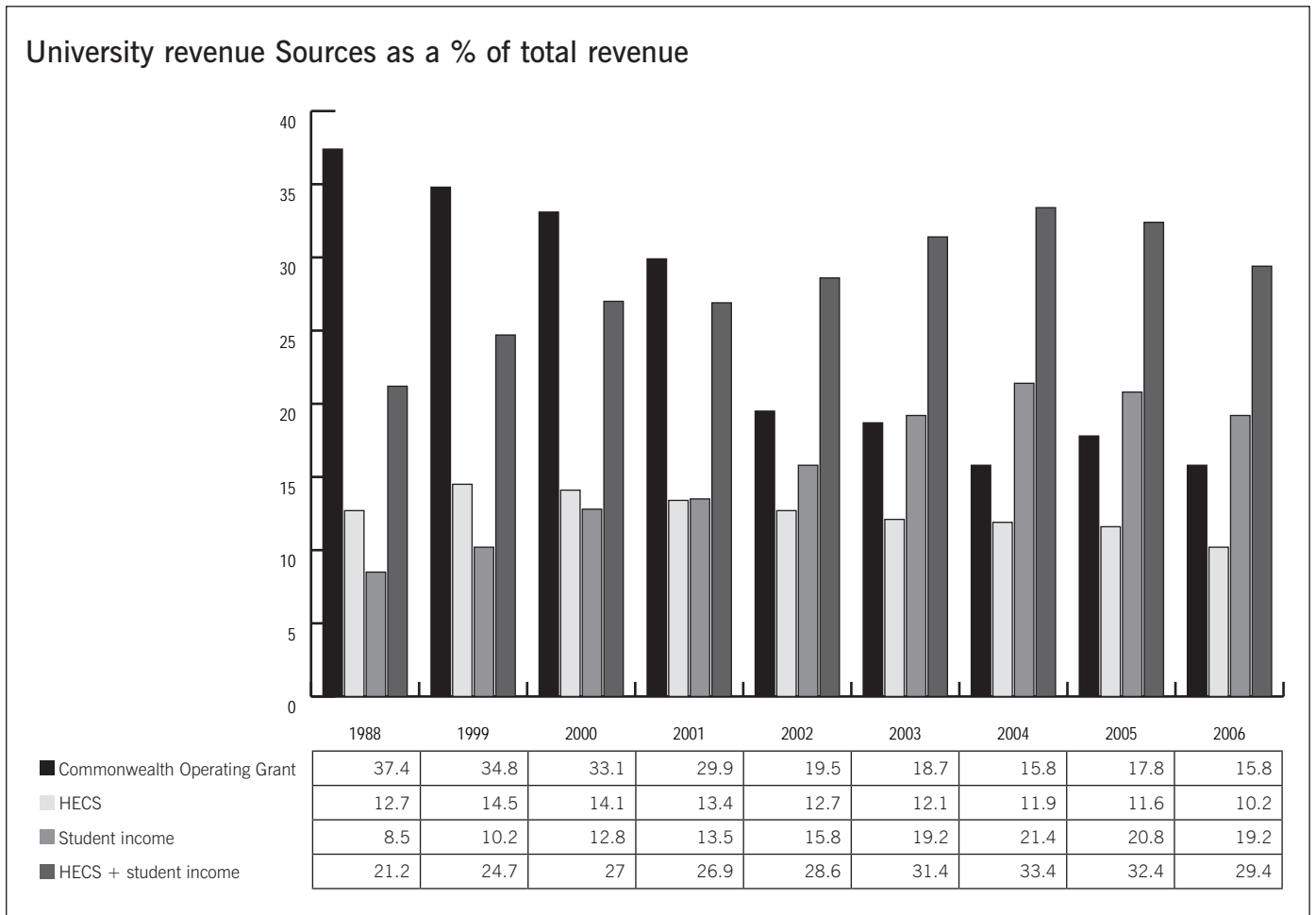
Commonwealth research funding increased by \$28.6 million or 11.8% to \$271.1 million and accounted for 69.8% of the overall additional Commonwealth Government funding of \$41.0 million. Funds for Commonwealth Grants Scheme increased by \$12.4 million or 6.9% to \$191.5 million.

	2006 \$m	2005 \$m	Increase for 2006 \$m
Australian Research Council	62.9	52.2	10.7
DEST – research funding inc Scholarships	125.3	121.1	4.2
Other Commonwealth agencies research	82.9	69.1	13.8
Sub-total Commonwealth research funding	271.1	242.4	28.7
Teaching and learning operating grants	191.5	179.1	12.4
Total Commonwealth funding	462.6	421.5	41.1

The continued growth in student fee income/HECS and the relative decline of funding through the Commonwealth operating grant meant that the proportion of the University revenue from HECS and student income at 29.4% (2005 = 32.4%) is considerably more than that of 21.2% in 1998, with most of the increase attributable to student income. On the other hand, the Commonwealth Operating Grants proportion of 15.8% (2005 = 17.8%) is considerably less than the 37.4% in 1998.

This is supported by the graph, University Revenue Sources as a % of Total Revenue, below. It is important to note that although revenue from student income category increased by \$29m in 2006, its percentage against the total revenue indicates a decline. This has resulted in the exceptional increase in 'income from private sources' category (mainly deriving from the investment performance throughout 2006) recording increased revenue of \$ 81.1million.

The continual financial pressure on the University arising from the ongoing decline in financial support from the Commonwealth is set out in the following graph:



Research and consultancy activities

Income received by the University for research, collaborative research and consultancy activities increased by \$56.1 million or 17.3% to \$380.2 million. The Commonwealth research funding of \$271.1 million, represented 71.3% of the total funding in this category received by the University.

The major sources of funding within research and consultancy activities were:

	<i>2006 \$m</i>	<i>2005 \$m</i>	<i>Increase for 2006 \$m</i>
Australian Research Council	62.9	52.2	10.7
National Health and Medical Research Council	55.0	42.3	12.7
DEST – Research Training Scheme	57.0	56.9	0.1
– Institutional Grants Scheme	30.5	30.0	0.5
– Infrastructure funding	24.3	21.5	2.8
– Postgraduate funding	13.5	12.8	0.7
Other Commonwealth agencies	27.9	26.8	1.1
Sub-total Commonwealth research funding	271.1	242.5	28.6
NSW Government research grants	4.3	5.0	(0.7)
Industry research grants	4.5	4.0	0.5
Foundations and individual research grants	28.3	14.4	13.9
Local collaborative research funds	23.3	18.4	4.9
Overseas collaborative research funds	37.2	30.8	6.4
Consultancies	11.5	9.0	2.5
Total research and consultancy income	380.2	324.1	56.1

NSW Government grants

The grants provided by the NSW Government decreased by \$1.0 million to \$6.6 million in 2006.

	<i>2006</i>	<i>2005</i>	<i>Increase for 2006</i>
Operating grants	2.3	2.6	(0.3)
Research grants	4.3	5.0	(0.7)
Total NSW Government grants	6.6	7.6	(1.0)

Income from private sources

Income from private sources increased in 2006 which at \$280.4 million, is \$81.1 million (40.7%), higher than in 2005. Investment income recorded increased revenue of \$33.2 million (40%) in 2006 due to strong equity market performance and astute investment strategies. The main increase (\$32.7 million) is derived from distributions from managed funds.

Income from commercial and other activities increased by \$48 million (118.5%). During 2006, the University disposed of its internally managed share pool and invested the proceeds in externally managed funds. This crystallised a gain on disposal which accounts for \$44.6 million increase in income from commercial and other activities.

The major components of this income group were:

	2006 \$m	2005 \$m	Increase for 2006 \$m
Investment income	116.1	82.9	33.2
Contributions from external organisations	31.1	30.1	1.0
Commercial and other activities	88.5	40.5	48.0
Other fees and charges	14.6	14.1	0.5
Donations, bequests, scholarships and prizes	30.4	31.8	(1.6)
Total	280.4	199.3	81.1

Operating expenses

The operating expenditure of \$1,017.1 million is \$94.7 million or 10.3% greater than that for 2005. The major components of the increase were:

	2006 \$m	2005 \$m	Increase for 2006	
			\$m	%
Salaries	477.4	436.9	40.5	9.3
Payroll on-costs	114.3	113.3	1.0	0.9
Total employee benefits	591.7	550.2	41.5	7.5
Payments for services/purchase of minor equipment and consumables/bad and doubtful debts	340.9	295.4	45.5	15.4
Repairs and maintenance	35.5	32.3	3.2	10.2
Depreciation and amortisation	49.0	44.5	4.5	10.1
Total expenses *	1017.1	922.4	94.7	10.3

*Excludes deferred Government superannuation benefits

The increase of \$40.5 million in salary payments is 9.3% higher than the expenses for 2005. Of the overall increase in salaries, \$20.6 million related to Academic salaries and \$19.9 million to Non-academic salary costs. Academic part time teaching salaries constitute 9.4% of the total academic salaries (2005 = 10.1%). Total employee benefits for academics represent 52.8% of the total employee benefits for 2006 (2005 = 53.4%). Payroll tax paid to the Office of State Revenue in NSW for 2006 was \$29.8 million (2005 = \$31.3 million). Rates of pay increases for both academic and non-academic were 2.0% each in March, June and September 2006.

Payment for services etc. were higher by \$45.5 million (15.4%) mainly relating to expenditure for teaching and research grants (increase of \$20.8 million in 2006), scholarships and prizes (increase of \$6.9 million in 2006), and expenses relating to the transfer of Orange Campus (\$2.9 million in 2006). Additionally, there has been an increase of \$6.2 million in the provision for bad and doubtful debts which mostly consists of \$3.5 million for the loans provided to Sydney Sports Union and \$2 million for the loan provided to the Institute for Magnetic Resonance Research (IMRR).

Repairs and maintenance expenses at \$35.5 million were \$3.2 million or 9.9% higher than in 2005 due to increased cost of maintaining older buildings, and increased preventive maintenance. This expenditure needs to be considered along with the expenditure on capital works in the year, to gain a true picture of the overall level of building and infrastructure construction, refurbishment and maintenance activity across the University.

The combined maintenance and capital level of activity on buildings and infrastructure was \$15.9 million above the previous year. The mix of expenditure in this area between maintenance (operating expense) and asset improvements (non-current asset – works in progress) is shown in the following table.

	2006 \$m	2005 \$m	Increase for 2006 \$m
Repairs and maintenance (operating expense – Income Statement)	35.5	32.3	3.2
Capital works in progress – buildings (non-current asset – Balance Sheet)	72.6	59.9	12.7
	108.1	92.2	15.9

In addition, the University has entered into commitments totaling \$101.4 million (2005 = \$57.0 million) for capital expenditure. This mainly relates to the Campus 2010 initiatives.

Expenditure on assets

The net operating surplus of \$193.4 million provided the University with funding for its \$128.2 million expenditure on Assets. The major areas of expenditure were:

	2006 \$m	2005 \$m	Increase for 2006 \$m
Non-current assets			
Capital works in progress – software	4.4	12.6	(8.2)
Capital works in progress – buildings	72.6	59.9	12.7
Land and buildings	19.1	1.6	17.5
Equipment	18.5	22.1	(3.6)
Other	13.6	5.9	7.7
	128.2	102.1	26.1

Equity

The total equity of the University at 31 December 2006, at \$3,115.8 million is \$126.8 higher than in 2005. This is a total of the net operating results for the year of \$193.4 million plus net decreases in revaluation reserves of \$41.4 million and disposal of assets held in Orange Campus \$25.1 million.

The three major components of the total Equity are:

Statutory funds including unexpended portion of funds received through the Income Statement and which have specific statutory restrictions on their use. The net operating income included \$128.5 million of restricted use funds relating to unspent research grants of \$8.8 million and bequests, capital preserved trusts, scholarships and prizes of \$119.7 million.

Reserves are revaluation reserves and relate to revaluation of property, plant and equipment and available-for-sale financial assets which decreased by a net of \$41.4 million in 2006.

Retained surplus is made up of two elements. The major element is the initial valuation reserve of \$1,660.5 million created in 1992 for the purpose of bringing to account the University's assets for the first time and include the transfer of properties, such as the main University campus, between the University and the Department of Education in 1994. There are restrictions on the use of most of these assets supporting this initial valuation reserve.

The second element is the cumulative remainder of net operating incomes other than the amount set aside for statutory funds, which for 2006 was an increase of \$39.8 million. The total cumulative net operating surpluses excluding statutory reserves at 31 December 2006 are \$579.6 million.

A comparison of balances with 2005 with their movement is set out hereunder:

	<i>2006 \$m</i>	<i>2005 \$m</i>	<i>Increase for 2006 \$m</i>
Statutory funds	590.3	461.8	128.5
Reserves	285.4	326.8	(41.4)
Retained surplus			
– Initial valuation reserve	1,660.5	1,660.5	0
– Cumulative net operating results	579.6	539.8	39.8
Total retained surplus	2,240.1	2,200.3	39.8
Total equity	3,115.8	2,989.0	126.8

Comparison to budget

	<i>Parent entity University</i>		
	<i>[2006]</i>		<i>[2007]</i>
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Income from continuing operations			
Australian Government financial assistance:			
Australian Government grants	420,209	462,595	499,603
HECS-HELP – Australian Government payments	91,469	92,131	99,501
FEE-HELP	24,000	24,226	26,905
NSW Government financial assistance	910	6,625	6,956
HECS-HELP – student payments	39,730	31,235	33,734
Fees and charges	210,458	223,146	238,032
Investment income	79,959	116,089	88,228
Royalties, trademarks and licenses	3,897	1,368	1,477
Consultancy and contract research	70,791	104,780	111,067
Other revenue	23,145	30,157	31,966
Other income	113,055	60,970	64,628
Gains/(losses) on disposal of assets	0	57,165	20,008
	<u>1,077,623</u>	<u>1,210,487</u>	<u>1,222,106</u>
Deferred government superannuation contributions	(11,863)	(129,419)	(129,419)
Total revenue from continuing operations	<u>1,065,760</u>	<u>1,081,068</u>	<u>1,092,687</u>
Expenses from continuing operations			
Employee related expenses	601,632	591,704	629,354
Depreciation and amortisation	44,300	49,029	53,932
Repairs and maintenance	28,037	35,522	38,364
Bad and doubtful debts	0	6,542	2,526
Other expenses	259,037	334,287	357,068
	<u>933,006</u>	<u>1,017,084</u>	<u>1,081,243</u>
Deferred employee benefits for superannuation	(11,863)	(129,419)	(129,419)
Total expenses from continuing operations	<u>921,143</u>	<u>887,665</u>	<u>951,824</u>
Operating result before income tax	<u>144,617</u>	<u>193,403</u>	<u>140,863</u>
Income tax benefit/(expense)	0	0	0
Operating result from continuing operations	<u>144,617</u>	<u>193,403</u>	<u>140,863</u>
Net operating result for the year	<u>144,617</u>	<u>193,403</u>	<u>140,863</u>
Net operating result attributable to minority interest	0	0	0
Net operating result attributable to members of the University of Sydney	<u>144,617</u>	<u>193,403</u>	<u>140,863</u>

Notes

- (1) The approved budget, where possible, has been adjusted above to take account of the year end presentation of accounting adjustments, including deferred government contributions, fixed asset purchases and depreciation, to provide a meaningful comparison. However other year end, statutory accounting requirements, are not included in the development of the approved budget.
- (2) Of the total \$1,078m budget revenue (\$1,066m+\$12m deferred government contributions for the University) approximately 82% (\$886m) supports the general teaching and research activities.
- (3) Actual revenue for the year exceeded budget for Australian Government research grants, fees and charges, investment income, consultancy and contract research.
- (4) Gain on disposal of assets was mainly attributed to disposal of shares

Organisational changes

During 2006 the University has made changes to its organisational structure. The changes impacted on both core and support portfolios. The three colleges – the College of Health Science, the College of Humanities and Social Science and the College of Science and Technology were replaced. New positions were created of Provost and Deputy Vice-Chancellor (DVC) to manage the University's academic enterprise and Chief Operating Officer and DVC, to manage the University's administrative operations. Faculty groupings were developed under Executive Deans and all deans now report to the Provost. In addition, the senior management structure included a DVC (Community) and a DVC (International). The finance portfolios also changed as a result of the organisational structure changes. A Financial Shared Services project was initiated to reshape the finance structure to fit in with the changing operational structures. More details on this project are provided below.

Financial Shared Services initiative

During 2006 the university started on the implementation of a shared services project which aims to provide consistent service delivery with high benchmarks set for Financial Services. A key focus is to transform Financial Services from a group focused on transaction processing to one focused on providing strategic business capability to the University faculties and units. One other important aim of the project is to provide ongoing support, professional development and succession planning to finance staff currently working in decentralised locations across the University.

A team under the leadership of Pro-Vice Chancellor (Strategic Planning) and the Director, Financial Operations and Systems is working with the deans and finance staff through a series of workshops to streamline the existing business processes. One of the key objectives of the workshops is to determine the best balance for where financial staff is located i.e. locally or centrally.

This project commenced within the Faculties of Health in early 2006 with an expected completion date of July 2007. It is anticipated that the full implementation of financial services will be completed by the end of 2007.

Statutory Accounts initiative

In 2006 the Office of Chief Accountant started on a plan to bring forward the time required for signing of the Annual Financial Report by 3.5 weeks for 2006 with an additional 2.5 weeks for 2007. The target was achieved for 2006.

Financial Operations portfolio

In 2006 the Financial Operations and Systems group began a more strategic set of initiatives in regards to operating efficiencies. E-Procurement focused on developing vendor relations with key suppliers in order to launch a pilot for 2007. Travel operations continued to prove its value in its duty of care objectives to ensure that staff could be supported all over the world in case of emergencies.

Financial Operations also assisted in developing new policies and procedures for research acquittals which will improve accuracy and timeliness of reporting. Also additional policies were proposed to improve timeframes and efficiencies for starting up new research projects. The University should see benefits from these policies in 2007.

Programs around e-procurement and asset management have been partnered with the shared services rollout which will allow the transition in 2007 to be supported directly by the faculties and finance collaboratively. The deployment of these initiatives as well as shared services is expected to be fully deployed by the end of 2007.

In 2006 Financial Operations and Systems expanded the intern student program and have directly partnered with the Faculty of Economics and Business to develop roles which ensure relevant and cutting edge experience in some areas while providing financial support to the students. The program includes mentoring and in 2007 students will have opportunities to meet members of the executive team and be given an opportunity to see or be involved in more of the operating change initiatives

Investments and investment performance

The University's total investment funds comprise short-term funds (i.e. those which may be drawn down at any time) and long-term funds (i.e. those where the capital is invested across a more volatile asset mix to achieve higher returns over the longer term). Short-term funds primarily comprise departmental operating funds, student fees, research grants, other grants, capital development funds and reserves. Long-term funds mainly consist of bequest and endowment funds, capital preserved trust funds, funds held by foundations, discretionary funds and other provisions held against long-term liabilities (e.g. non-current long service leave liabilities).

The University's total investment funds of \$1,259 million as at 31 December 2006 were comprised of the investment portfolio of \$1,161 million and non-portfolio investments of \$98 million, plus cash at bank of \$9 million. The investment portfolio is invested across a range of asset classes including Australian and international equities, bonds, bank bills and listed property securities. During

2006, the first steps were taken towards diversifying the investment portfolio through the investment of up to 10% of long-term funds in suitable alternative asset classes/strategies. As at year end, a long/short Australian equities mandate had been implemented in addition to a placement of \$20 million (to be progressively drawn down) into an unlisted infrastructure vehicle. In 2007, it is expected that an absolute return mandate will also be added.

Other significant initiatives implemented during the year include the move to an external custodian framework and the full realisation of the internally managed share pool (approx. \$80 million) and re-investment of proceeds into the externally managed growth pool. Despite the increased tracking error against benchmark associated with full realisation of a portfolio, the share pool's performance of 33.9% (12 months ended July 2006) significantly exceeded its benchmark. As a result of the share pool realisation, significant capital gains in the order of \$50m were realised and, under the new accounting standards, these gains were reported as income within the Income Statement.

Under the Annual Reports (Statutory Bodies) Regulations, the University must include details of the investment performance of its surplus funds and, for comparison, the return on the appropriate NSW Treasury Corporation Hour-Glass investment facility. In the table below, the return (after fees) on the Investment Portfolio is compared with that of the NSW Treasury Corporation Hour-Glass Medium Term Growth Facility and other comparators over rolling one-year and three-year periods ending 31 December 2006.

Returns (after fees) periods ended 31 Dec. 2006

	<i>Rolling 1 year</i>	<i>Rolling 3 year</i>
University Investment Portfolio ¹	12.0%	11.6%
Internal Asset Weighted Benchmark ²	11.6	11.3
NSW T-Corp. Med. Term Growth Facility	8.7%	9.7%
In Tech Survey Median (Conservative Growth)	9.0%	10.1%

Creditors' payment performance for the year ended 31 December 2006

	<i>March quarter 2006</i>		<i>June quarter 2006</i>		<i>September quarter 2006</i>		<i>December</i>	
	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>
Percentage of accounts paid on time:*								
By number of invoices	97%	80%	98%	80%	98%	80%	96%	80%
By value	98%	80%	97%	80%	99%	80%	98%	80%
	(\$'000)		(\$'000)		(\$'000)		(\$'000)	
Amount of accounts paid on time (excludes investments)	\$132,953		\$93,149		\$90,972		\$102,643	
Total amount of accounts paid (excludes investments)	\$135,000		\$96,062		\$91,739		\$105,142	

*The University's standard payment terms are 30 days.

- Returns are after equivalent T-Corp debt sector fees and external manager fees.
- Asset weighted Gross Return incorporating market index returns for each sector.

Summary of land owned or occupied by the University

The University classifies its land over the following categories:

- teaching and research
- commercial farms
- student housing, and
- investment properties

Teaching and research land

The major teaching and research facilities of the University located on the Camperdown and Darlington campuses, adjoining Parramatta Road and City Road, Sydney, cover a total of 50.6 hectares.

In addition, several teaching and research facilities are located away from these premises. These include the Law School, in Phillip Street (Sydney), the Faculty of Health Sciences (Lidcombe), the Sydney College of the Arts (Rozelle), Sydney Conservatorium of Music (Sydney), the Faculty of Nursing (Camperdown), the Australian Graduate School of Management (Kensington and city), the Australian Technology Park (Redfern), Faculty of Rural Management (Orange), the Australian Archaeological Institute at Athens and Thessaloniki, Greece and the University Teaching Hospitals. The teaching and research activities of the Faculties of Veterinary Science, Agriculture and Science are also supported by farms and/or field stations throughout eastern Australia, comprising a total area of approximately 16,000 hectares and owned by the University.

The teaching and research land is classified into two sub-categories by the University. The non-commercial teaching and research component represents land which is subject to specific restrictions including land grants, zoned special use and/or specific contractual arrangements. The book value of this land, on the accounting standards cost basis, was \$170.3 million as at 31 December 2006.

The balance of the land held for teaching and research, which is not subject to specific usage constraints, is classified as commercial Teaching & Research land. This land is valued on the accounting standards fair value basis at \$58.5 million as at 31 December 2006.

The total value of Teaching and Research land held by the University as at 31 December 2006 was \$228.5 million.

Commercial farms

The University operates three commercial farms which support teaching and research activities. The farms, which are located in the North-West and Southern Highlands of New South Wales are valued on a fair value basis. The land valued of these farms was \$30 million as at 31 December 2006.

Student housing

The University owns 19 sites which it operates as student housing in the vicinity of the Camperdown Campus. The land on which these student housing facilities are located is not subject to any specific conditions or constraints.

The student housing sites, which are valued on the basis of the fair value of the overall property, including the housing, had a value of \$13.5 million as at 31 December 2006.

Investment properties

The University's investment portfolio includes 22 properties in various areas of Sydney including 21 home units. These properties, which are valued on a fair basis, include the relevant structures on the land. The investment properties had a value of \$14.2 million as at 31 December 2006.

Subsidiaries

Rural Australia Foundation Limited

The Rural Australia Foundation Limited is a company limited by guarantee. Its objectives are to promote the development of agriculture by research, scholarship and other suitable means and, in particular, the development of the University of Sydney campus and the Faculty of Rural Management in furthering its objectives. It was transferred to Charles Sturt University on 31 December 2006.

The Wentworth Annexe Limited

The Wentworth Annexe Limited administers the planning and construction of the Wentworth Annexe and other building work that the University of Sydney Union may wish to be undertaken. As this is a non-trading enterprise, performance and accrual performance measures are not applicable.

The Bosch Institute

The Bosch Institute was incorporated in 2006 as an Australian public company, limited by guarantee for the advancement of public health and medical research activities to improve the health of individuals and the community. It did not have any activity during 2006.

The Sydney Institute of Health and Medical Research

The Sydney Institute of Health and Medical Research was incorporated in 2006 as an Australian public company, limited by guarantee for the advancement of public health and medical research activities to improve the health of individuals and the community. It did not have any activity during 2006.

The Institute for Magnetic Resonance Research

The Institute for Magnetic Resonance Research was acquired by the University of Sydney in 2006 to take advantage of scientific research.

I-Care Medical Pty Ltd, Ucom Six Pty limited, Ucom Seven Pty Ltd, Nucleos Pty Ltd, Elastagen Pty Ltd, Ucom Ten Pty Ltd, Ucom Eleven Pty Ltd, Ucom Twelve Pty Ltd, Ucom Fourteen Pty Ltd, Ucom Fifteen Pty Ltd, Ucom Sixteen Pty Ltd and Ucom Seventeen Pty Ltd.

I-Care Medical Pty Ltd was incorporated by a third party in 2000 as a company limited by shares. The company was restructured in 2002 and became a controlled entity. The core intellectual property relates to treatment for macular ocular degeneration. It was deregistered in 2006.

Ucom Six Pty Limited was set up by the University initially as a non operating company to take commercial advantage arising out of patents. It has had no activity since 2004.

Ucom Seven Pty Ltd was incorporated in 2002 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to Cu-Indomethacin based veterinary products with potential for human application. It did not have any activity in 2005 and 2006.

Nucleos Pty Ltd was incorporated in 2002 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to technology that will be applied to ageing, initially for a specific disease, progeria, later expanding to more general applications which may measure and affect the ageing process. It has been deregistered during 2006.

Elastagen Pty Ltd was incorporated in 2003 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to the use of Human Recombinant Tropolastin in wound management, tissue engineering and bio-active implants.

Ucom Ten Pty Ltd was incorporated in 2003 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to Anomalous Expansion Materials. These new materials do not expand on heating and have numerous potential applications. It changed status from a subsidiary to an associate in 2006.

Ucom Eleven Pty Ltd was incorporated in 2003 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to interactive 3D holography.

Ucom Twelve Pty Ltd was incorporated in 2003 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to the anti-fungal phospholipase inhibitors.

Ucom Fourteen Pty Ltd was incorporated in 2004 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to the prevention and treatment of cataracts. It was deregistered in January 2007.

Ucom Fifteen Pty Ltd was incorporated in 2004 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to flavanoid modulator of multi drug resistance.

Ucom Sixteen Pty Ltd was incorporated in 2004 as a company limited by shares. The company exists for the purpose of commercialising intellectual property relating to the treatment and composition of wound healing.

Ucom Seventeen Pty Ltd was incorporated in 2004 as a company limited by shares. The company exists for the purpose of commercialising intellectual property. It has been deregistered during 2006.

Financial Accounts for Subsidiaries

The financial accounts for the subsidiaries, which form part of the University's annual report tabled in Parliament, are available on request by contacting the University's Publications Office on +612 9351 4625, fax +612 9351 3289 or email: info@publications.usyd.edu.au

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Website: www.usyd.edu.au

Hours of opening:
Switchboard
Monday–Friday, 9am–5pm

Fisher Library (during semester)

Monday–Thursday: 8.30am–10pm
Friday: 8.30am–8pm
Saturday: 9am–5pm
Sunday: 1pm–5pm

Library hours outside semester vary throughout the year. (See the website at www.library.usyd.edu.au for these details and for opening hours of other University libraries.)

University of Sydney Union facilities (during semester):

7.30am–7.30pm

Hours for specific services vary. Non-semester opening hours are reduced and vary throughout the year.

Many offices of the University are open beyond the above times. To check opening times, please telephone the unit or department you wish to visit.

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