

Report by Members of the University Council

THE MEMBERS of Southern Cross University Council present their report on the consolidated entity consisting of Southern Cross University and the entities it controlled during the year ended 31 December 2006.

Members

The following persons were members of Southern Cross University Council during the whole of the year and up to the date of this report:

Chancellor and Chair of Council

The Honourable John Robert Arthur Dowd AO QC

Deputy Chancellor and Deputy Chair of Council

David Vincent Cody MB BS(Syd), PhD, FRACP, FCSANZ, FACC, FAHA, FAFRM (*elected Deputy Chancellor for two year term to 22 September 2008*)

Vice-Chancellor

Professor Paul Ernest Clark BSc(Hons), PhD(Exe), DipEd(Tert)(Monash), FAIP, FIICA

Chair of Academic Board

Professor Jim Jackson BCom, LLB(UNSW), LLM(Hons)(Syd), GradDipEd(Tertiary)(DDIAE), PhD(Syd) (*elected 15 February, 2007*)

Other Members

Warren Albert Grimshaw AM, BBus(NSWIT), ASTC

Irene Harrington

Neville Newell MLA

Associate Professor Sharon Parry BBS, DipEd, PhD(LaT)

John B Shanahan MCom(Hons)(NSW), FCA, MAICD, FFin

Margot Ruth Sweeny BBus(NRCAE), MEc(NE), CPA, ACS, SIA(AFF)

Trevor Stanley Wilson BSc(Griff)

The following members were elected or appointed as indicated and continue in office at the date of this report:

Sally M Blackadder BCom(NSW) (*elected 9 September, 2006*)

Glenn Davey (*elected 9 September, 2006*)

Ronald J. Dowell GradDipOD(RMIT), MBus(VUT) (*elected 9 September, 2006*)

Peter Lewis BTch, BEd, MMgmt(UTS), MAICD (*appointed 3 September, 2006*)

Janelle Anne Saffin DipT(NRCAE), BLegS(Macq) (*appointed 3 September, 2006*)

The following were members from the beginning of the year until their resignation or expiry of term of office on the date indicated:

Neil Duncan Black BScAgr(Syd), DipEd(Tech)(SCAE), HortCert(Hons)(SydTC) (*term expired 2 September, 2006*)

The Honourable Peter Breen MLC (*resigned 16 February, 2007*)

Associate Professor Roger Bronks DipT, DipPE(Cardiff), MSc, PhD(Oregon), FASMF (*Chair of Academic Board until term expired on 15 February, 2007*)

Toni Ledgerwood (*term expired 9 September, 2006*)

Neville Neal (*resigned 26 May, 2006*)

Judith Madeline Reid BLegS(Macq) (*resigned 10 March, 2006*)

Mary Elizabeth Rummery AM

(*Deputy Chancellor to 2 September, 2006*) (*term expired 2 September, 2006*)

Elizabeth Trevan BEM, GradDipHealthSc(QUT), MBA(SCU) (*resigned 22 September 2006*)

Michael Whelan BAgSc(Qld), MSc (*term expired 9 September, 2006*)

The following member held a casual vacancy.

Megan Harris (*casual vacancy appointment from 21 July to 9 September 2006*)

Council Secretary

Malcolm Hugh Marshall BA(CCAE), MBA(CQU), CPA

Meetings of Members

The numbers of meetings of the members of Southern Cross University Council and of each Council Committee held during the year ended 31 December 2006, and the numbers of meetings attended by each member are given in the tables below.

Principal Activities

During the year, the principal continuing activities of the consolidated entity consisted of:

- The provision of educational facilities of university standard, having particular regard

to the needs of the North Coast region of the State

- The preservation, extension and dissemination of knowledge through scholarship, research, creative works, consultancy and internal and external teaching
- The conferring of the Degrees of Bachelor, Master, and Doctor, and the awarding of diplomas, certificates and awards.

Review of Operations

Southern Cross University and its controlled entities reported a consolidated net operating surplus of

Members	Council Meetings		Meetings of Committees					
	A	B	Chancellor's		Audit		Finance	
	A	B	A	B	A	B	A	B
J R Dowd AO QC	6	6	7	7	5	6	6	6
P E Clark	6	6	7	7			6	6
N D Black	2	4						
S M Blackadder	2	2						
P Breen	4	6						
R Bronks	6	6	7	7			6	6
D V Cody	5	6	1	1	3	5	1	1
G Davey	2	2						
R J Dowell	2	2					0	1
W A Grimshaw AM	4	6			1	1	5	6
I Harrington	1	6						
M Harris	1	1						
T Ledgerwood	3	4						
P Lewis	2	2					0	1
N Neal	2	2						
N Newell	6	6			1	1		
S Parry	5	6						
J M Reid	0	1						
M E Rummery AM	4	4	6	6	4	4	4	4
J A Saffin	2	2					1	1
J B Shanahan	3	6			4	5	1	1
M R Sweeny	4	6			1	1	3	5
E Trevan BEM	4	4					5	5
M Whelan	4	4					5	5
T S Wilson	6	6			4	5		

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the committee during this year.

\$5.307 million for the year ending 31 December 2006 (2005 operating surplus of \$1.325 million), the University reported a net operating surplus of \$5.809 million (2005 operating surplus of \$0.882 million). The University was under-enrolled in 2006 and the financial impact of this under-enrolment of \$3.4 million will be recognised in 2007.

This financial performance supported Southern Cross University's success against key objectives outlined in its Strategic Plan 2005–2010. The University achieved strong performance in key measures, including graduate satisfaction, growth

in international student enrolments and research income, and streamlining of academic structures. In 2006 Southern Cross University secured its first Fulbright scholar, launched its new preparatory program, Preparing for Success, and developed a new undergraduate award, the Bachelor of Clinical Science.

Voluntary Student Unionism (VSU) was introduced in 2006 and Southern Cross University responded with associated management of transitional arrangements, the introduction of new service delivery mechanisms and the preparation of the VSU transition fund bid.

Members	Council Meetings		Meetings of Committees <i>continued</i>							
	Governance		Honorary Awards		Nominations		Remuneration		Risk Management	
	A	B	A	B	A	B	A	B	A	B
J R Dowd AO QC			3	3	1	1	1	1		
P E Clark			3	3	1	1				
N D Black										
S M Blackadder										
P Breen									0	1
R Bronks			3	3						
D V Cody			1	1	0	1			2	2
G Davey										
R J Dowell										
W A Grimshaw AM	1	3								
I Harrington									0	2
M Harris										
T Ledgerwood										
P Lewis										
N Neal										
N Newell										
S Parry										
J M Reid										
M E Rummery AM	3	3	2	2			1	1		
J A Saffin										
J B Shanahan										
M R Sweeny					1	1				
E Trevan BEM	3	3			1	1				
M Whelan										
T S Wilson							1	1		

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the committee during this year.

Southern Cross University continued its program of regional engagement with an ambitious community consultation process to inform the development of the University's Regional Plan. A campus-based input output analysis in 2006 found that the Lismore, Coffs Harbour and Tweed Gold Coast campuses were responsible for a regional output of \$276.32 million and 2486 jobs within the University's footprint.

Evaluation of Council Performance

The performance of the University Council is evaluated periodically and any findings or recommendations are implemented. In 2006, induction for new Council members was enhanced with the provision of a comprehensive, tailored training package.

Significant Changes in State of Affairs

During the year there was no significant change in the state of affairs of the University or economic entity other than referred to in the financial statements or notes thereto.

Subsequent Matters Affecting Operations

Southern Cross University and its controlled entity Norsearch Limited are currently negotiating the acquisition of a number of business operations at the Lismore Campus that were operated by the Southern Cross University Student Union Limited until 31 December 2006. At the date of this report these negotiations were continuing with no signed agreement in place.

Future Developments

Disclosure of information regarding likely developments, future prospects and business strategies of the operations of the University in future financial years and the expected results of those operations is likely to result in unreasonable

prejudice to the University. Accordingly, this information has not been disclosed in this report.

Environmental Regulation and Performance

The University's operations are not regulated by any significant environment regulation under a law of the Commonwealth or a State or Territory.

Insurance of Officers

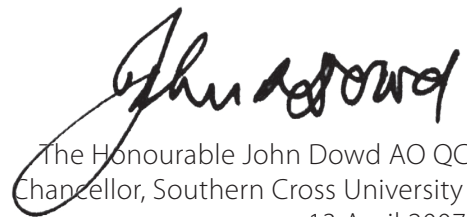
During or since the financial period Southern Cross University has insured all of the Council Members previously listed against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Council member or director of a controlled entity, other than conduct involving a wilful breach of duty in relation to the University or a controlled entity.

Legal Proceedings on behalf of Southern Cross University

No person has applied for leave of the Court to bring proceedings on behalf of the University or intervene in any proceedings to which the University is a party for the purpose of taking responsibility on behalf of the University for all or any part of those proceedings. The University was not a party to any such proceedings during the period.

Universities are not insured against breach of contract, class actions or breaches of the Trade Practices Act as such insurance is not generally available.

This report is made in accordance with a resolution of the members of the Council of Southern Cross University.


The Honourable John Dowd AO QC
Chancellor, Southern Cross University
13 April 2007