



**Southern Cross
University**



2020 Southern Cross University Annual Report



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CRICOS Provider: 01241G

Table of Contents

Letter of Submission 2	Management Activities 3	At a Glance 2020 4
Research 5	People 8	Student Feedback and Consumer Response 12
Governance 13	Financial Performance and Financial Statements 20	Appendices 137



The Hon Geoff Lee MP
Minister for Skills and Tertiary Education
Parliament House
Sydney NSW 2000

Dear Minister

The Council of Southern Cross University submits the University's Annual Report of proceedings for the year ending 31 December 2020 for presentation to Parliament.

The Annual Report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984 (NSW)* and the *Public Finance and Audit Act 1983 (NSW)*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Nick Taylor".

Mr Nick Burton Taylor AM
Chancellor Southern Cross University

A handwritten signature in blue ink, appearing to read "Tyrone Carlin".

Professor Tyrone Carlin
Vice Chancellor Southern Cross University

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Management Activities

In 2020, Southern Cross University operations were subjected to the unprecedented effects of the global COVID-19 pandemic. As the magnitude of the risk posed by COVID-19 became clear in the first half of 2020, the University acted swiftly to mitigate risks to staff health and wellbeing, and financial sustainability. Key activities included the careful minimisation of discretionary expenditure, the reconfiguration of physical spaces and working protocols, the rapid establishment of remote working arrangements for all but essential on-campus staff, and the transition of all teaching and student learning to online delivery.

Despite international travel restrictions being in place for most of 2020, and successive domestic lock downs affecting University campuses nationwide, the University ended the year with a \$2.6 million operating loss measured against total revenue of \$293 million (0.8% Operating Margin). This was a substantial improvement on forecast estimates developed mid-year during the height of the pandemic's effects in Australia.

In 2020, the University taught 11,776 full-time equivalent students across its campuses, within Australia at Lismore, Coffs Harbour, Gold Coast, Sydney, Melbourne and Perth, as well as internationally in Papua New Guinea and China. This represented a total net decline of 437 students on 2019 – comprised exclusively of international students. Domestic student enrolments actually grew 8% in 2020 as compared to 2019, causing the University to again exceed its capped funding entitlement for Commonwealth Grant Scheme students.

Teaching and Learning

The rapid switch to online delivery in March 2020 presented significant operational and pedagogical challenges. However, the University was able to successfully draw upon its deep experience with distance and online education to overcome this challenge quickly and with minimal disruption. The quality and integrity of the learning experience were firmly upheld, with 2020 student satisfaction across all teaching periods improving in 2020 compared to 2019.

Campuses

In February 2020, the University expanded its music and IT programs to Coomera, Queensland in collaboration with TAFE Gold Coast. On 26 August 2020, the University approved the expansion of its operations to a new Hayman Island campus of The Hotel School, with partner Mulpha Australia. Built on a 30-year collaboration between the parties, The Hotel School – Hayman is an opportunity for students to live, study and work on a 5-star resort island, based at The InterContinental Hayman Island Resort. Students will commence in the new Associate Degree of International Tourism and Hotel Management in March 2021. The Hayman campus leverages the experience and assets of its sister-schools: The Hotel School – Sydney, The Hotel School – Brisbane, and The Hotel School – Melbourne.

Strategic Change

In December 2020, the University approved a strategic change program titled *Transform SCU*. The culmination of extensive consultation and planning, *Transform SCU* made a number of significant structural reforms

across the University, with the aim of embedding a more efficient and fit-for-purpose operating structure, and thereby reducing the University's continuing and unsustainable operational costs.

Throughout 2020, the University continued to implement significant academic and curriculum transformation. The Southern Cross Model will enable the University to achieve its stated goal of delivering an inspired study experience, one that will mean distinction in the Australian higher education sector. Led through the newly established Academic Portfolio Office and the Pro Vice Chancellors (Academic), the Model focuses on an improved and highly engaged student learning experience, with students' learning at the core. A select number of courses were developed under the new Model in 2020, with the remainder of the academic portfolio being implemented in full by 2023.

Equity and Diversity

Southern Cross University gained Bronze accreditation under the SAGE Athena SWAN gender equity and diversity program in February 2020. The University is now in the process of implementing the associated action plan.

At a Glance 2020

Total Number of Students	
Total (Persons)	20,119
Total (EFTSL)	11,906.1

Persons by Location	
Lismore Campus	2,157
Gold Coast Campus	5,592
Coffs Harbour Campus	1,310
The Hotel School	917
Online	5,574
SCU Online	2,462
Other Australian Locations	1,486
Offshore	621

International Students (Persons)	
Onshore	3,451
Offshore	698

Total Staff (FTE)*	
Academic Staff (FTE)	339.8
Professional Staff (FTE)	574.5

* These Total Staff FTE (full-time equivalent) figures do not include Sessional or Casual FTE

Source: 2020 Government Student / Staff Submissions

Research

In 2020, the Southern Cross University Research Plan 2020-2025 was launched. The plan will ensure sustainability, alignment with teaching and connection with our regions as a driver for diversifying funding, ensuring research-led teaching and expert higher degree research supervision. The focus of research will be on emerging areas of excellence, new opportunities to invest in the future and supporting areas where the University has long-term success.

Activity with NSW Deputy Vice Chancellors' Research Committee

The Deputy Vice Chancellor (Research) was appointed Chair of the NSW Deputy Vice Chancellors' Research Committee in late 2019, and has steered the committee through the difficult COVID-19 period. The committee usually meets three times per year, and met over 20 times during 2020 to work collaboratively to develop a pilot Expression of Interest process for the NSW Government's \$25 million COVID-19 Research Grants program. This unprecedented co-operation ensured the best projects were put forward for consideration by the NSW Government. A similar process has been adopted for the 2021 Australian Research Council's Linkage Infrastructure, Equipment and Facilities (LIEF) grants. Research has been one of the portfolios most impacted by COVID-19, and the NSW Deputy Vice Chancellors (Research) worked collaboratively to ensure COVID-safe research continued across the sector and research momentum will be maintained in the post COVID-19 period.

The NSW Deputy Vice Chancellors' Research Committee has also been working closely with the NSW Government through the NSW Waratah Research network to make collaborations between the NSW Government and NSW universities

easier. The Waratah Research Network was established to facilitate university, government and industry partnerships to deliver impact-driven research and evidence-based outcomes for NSW and its communities.

Partnership with UNICEF

Southern Cross University is now positioned as an international leader in the ethics of research involving children, as a result of the partnership between the University's Centre for Children and Young People and UNICEF's Office of Research-Innocenti. The project aims to assist researchers and the research community to understand, plan and conduct ethical research involving children and young people in any geographical, social, cultural or methodological context. Given constraints due to COVID-19, a major focus in 2020 was on refurbishment of the project's website repository, and dissemination of evidence-based information and resources via online newsletters, blogs, case studies, library updates and social media activity. The project resources are now accessed in more than 160 countries.

Centre for Children and Young People

The Centre for Children and Young People undertook time-critical research to inform interventions supporting children following the 2019-20 bushfires. Working in close partnership with MacKillop Family Services, Headspace and the NSW Department of Education, the research sought to address a critical gap in knowledge about what children experience and how best to support them, and to use this evidence in a major revision of an education intervention (the *Stormbirds* program) and associated training aimed at supporting children and young people to

adapt to change, loss and grief resulting from natural disasters. The program has subsequently been rolled out across bushfire-affected communities in NSW, Victoria and Queensland with emerging data from independent evaluations strongly attesting to its positive impact.

National Centre for Naturopathic Medicine

The National Centre for Naturopathic Medicine was founded in 2020, established through a \$10 million donation from the Blackmore Foundation. The Centre creates, promotes and advocates a strong culture of incorporating evidence-based science into naturopathic education and clinical practice, and is leading the way in advancing naturopathic medicine in Australia and internationally.

During 2020, the Centre developed its clinical trial facilities, enabling the commencement of clinical trials. Collaborative programs with other complementary medicine centres were established, and include: lifestyle medicine and food as medicine in Australian psychiatric facilities, with Western Sydney University (as a co-leader), University of Melbourne, Deakin University and the University of Queensland; developing protocols for quality assessment of traditional knowledge sources, with the University of Technology Sydney (as co-leader) and the University of Newcastle; and the integration of naturopathic practice in aged care to reduce frailty, with Torrens University (as co-leader), the Diocese of Lismore and the University of Adelaide.

Research

Research funding highlights

The University achieved great research funding success in 2020. Some highlights include:

- Professor Peter Harrison's \$2.5 million grant, over five years, from the Australian Centre for International Agricultural Research to establish regional networks and appropriate technologies for large-scale coral and fish habitat restoration in the Philippines.
- A Templeton World Charity Foundation grant of \$1.3 million awarded to Associate Professors Monica Gagliano and Steve Whalan for the project 'Turning intelligence on its head: Grounding cognition in biology, not brains'. The project will investigate the basic conditions that generate learning and decision-making in brainless organisms and seeks to develop new theories that bring clarity to debates in philosophy and science.
- Professor Andrew Cashin was awarded just over \$1 million by the National Disability Insurance Agency to lead a project titled 'Building the capacity of nurses to deliver mainstream hospital and community-based health services to people with intellectual disability and Autism Spectrum Disorder'. It will address national priorities of best practice, communication and knowledge, with the aim of practice change towards disability inclusion, focusing on people with intellectual disability and Autism Spectrum Disorders.
- The Australian Research Council awarded just over \$1 million to Professor Ed Burton for the 'Antimony geochemistry and Earth's dynamic near-surface iron cycle' project, aimed at advancing our understanding of antimony, a crucial mineral resource and environmental pollutant causing increasing community concern.
- Associate Professor Tobias Kretzschmar was awarded just over \$600,000 by the Australian Research Council to lead the project 'Resolving the genetics of grain pigmentation traits in rice'. This research will develop new critical knowledge to enable future breeding of quality black rice cultivars able to exploit the high UV Australian growing environment and facilitate domestic production of high value, healthy black rice.

Soil CRC projects

Southern Cross University is one of eight universities who are major stakeholders in the Soil CRC (CRC for High Performance Soils). Southern Cross received funding to lead two new projects; one investigating increasing nutrient efficiency with new organic amendments and another regarding on-farm drivers of decision-making across Australian farming systems. The first will develop recommendations for the use of new organic amendment products to give growers confidence to replace or partially replace mineral fertiliser inputs with organic amendment products. The second will improve understanding of farmers and their practices, and assist farmer groups to better target their innovations and communications and contribute to their strategic planning.

Reef Restoration and Adaptation Program

In December 2020, Southern Cross University, along with other full partners, executed a collaboration agreement to formally establish the Research and Development phase of the Reef Restoration and Adaptation Program (RRAP). RRAP aims to develop an ambitious suite of interventions to help protect the future of the Great Barrier Reef against climate change and other risks. The first four years of the Program are funded by the partnership between the Australian Government's Reef Trust and the Great Barrier Reef Foundation. The University leads two subprograms ('Cooling and Shading' and 'Moving Corals') and is participating in three other projects across the 'Enhanced Corals and Treatments' and 'Aquaculture' subprograms. The initial project agreements, for funding to 30 June 2022, are to be signed in early 2021 and include approximately \$12 million for the University, including \$5.5 million for subcontractors.

Indigenous Research Strategy

The University's Gnibi College of Indigenous Australian Peoples developed the Southern Cross University Indigenous Research Strategy. The core aspects of the strategy, for developing or applying Indigenous knowledge, are that Southern Cross University researchers engage in principle-based research, and are relationally accountable for implementing Indigenist methodologies to promote positive transformation with Indigenous communities and Country, locally, nationally and globally. This principle-based research approach is guided by protocols for engaging with Indigenous Knowledge, culture, Community and Country. The strategy includes new Gnibi Research

Research

Principles, which enable researchers to better understand their roles and responsibilities when undertaking Indigenous research and using Indigenous methodologies. Gnibi has also developed a checklist for research involving Indigenous communities. The Strategy and checklist protect Indigenous knowledge, researchers, Community and Country. Importantly, they create a safe space for cultural knowledge and Indigenous knowledge to continue to grow and emerge. Southern Cross University will continue to build Indigenous research and broaden its scope to include Indigenous health and education.

SAGE Athena SWAN action plan

Following attainment of the SAGE Athena SWAN Bronze accreditation, the University commenced its implementation of its SAGE Athena SWAN action plan for gender equity in its STEM disciplines. Southern Cross Gender Equity committee, chaired by the Vice Chancellor, was established to report on and monitor progress on implementation of the action plan.

Partnerships

The University has continued to develop partnerships with industry, including opportunities for doctoral candidates to undertake research with an industry-specific focus. In 2020, 16 co-funded doctoral scholarships were awarded. Two each from the Australian Research Council, CRC High Performance Soils and The Pacific Collective Pty Ltd (trading as the Plastic Collective), and one each from the Commonwealth Department of Industry, Innovation and Science, EIR Health Pty Ltd (trading as VirPharma), Nambucca Heads Local Aboriginal Land Council, NSW Department of Planning, Industry and Environment, NSW Department of Primary Industries, NSW National Parks and Wildlife Service, NSW Office of Environment and Heritage, Primary and Community Care Services Limited, Rous County Council and Sawtell Catholic Care of the Aged.



People

Transform SCU

In 2020, Southern Cross University successfully implemented a significant program of workplace changes as part of the *Transform SCU* initiative. The changes covered four key portfolios of Academic, Research, Students and Engagement.

Changes to the workforce encompassed a round of voluntary redundancies in June where approximately 70 employees (professional and academic) departed. This was quickly followed by a restructure of the academic schools into four faculties and the creation of a shared services structure for finance, governance, human resources and student services activity. As part of this restructure, 31 employees departed the University as a result of redundancy.

Workplace Health and Safety

A range of initiatives to support workplace health, safety and wellbeing were implemented in 2020. A key

priority was the University's response to COVID-19 led by the Critical Incident Team through the planning, consultation and implementation of both COVID-safe and return-to-campus measures such as work unit risk assessments and plans, QR codes, information posters, sanitisation stations, safe working procedures, personal protective equipment, working from home guides and COVID Marshal training.

In 2020, 980 staff accessed health and wellbeing initiatives across all campuses. These included in-person and online programs, access to wellbeing classes and software applications, flu vaccinations and counselling support through the Employee Assistance Program. 661 employees attended workplace health and safety training programs including Mental Health First Aid, SafeTALK, START mental health, First Aid, Advanced Resuscitation, Dangerous Goods, Emergency Warden, Emergency Response, RiskWare, Manual Handling, and Safety Support Officer.

Attraction and Retention

Due to COVID-19, overall recruitment activity reduced by more than 50% from 2019 to 2020. More than 50 vacant positions were advertised during 2020, utilising a combination of internal and external recruitment.

Professional roles made up 75% of advertised recruitment, a 15% increase on 2019. This change was primarily due to structural changes from *Transform SCU* and the subsequent professional roles available.

One new senior appointment was recruited in 2020: Director, Financial Performance.

Leadership development 360-degree surveys were undertaken by senior managers.

In 2020, as part of the annual Academic Promotion round, 17 academic employees were successful in being promoted.



People

Equal Employment Opportunity (EEO)

Table 1: Academic Staff representation of EEO Target Groups as a percentage at 31 March in the years 2017 -2020.

Academic Staff	Benchmark or target	2017	2018	2019	2020
Women	50%	49.3%	48.8%	51.3%	53.1%
Aboriginal people and Torres Strait Islanders	2.6%	1.8%	2.5%	3.4%	2.7%
People whose first language was not English	19%	8.4%	11.9%	12.9%	13.6%
People with a disability	NA	6.6%	7.2%	6.6%	5.4%
People with a disability requiring work-related adjustment	1.1%	0.6%	1.3%	1.1%	0.8%

Table 2: Professional Staff representation of EEO Target Groups as a percentage at 31 March in the years 2017 -2020.

Professional Staff	Benchmark or target	2017	2018	2019	2020
Women	50%	66.3%	67.2%	65.9%	65.2%
Aboriginal people and Torres Strait Islanders	2.6%	2.8%	2.9%	2.7%	2.9%
People whose first language was not English	19%	3.8%	5.1%	4.6%	5.3%
People with a disability	NA	3.3%	3.4%	2.9%	2.7%
People with a disability requiring work-related adjustment	1.1%	0.2%	0.5%	0.5%	0.5%

Table 3: Academic Staff – Trends in distribution of EEO Target Groups at 31 March in the years 2017 -2020.

Academic Staff	Benchmark or target	Distribution Index			
		2017	2018	2019	2020
Women	100	88	89	87	88
Aboriginal people and Torres Strait Islanders	100	107	95	75	70
People whose first language was not English	100	98	93	96	86
People with a disability	100	104	99	104	100
People with a disability requiring work-related adjustment	100	89	104	105	130

People

Table 4: Professional Staff – Trends in distribution of EEO Target Groups at 31 March in the years 2017 -2020.

Professional Staff	Benchmark or target	Distribution Index			
		2017	2018	2019	2020
Women	100	91	90	90	90
Aboriginal people and Torres Strait Islanders	100	85	87	83	81
People whose first language was not English	100	93	94	95	94
People with a disability	100	100	99	98	100
People with a disability requiring work-related adjustment	100	104	94	82	81

Diversity and Multicultural events

Restrictions on gathering together and campus attendance as a result of the COVID-19 pandemic changed how we acknowledged and celebrated diversity events at the University in 2020.

The annual Diversity Calendar delivered eight online events. These events increased visibility, acknowledgement and understanding in our university community for diverse groups and included: Harmony Day, IDAHOBIT (International Day Against Homophobia, Biphobia, Intersex and Transphobia), Refugee Week, Wear it Purple, International Day of Human Rights and the Fusion Festival.

Southern Cross University’s annual Fusion Festival provides an opportunity to acknowledge, learn from and celebrate our diverse communities. The online Fusion Festival received 282 views of the welcome video; 3 lunchtime YouTube videos received 1,846 views; an Alumni Lunchtime FaceBook Livestream concert with 1,000 views and a Fusion Cookbook (student collaboration of culturally-diverse stories and recipes entitled ‘Recipes for a Happy Life’) had 300 online reads and 450 downloads.

Ally Network

The Ally network is a university-wide initiative to strengthen inclusion, support and success of lesbian, gay, bisexual, transgender, intersex and queer-identifying students and staff.

In 2020, the Ally Network continued to expand considerably, with 51 members who are trained to support students and staff by providing a safe and inclusive space to raise questions about any matter of concern. Representatives from the University’s Ally Network participated in the NSW Pride in Higher Education Network, a state-wide consultancy and advocacy group working to support the success of Ally networks and progress the inclusion of LGBTIQA+ students at NSW universities.

Southern Cross University was the only regional institution to host an event as part of the inaugural NSW Pride in Higher Education Network Pride Month Calendar. Ally Network members devised and conducted a successful online LGBTIQA+ Trivia event. 25 students and staff from a number of NSW universities attended this event.

Staff Professional Development

In 2020, the ‘Understanding Gender & Sexuality Diversity’ workshop content was reviewed, updated and reconfigured to accommodate an online delivery mode. 29 staff members attended.

The Ally Role & Responsibility training was delivered to 28 staff members in 2020. This training is specifically delivered to staff members interested in joining the Ally Network.

HumanKind

The HumanKind Module was developed by Student Equity & Inclusion staff, the Student Safety Support & Wellbeing Coordinator and Digital Resources Group staff to facilitate student engagement with concepts relating to cultural and linguistic diversity, race and racism, gender equity, consent and gender and sexuality diversity,

The module provides students with opportunities to hear the stories of ‘others’, to engage in experiential learning activities to enhance their empathy responses and to improve their critical self-reflection skills.

People



Respect. Prevent. Respond. Conference presentation (13 – 14 February)

Staff from the Student Equity & Inclusion team presented 'HumanKind. A mile in my stilettos. Finding synergies in a human rights framework to addressing unequal power relationships across diverse cohorts by the application of critical self-reflection, experiential learning and empathy response development,' at the Respect. Prevent. Respond. conference hosted at Deakin University, Melbourne.

Multicultural strategies for care and support in 2021

Strategies for care and support in 2021 include:

1. Engage and partner with internal and external stakeholders to raise awareness of equal opportunity and diversity through cultural celebrations, workshops, promotional material and events.
2. Continue growing the Ally Network, to increase support for our students and develop awareness, education and engagement opportunities.
3. Encourage all staff to access relevant training in areas such as Raising Disability Awareness and Understanding Gender and Sexuality Diversity to build capacity in supporting our diverse student community.
4. Improve the student experience through developing a care and support framework and redesign of service delivery models.

Student Feedback and Consumer Response

Complaints Framework

The University's Complaints Framework recognises that many complaints can be resolved informally with a relevant member of staff. When this is not possible, students or members of the public can lodge a formal complaint with the Complaints Assistance Officer under the Complaints Policy - Students and Members of the Public. An important function of the Complaints Assistance Officer is to provide advice and assistance to students about their options.

During 2020, a total of 95 complaints were received by the Complaints Assistance Officer. Key themes are summarised below:

Bullying	1
Harassment	4
Discrimination	1
Inappropriate behaviour	7
Quality of experience	36
Fees	34
Miscellaneous	12

83 complaints were resolved informally and 12 were formalised and actioned as per the Complaints Policy.

Of the 12 formal complaints:

7 complaints were upheld and included recommendations made for changes and improvements to University procedures; and

5 were not upheld and advice and information provided to the complainant as to the reasons for the decision.



Governance

Southern Cross University was established under the *Southern Cross University Act 1993* (NSW). The object of the University is the promotion, within the limits of the University's resources, of scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence.

The University is governed by a Council to which the University's Chief Executive Officer, the Vice Chancellor, reports. The Council is chaired by the Chancellor and has 13 members: the Chancellor, the Vice Chancellor, the Chair of the Academic Board, two members appointed by the Minister, four members appointed by Council, three elected staff members and one elected student member.

The Academic Board is the University's principal academic body. It is responsible for establishing and maintaining the highest standards in teaching and learning and research in the University. It is also the primary advisory committee of the Council on academic matters.

Voluntary Code of Best Practice for the Governance of Australian Public Universities

The University Council has adopted the Voluntary Code of Best Practice for the Governance of Australian Public Universities.

In November 2020, the University Council reviewed the University's

standing against the revised Voluntary Code. The University is substantially compliant with the Voluntary Code. The Council endorsed some recommendations to ensure that the University is fully compliant with the Code's requirements. This included updating some processes in relation to the appointment of Council members to increase the transparency of that process.

Governance

Management and structure

As at 31 December 2020

University Council	
Vice Chancellor and President	
Governance Services	HR Services
Gnibi College of Indigenous Australian Peoples	SCU International
School of Business and Tourism	School of Arts and Social Sciences
School of Environment, Science and Engineering	School of Education
School of Law and Justice	School of Health and Human Sciences
Coffs Harbour campus	
Deputy Vice Chancellor (Research)	
Research Funding and Management	Graduate School
Research Infrastructure	Research Centres
Emeritus Faculty	
Vice President (Operations)	
Technology Services	Property Services
Library Services	Student Administration Services
Campus Services	
Vice President (Financial)	
Financial Operations	Financial Performance
Vice President (Engagement)	
Alumni and Advancement	Enterprise Labs
Strategic Projects	Partnerships
Marketing, Media and Communications	
Deputy Vice Chancellor (Students)	
Student Support	Student Experience
Student Safety, Health and Wellbeing	
Pro Vice Chancellor (Academic Innovation)	
Centre for Teaching and Learning	Academic Partnerships
Academic Portfolio Office	
Pro Vice Chancellor (Academic Quality)	
Planning, Quality and Review	Careers and Employability
SCU College	Academic Portfolio Office

Governance

University Council members for the period 1 January 2020 to 31 December 2020

Chancellor and Chair of Council

Mr Nicholas Burton Taylor AM, BEc(Syd),
FCA, FCPA, FFin, FAICD

Deputy Chancellor

Mr Murray d'Almeida FAICD
Ministerially appointed member

Vice Chancellor

Professor Tyrone Carlin,
BComm(UNSW), LLB(Hons)(SYDNEY),
LLM(Sydney), MComm(Hons)(UNSW),
PhD(Macq)
From 28 September 2020

Chair of Academic Board

Professor Andrew Rose
BE(Environmental)(Hons)(UNSW),
BSc(Mathematics)(UNSW), PhD

Dr Austin Curtin AM, MB MD BS(Syd),
FRACS
Council appointed member

Ms Julie Granger BA/LLB(Hons)(SCU),
LLM(UNSW)
Council appointed member

Associate Professor Renaud Joannes-
Boyau PhD(ANU)
Elected Member – academic staff
From 10 September 2020

Mr Graham Lancaster BAppSc(Hons)
(UNENR)
Elected member – non-academic staff

Ms Lynda O'Grady BCom(Hons)(UQ),
FAICD
Council appointed member

Dr Alessandro Pelizzon LLB(Torino),
LLM(Torino), PhD(UOW)
Elected Member – academic staff
From 10 September 2020

Ms Gabriella Wayne
Elected Member – student
From 10 September 2020

Mr Scott Noble BBus(SCU),
MAppFin(FINSIA), FCA, F.Fin, GAICD
Council appointed member
(Graduate)

Mr Jonathan Rourke BSc(Arch) (Syd)
Ministerially appointed member

Council Secretary

Ms Belinda Atkinson BComm(UQ),
LLB(UQ)

The following member's appointments
concluded during 2020:

Vice Chancellor

Professor Adam Shoemaker BA (Hons)
(Queen's Canada), PhD (ANU)
Resigned 26 September 2020

Professor William Boyd BSc(Hons)
(StAnd), MedLead(HigherEd)(MACQU),
DSc(StAnd), PhD(Glas)
Elected member – academic staff
Term concluded 9 September 2020

Associate Professor Adele Wessell
BA(Hons)(UNSW), PhD(UNSW),
GradCertHEd(L&T)(SCU)
Elected member – academic staff
Term concluded 9 September 2020

Mr Michael Jones
DipCommServ(Mental/Hlth) NSW TAFE
Elected member – student
representative
Term concluded 9 September 2020

Frequency of meetings and members'
attendance is included at Appendix C.

Governance

Executive Officers

Vice Chancellor

Professor Adam Shoemaker BA (Hons)
(Queen's Canada), PhD (ANU)

To 26 September 2020

Professor Tyrone Carlin,

BComm(UNSW), LLB(Hons)(SYDNEY),
LLM(Sydney), MComm(Hons)(UNSW),
PhD(Macq)

From 28 September 2020

Deputy Vice Chancellor (Research)

Professor Mary Spongberg BA(Hons)
(Sydney), PhD(Sydney)

Deputy Vice Chancellor (Academic)

Professor Tyrone Carlin,
BComm(UNSW), LLB(Hons)(SYDNEY),
LLM(Sydney), MComm(Hons)(UNSW),
PhD(Macq)

To 27 September 2020

Vice President (Global)

Mr Monty Singh, BSci(OS),
GradDip(CompSci)(UC), MIT(Macq)

To 30 April 2020

Vice President (Operations)

Mr Allan Morris,
GradDipInfoTech(Monash)

Vice President (Finance)

Travis Walker B Bus(Accounting)(RMIT),
MBA(LaT)

Vice President (Engagement)

Mr Ben Roche, BSc(Hons)(UNSW),
Med(UTS)

Deputy Vice Chancellor (Students)

Prof Nan Bahr, DipEd(Adelaide),
BA(Flinders), BEd, BMus(Adelaide),
MEd(UQ), PhD(UQ)

Pro Vice Chancellor (Academic Innovation)

Professor Erica Wilson
From 28 September 2020

Pro Vice Chancellor (Academic Quality)

Professor Thomas Roche
From 28 September 2020

Governance

Insurance

The University maintains an appropriate comprehensive insurance program to cover the financial effects of insurable risks. The principal areas of cover include, but are not limited to; property protection, general and products liability, professional liability, malpractice, clinical trials, cyber, corporate travel, motor vehicle insurance, and workers compensation. The University's risk profile, including new and emerging risks and the University's exposure to such risks, is considered when determining the limits of cover, deductibles and classes of cover. The University's insurance program is renewed annually. The University tendered for brokering services during 2020 and a new provider was appointed.

Risk management

The University's approach to risk management aligns with the risk management standard ISO 31000:2018 Risk Management – Guidelines. Oversight of the University's Risk Management framework is provided by Council and the Audit and Risk Management Committee.

During 2020 there was continued focus on:

- Regular reporting and review of the strategic risk profile.
- Review and monitoring by all operational units of key operational risks.
- Business Continuity planning and development of the Business Continuity Framework.

Legal Changes

Legal changes occurring during 2020 with the most direct impact on the University are set out below.

Tertiary Education Quality and Standards Agency Amendment (Prohibiting Academic Cheating Services) Act 2020 (Cth)

From 31 October 2020 the *Tertiary Education Quality and Standards Agency Act 2011* was amended to create a new criminal offence of providing or advertising an academic cheating service on a commercial basis, and broadens the role of the Tertiary Education Quality and Standards Agency to include the prevention and minimisation of the use and promotion of academic cheating services in courses provided by higher education providers.

Higher Education Support Act 2003 (Cth)

Amendments to the *Higher Education Support Act 2003* (HESA) were introduced in 2019 to support the Transforming the Collection of Student Information (TCSI) initiative. The TCSI will replace the Higher Education Provider Client Assistance Tool. Further amendments to HESA were made in June 2020 so it is compulsory for new students commencing study from 1 January 2021 to apply for a Unique Student Identifier to be eligible for Commonwealth Assistance. Management is aware of the initiative and a joint Office of Planning, Quality and Reporting and Technology Services project has been established.

The HESA was further amended by the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill which included amendments to CGS funding provisions and introduced student protection and provider integrity requirements.

Coronavirus (COVID-19) legislation

A range of COVID-19 related legislation (and related Public Health Orders, Directions, Regulations and related resources) impacted the University's operation throughout 2020, particularly in relation to matters such as border control, gathering and movement, and interstate hotspots.

The Tertiary Education Quality and Standards Agency announced a range of measures to reduce the administrative burden of regulation in the COVID-19 environment, including flexibility with online delivery to international students (requirements 8.19 and 8.20 of the National Code 2018).

The University established the COVID-19 Incident Group, dedicated email SCUAssist@scu.edu.au, and webpage <https://www.scu.edu.au/coronavirus/> to provide information and support to staff and students.

Migration Act 1958 (Cth)

As amended by Migration (LIN 20/156: Period, manner and evidence of labour market testing), an instrument under subsections 140GBA(4), 140GBA(5) and 140GBA(6A) of the Migration Act, from 3 September 2020 the University is required to adhere to new labour market testing measures in relation to any employer-sponsored applications.

Work Health and Safety Amendment (Review) Act 2020 (NSW)

In June 2020, amendments were made to the *Work Health and Safety Act 2011* and consequential amendments to the *Work Health and Safety Regulation 2017* resulting from a review of the national Model Work Health and Safety Act. Amendments include the addition of the concept of engaging in 'conduct with gross negligence'

Governance

(S31(1)(c)), authorisation of disclosure of confidential information to a regulator (S 271), prohibition of certain insurance and indemnity arrangements (S 272 A) and liability of officers for offences by body corporate (S 272B).

Workers' Compensation and Rehabilitation and Other Legislation Amendment Act 2019 (Qld)

This legislation included unpaid interns as workers for the purposes of the *Workers Compensation and Rehabilitation Act 2003*. This includes university students on placement if they are performing work without payment of wages to gain practical experience to seek to obtain a qualification where the person would be a worker if the work performed by the person were for the payment of wages.

Working with Children (Risk Management and Screening) Act 2000 (Qld)

Changes came into force on 31 August 2020 and introduced:

- a) 'No card, no start' provisions;
- b) New online Application/Linking/De-Linking process, which allows job applicants to apply for their own Blue Card; and
- c) New frequency test. A Blue Card is no longer required for work/volunteering with children of less than 7 days per calendar year.

Changes became effective from 31 August 2020 and the University's Child Safe Environment Procedures have been amended to ensure compliance with the legislation.

Building and Other Legislation (Cladding) Amendment Regulation 2018 (Qld)

Amended the *Building Regulation 2006* (Qld) requiring owners of private buildings to undertake a three-stage process, managed through an online system, to identify whether a building is affected by combustible cladding. The University has registered any Queensland building identified as having combustible cladding with the Queensland Building and Construction Commission. Removal and replacement of existing cladding in affected buildings is scheduled in the University's Capital Program.

Privacy and Personal Information

The University recognises the importance of protecting personal information that it holds. The University has built a strong framework through its Privacy Policy, Privacy Management Plan and Privacy Data Breach Response Process to comply with its obligations under the *Privacy and Personal Information Protection Act 1998* (NSW) ('PPIP Act') and the *Health Records and Information Privacy Act 2002* (NSW) ('HRIP Act').

In 2020, the University undertook the following activities:

- Updated its Privacy Management Plan
- Developed an on-line Privacy Awareness training module to be completed by all members of staff
- Provided information sessions for staff on obligations under the PPIP and HRIP Acts
- Provided specific advice to staff on the application of the PPIP and HRIP Acts;

- Reviewed and updated information and resources on the University's Privacy webpage.

The University received no applications for internal review under Part 5 of the PPIP Act in the 2020 calendar year.

Public Interest Disclosures 2020

The *Public Interest Disclosures Act 1994* (NSW) ('PID Act') establishes a system for public officials to report serious wrongdoing. The University's Public Interest Disclosures (PID) Policy establishes an internal system for receiving, assessing and dealing with reports of wrongdoing under the PID Act.

The PID Policy is available to staff on the University's online policy library. Staff are also provided with information on reporting corrupt conduct, maladministration and serious or substantial waste of public resources in accordance with the PID Act in the Code of Conduct.

The Code of Conduct forms part of staff members' conditions of employment and commencing staff must certify that they have read and understood the Code of Conduct. In early 2020 the University sought information about PID training by the NSW Ombudsman, in order to support a planned review and updating of the PID Policy with training/awareness raising activities. However implementation was delayed due to strategies to prevent the spread of COVID-19, i.e. staff working from home.

Governance

The University's report in relation to public interest disclosures made in 2020 is as follows:

Number of public officials who made Public Interest Disclosures (PIDs) to the University	0
Number of PIDs received by the University	0
Of PIDs received by the University, number primarily about:	
Corrupt conduct	0
Maladministration	0
Serious and substantial waste of public money	0
Government information contravention	0
Number of PIDs finalised	0
(1) Public interest disclosures made by public officials in performing their day to day functions	0
(2) Public interest disclosures not covered by (1) that are made under a statutory or other legal obligation	0
All other public interest disclosures	0

Student Consultation

Southern Cross University values the input of students to improve the student experience.

This takes place through various feedback mechanisms and incorporation of student representative roles into University decision making bodies.

Council and Academic Board

Students are elected to positions on the governing council of the University and the principal academic decision making body of the University. Both of these committees meet at regular intervals throughout the year.

Elected student representatives

The University recognises the Student Representation Committee (SRC) as the representative voice for students, thus a University Executive member holds regular meetings with this group of elected representatives. Regular communication also takes place

between Student Associations and the Office of the Deputy Vice Chancellor (Students) as the University also recognises these bodies as the elected representatives of student cohorts.

Surveys and feedback mechanisms

All enrolled students have the opportunity to provide feedback to the university about unit offerings and teaching through end of unit surveys and generally via web and social media feedback mechanisms.

Student Services and Amenities Fee

Decisions regarding the specific uses of the proceeds from any compulsory SSAF (Student Services and Amenities Fee) will involve consultation with democratically-elected student representatives. An SRC member will also hold a position on the University SSAF and HEPPP Committee.

Financial Performance

The financial statements include Southern Cross University as the parent entity and the consolidated entity comprising Southern Cross University and its controlled entity Southern Cross Campus Services Limited.

Review of Operations

Southern Cross University and its controlled entities reported a consolidated net loss of \$2.636m for the year ending 31 December 2020 (2019: net profit \$15.810m). The University reported a net loss of \$2.78m (2019: net profit of \$15.787m).

Net cash from operating activities was \$22 million (2019: \$13.1 million).

Total University revenue (excluding capital grants), fell by 4% compared to the previous year while total expenses fell by 1.5%. Total salaries and wages grew by 7%.

Cash and cash equivalents and Investments held to maturity greater than 90 days at year end were \$50 million (2019: \$31 million).

Southern Cross University and Controlled Entities

ABN 41 995 651 524

Financial Statements
for the 2020 Reporting Period

Financial Statements	Statement by the Members of Council	Income Statements
21	22	23
Statements of Comprehensive Income	Statements of Financial Position	Statements of Changes in Equity
24	25	26
Statements of Cash Flows	Notes to the Financial Statements	Independent Auditor's Report
27	28	99

Statement by the Members of Council


For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

In accordance with a resolution of the Council of Southern Cross University and pursuant to Section 41 C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that:

- (a) The financial statements of Southern Cross University and Controlled Entity exhibit a true and fair view of the financial position as at 31 December 2020 and financial performance of the University for the financial year ended on that date;
- (b) The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Southern Cross University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure;
- (c) The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory professional reporting requirements, the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015* and the Financial Statement Guidelines for Australian Higher Education Providers 2020;
- (d) Southern Cross University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines under the Act. Revenue from the fees was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19 clause 38 (4) of the Act.

In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate and there are reasonable grounds to believe that Southern Cross University will be able to pay its debts as and when they fall due.



Mr Nicholas Burton Taylor AM

Chancellor



Professor Tyrone Carlin

Vice Chancellor

Dated: 8 April 2021

Income Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Revenue and income from continuing operations					
Australian Government financial assistance					
Australian Government grants		103,751	110,007	103,751	110,007
HELP - Australian Government payments	2.1(b)	73,261	66,971	73,261	66,971
State and local government financial assistance	2.2	1,712	3,890	1,712	3,890
HECS-HELP - Student Payments		2,515	2,133	2,515	2,133
Fees and charges	2.3	84,633	107,866	84,633	107,866
Investment income	3	4,203	1,394	4,203	1,393
Royalties, trademarks and licences	2.4	951	898	951	898
Consultancy and contract fees	2.5	7,782	7,736	7,782	7,736
Other revenue	2.6	13,882	15,292	12,254	13,225
Gain on disposal of assets		215	124	224	126
Total revenue and income from continuing operations		292,905	316,311	291,286	314,245
Expenses from continuing operations					
Employee related expenses	4	167,792	157,741	166,324	155,614
Depreciation and amortisation	5	17,073	17,362	17,046	17,321
Repairs and maintenance		4,432	4,992	4,419	4,965
Borrowing costs	6	1,727	1,814	1,727	1,814
Impairment of assets	7	4,828	1,654	5,026	2,269
Share of loss on investments accounted for using the equity method	12	4	1	-	-
Other expenses	8	99,685	116,937	99,524	116,475
Total expenses from continuing operations		295,541	300,501	294,066	298,458
Net result from continuing operations		(2,636)	15,810	(2,780)	15,787

The above Income Statements should be read in conjunction with accompanying notes.

Statements of Comprehensive Income

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net result from continuing operations		(2,636)	15,810	(2,780)	15,787
Items that will not be reclassified to profit or loss					
Gain on equity instruments designated at fair value through OCI		10,245	17,904	10,245	17,904
Remeasurement relating to defined benefit plans	31(e)	44	-	44	-
Total		10,289	17,904	10,289	17,904
Total other comprehensive income		10,289	17,904	10,289	17,904
Total comprehensive income attributable to members of Southern Cross University		7,653	33,714	7,509	33,691

The above Statements of Comprehensive Income should be read in conjunction with accompanying notes.

Statements of Financial Position

As at 31 December 2020

Southern Cross University ABN 41 995 651 524

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Assets					
Current assets					
Cash and cash equivalents	9	41,996	22,194	41,874	22,095
Receivables	10	21,806	14,080	21,774	14,067
Contract assets	10	389	1,750	389	1,750
Inventories		18	111	-	92
Other financial assets	11	8,000	9,000	8,000	9,000
Prepayments		7,985	10,349	7,978	10,341
Total current assets		80,194	57,484	80,015	57,345
Non-current assets					
Receivables	10	111,286	113,508	111,286	113,508
Investments accounted for using the equity method	12	290	294	175	175
Other financial assets	11	57,561	47,316	57,561	47,316
Property, plant and equipment	13	279,905	293,186	279,875	293,119
Prepayments		237	517	237	517
Total non-current assets		449,279	454,821	449,134	454,635
Total assets		529,473	512,305	529,149	511,980
Liabilities					
Current liabilities					
Trade and other payables	14	21,992	16,533	21,925	16,371
Contract liabilities	14	21,766	21,281	21,745	21,253
Borrowings	15	2,261	2,440	2,261	2,440
Employee benefit provisions	16	39,608	28,999	39,544	28,903
Other financial liabilities	17	772	536	772	536
Other liabilities	18	14,096	18,949	14,096	18,949
Total current liabilities		100,495	88,738	100,343	88,452
Non-current liabilities					
Borrowings	15	42,437	42,169	42,437	42,169
Employee benefit provisions	16	114,970	117,480	114,957	117,456
Total non-current liabilities		157,407	159,649	157,394	159,625
Total liabilities		257,902	248,387	257,737	248,077
Net assets		271,571	263,918	271,412	263,903
Equity					
Reserves	19(a)	57,561	47,316	57,561	47,316
Retained earnings	19(b)	214,010	216,602	213,851	216,587
Total equity		271,571	263,918	271,412	263,903

The above Statements of Financial Position should be read in conjunction with accompanying notes.

Statements of Changes in Equity

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

	Note	Parent		
		Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance at 1 January 2020	19	216,587	47,316	263,903
Net result from continuing operations	19(b)	(2,780)	-	(2,780)
Gain on revaluation of financial assets at fair value	19(a)	-	10,245	10,245
Remeasurements of defined benefit plans	19(b)	44	-	44
Total comprehensive income/(loss)		(2,736)	10,245	7,509
Balance at 31 December 2020	19	213,851	57,561	271,412
Balance at 1 January 2019	19	225,780	29,412	255,192
Retrospective changes AASB 15		(20,834)	-	(20,834)
Retrospective changes AASB 16		(11,289)	-	(11,289)
Retrospective changes AASB 1058		799	-	799
Retrospective changes (other)		6,344	-	6,344
Balance as restated		200,800	29,412	230,212
Net result from continuing operations	19(b)	15,787	-	15,787
Gain on revaluation of financial assets at fair value	19(a)	-	17,904	17,904
Total comprehensive income		15,787	17,904	33,691
Balance at 31 December 2019	19	216,587	47,316	263,903

	Note	Consolidated		
		Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance at 1 January 2020	19	216,602	47,316	263,918
Net result from continuing operations	19(b)	(2,636)	-	(2,636)
Gain on revaluation of financial assets at fair value	19(a)	-	10,245	10,245
Remeasurement of defined benefit plans	19(b)	44	-	44
Total comprehensive income/(loss)		(2,592)	10,245	7,653
Balance at 31 December 2020		214,010	57,561	271,571
Balance at 1 January 2019	19	225,772	29,412	255,184
Retrospective changes AASB 15		(20,834)	-	(20,834)
Retrospective changes AASB 16		(11,289)	-	(11,289)
Retrospective changes AASB 1058		799	-	799
Retrospective changes (other)		6,344	-	6,344
Balance as restated		200,792	29,412	230,204
Net result from continuing operations	19(b)	15,810	-	15,810
Gain on revaluation of financial assets at fair value	19(a)	-	17,904	17,904
Total comprehensive income		15,810	17,904	33,714
Balance at 31 December 2019		216,602	47,316	263,918

The above Statements of Changes in Equity should be read in conjunction with accompanying notes.

Statements of Cash Flows

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash flows from operating activities:					
Australian Government Grants		179,805	162,431	179,805	162,431
OS-HELP (net)		849	(119)	849	(119)
State Government Grants		1,712	3,890	1,712	3,890
Government subsidies received		543	-	-	-
HECS-HELP - Student payments		2,515	2,133	2,515	2,133
Receipts from student fees and other customers		81,796	117,494	80,628	115,242
Dividends received		4,450	1,900	4,450	1,900
Payments to suppliers and employees		(254,381)	(281,528)	(252,576)	(278,847)
Interest received		346	880	346	880
Interest and other costs of finance paid		(1,710)	(1,814)	(1,710)	(1,814)
GST recovered/paid		6,098	7,885	6,181	8,040
Net cash provided by operating activities	28	22,023	13,152	22,200	13,736
Cash flows from investing activities:					
Proceeds from sale of property, plant and equipment		1,653	562	1,631	543
Payments for property, plant and equipment		(4,963)	(16,941)	(4,943)	(16,903)
Transfers from/(to) financial assets		1,000	(9,000)	1,000	(9,000)
Loans to related parties		-	-	(198)	(615)
Net cash used in investing activities		(2,310)	(25,379)	(2,510)	(25,975)
Cash flows from financing activities:					
Proceeds from borrowings		1,154	-	1,155	-
Repayment of borrowings		(1,065)	(1,003)	(1,066)	(1,003)
Net cash used in financing activities		89	(1,003)	89	(1,003)
Net increase/(decrease) in cash and cash equivalents		19,802	(13,230)	19,779	(13,242)
Cash and cash equivalents at beginning of the financial year		22,194	35,424	22,095	35,337
Cash and cash equivalents at the end of the financial year	9	41,996	22,194	41,874	22,095

The above Statements of Cash Flows should be read in conjunction with accompanying notes.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

Contents		Page
Notes to the Financial Statements		
1	Summary of Significant Accounting Policies	29
3	Investment income	42
4	Employee related expenses	43
5	Depreciation and amortisation	44
6	Borrowing costs	44
7	Impairment of assets	45
8	Other expenses	46
9	Cash and cash equivalents	46
10	Receivables and contract assets	47
11	Other financial assets	49
12	Investments accounted for using the equity method	50
13	Property, plant and equipment	52
14	Trade and other payables	59
15	Borrowings	60
16	Provisions	65
17	Other financial liabilities	66
18	Other liabilities	66
19	Reserves and retained earnings	67
20	Key management personnel disclosures	68
21	Remuneration of auditors	72
22	Contingencies	72
23	Commitments	73
24	Related Parties	73
25	Subsidiaries	75
26	Joint Operations	76
27	Events Occurring After the Reporting Date	77
28	Reconciliation of net result to net cash provided by / (used in) operating activities	77
29	Financial risk management	77
30	Fair value measurements	82
31	Retirement benefit obligations	86
32	Acquittal of Australian government financial assistance	95

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and where applicable, throughout the notes to the accounts. The policies have been consistently applied for all years reported unless otherwise stated.

The financial statements include separate statements for Southern Cross University ("the University") as the parent entity and the consolidated entity consisting of Southern Cross University and its subsidiary.

Southern Cross University is a Higher Education Provider ("HEP") which has been established under the *Southern Cross University Act 1993*. The principal address of Southern Cross University is Military Road, Lismore NSW 2480.

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards (AAS) and other pronouncements of the AAS Board, the requirements of the *Higher Education Support Act 2003* (Financial Statement Guidelines), the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*.

The University applies Tier 1 reporting requirements.

Southern Cross University is a not-for-profit entity and these statements have been prepared on that basis. The AAS include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS) and to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impact is on the accounting treatment relating to the offsetting of impairment losses within a class of assets.

Date of authorisation for issue

The financial statements were authorised for issue by the members of Southern Cross University on 8 April 2021.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for equity financial assets that have been measured at fair value through other comprehensive income.

Critical accounting estimates

The preparation of financial statements in conformity with AAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Southern Cross University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Estimated useful life assessments of property, plant and equipment assets (note 5)
- Measurement and recognition of employee benefits provisions (note 16)
- Impairment of trade and other receivables (note 7)
- Measurement of financial assets (note 30) and liabilities
- Measurement of finance leases and the related right-of-use assets
- Identifying and assessing the performance obligations relating to contracts with customers.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the University's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Southern Cross University's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

1 Summary of Significant Accounting Policies (continued)

(c) Income Tax

Southern Cross University does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997 (ITAA)*.

(d) Rounding of amounts

Amounts have been rounded off to the nearest thousand dollars.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statements of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(f) Comparative Amounts

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

(g) Initial Application of AAS

Australian Accounting Standard AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity.

The standard applies to annual reporting periods beginning on or after 1 January 2020.

Transition to AASB 1059

Based on the University's assessment, its student accommodation arrangements fall into the scope of AASB 1059. The arrangement involves a third party whose responsible for operating and maintaining the accommodation facilities. In return, the operator is compensated by collecting payment from the students and pays a licence fee to the University. Due to the conclusion of the agreement on 31 December 2021, the University has elected not to adopt AASB 1059, as the nature and effect of the changes as a result of the adoption of this new accounting standard are immaterial to the users of the University's financial statements.

(h) New Accounting Standards and Interpretations

The following standards have been issued but are not mandatory for 31 December 2020 reporting periods. Southern Cross University has elected not to early adopt any of these standards and is currently assessing the potential impacts. The new Standards and Interpretations are set out below:

Standard	Amendment	Application date
AASB2020-1 and AASB2020-6	Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current and Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date	1 January 2023
AASB2020-3	Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB2020-4	Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions	1 January 2021
AASB2020-8	Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform	1 January 2022
AASB2017-5	Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128	1 January 2022

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2 Revenue and Income

Notes 2.1 to 2.6 disclose the revenue and income received during the year according to the mandatory disclosures required by the department. The disclosures as per AASB 15 and AASB 1058 are included in note 2.7 and a reconciliation is included in note 2.8.

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

(a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Commonwealth Grants Scheme		89,112	83,792	89,112	83,792
Access and Participation Fund		2,441	2,528	2,441	2,528
Disability Performance Funding		75	107	75	107
Indigenous Student Success Program		2,079	1,963	2,079	1,963
Total Commonwealth Grants Scheme and Other Grants	32(a)	93,707	88,390	93,707	88,390

(b) Higher Education Loan Programs

HECS - HELP		54,072	49,910	54,072	49,910
FEE - HELP		17,850	15,801	17,850	15,801
SA-HELP payments		1,339	1,260	1,339	1,260
Total Higher Education Loan Programs	32(b)	73,261	66,971	73,261	66,971

(c) EDUCATION Research

Research Training Program		4,204	4,241	4,204	4,241
Research Support Program		2,905	3,004	2,905	3,004
Total EDUCATION Research Grants	32(c)	7,109	7,245	7,109	7,245

(d) Australian Research Council

Discovery		608	950	608	950
Linkages		883	282	883	282
Total ARC	32(e)	1,491	1,232	1,491	1,232

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2 Revenue and Income (continued)

(e) Other Australian Government financial assistance

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-capital				
Department of Agriculture and Water Resources	237	1,214	237	1,214
Department of Education	93	646	93	646
Aust'n Ctr for International Agricultural Research	407	540	407	540
Other	244	287	244	287
Total non-capital	981	2,687	981	2,687
Capital				
Department of Infrastructure, Regional Development and Cities	463	10,453	463	10,453
Total capital	463	10,453	463	10,453
Total other Australian Government financial assistance	1,444	13,140	1,444	13,140
Total Australian Government financial assistance (a+b+c+d+e)	177,012	176,978	177,012	176,978

2.2 State and local Government financial assistance

Non-capital				
New South Wales	1,591	3,394	1,591	3,394
Queensland	89	299	89	299
Victoria	-	70	-	70
South Australia	16	4	16	4
Northern Territory	16	114	16	114
Western Australia	-	9	-	9
Total Non-capital	1,712	3,890	1,712	3,890
Total State and Local Government financial assistance	1,712	3,890	1,712	3,890

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2 Revenue and Income (continued)

2.3 Fees and charges

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Course Fees and Charges				
Fee-paying onshore overseas students	72,380	95,909	72,380	95,909
Fee-paying offshore overseas students	2,594	2,411	2,594	2,411
Continuing education	1	12	1	12
Fee-paying domestic postgraduate students	6,095	5,099	6,095	5,099
Fee-paying domestic undergraduate students	1,045	549	1,045	549
Fee-paying domestic non-award students	143	67	143	67
Total Course Fees and Charges	82,258	104,047	82,258	104,047
Other Non-Course Fees and Charges				
Student services and amenities fees	32(h)	1,061	1,117	1,061
Student accommodation		97	447	97
Other non-course fees and charges		1,217	2,255	1,217
Total Other Fees and Charges		2,375	3,819	2,375
Total Fees and Charges	84,633	107,866	84,633	107,866

2.4 Royalties, trademarks and licences

Royalties	12	5	12	5
License fees	939	893	939	893
Total royalties, trademarks and licences	951	898	951	898

2.5 Consultancy and contract fees

Consultancy	4,780	4,416	4,780	4,416
Contract research	3,002	3,320	3,002	3,320
Total consultancy and contract fees	7,782	7,736	7,782	7,736

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2 Revenue and Income (continued)

2.6 Other income and revenue

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Other income				
Donations and bequests	2,709	2,340	2,709	2,340
Scholarships and prizes	229	-	229	-
Sale of goods	550	1,090	88	131
Rental and facilities hire	315	536	304	512
Service fees	2,302	3,421	2,301	3,420
Memberships & registrations	626	1,338	60	309
Laboratory services	5,663	4,898	5,663	4,898
Conferences and workshops	7	25	7	25
Other revenue	1,481	1,644	893	1,590
Total other revenue	13,882	15,292	12,254	13,225

2.7 Revenue and income from continuing operations

Basis for disaggregation

Sources of funding: the University receives funds from Australian Government as well as State and Local Government to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the University also receives funds and fees from private organisations or individuals that are for the delivery of different programs by the University.

Revenue and income streams: the streams are distinguishing the different activities performed by the University as well as acknowledge the different type of users of the programs and services provided:

- i. Education: Southern Cross University has domestic and overseas students enrolled in a variety of programs for different qualification levels. Whilst, the number of domestic students is affected by national economic factors as interest rates or unemployment, the overseas students are impacted by the changes in a range of environmental issues including: economic, geopolitical, international and domestic competition.
- ii. Research: Southern Cross University performs research activities in different fields such as health, engineering, education and science. The University enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The University has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the University obtains control of the research funds.
- iii. Non-course fees and charges: these correspond to services provided by the University such as student amenities and other fees and charges.

Notes to the Financial Statements

For the Year Ended 31 December 2020
Southern Cross University ABN 41 995 651 524

2.7 Revenue and Income from consulting operations (continued)

(a) Disaggregation

The University derives revenue and income from:

	Consolidated										2020	
	Sources of funding										Total Revenue from contracts with customers \$'000	Total income of not-for-profit entities \$'000
	Higher Education Loan Program (‘HELP’) \$'000	Student fees and charges \$'000	Australian Government financial assistance \$'000	Government financial assistance \$'000	State and Local Government financial assistance \$'000	Commercial arrangements \$'000	Donations, Scholarships & bequests \$'000	Others \$'000	Revenue from contracts with customers \$'000	Total income of not-for-profit entities \$'000		
Revenue and Income Streams												
Course fees and charges												
Domestic students undergraduate	59,223	3,703	-	-	-	-	-	-	-	-	-	62,926
Onshore overseas students undergraduate	-	35,708	-	-	-	-	-	-	-	-	-	35,708
Domestic students postgraduate	14,038	6,095	-	-	-	-	-	-	-	-	-	20,133
Onshore overseas students postgraduate	-	36,673	-	-	-	-	-	-	-	-	-	36,673
Other course fees and charges	-	2,595	-	-	-	-	-	-	-	-	-	2,595
Total course fees and charges	73,261	84,774	-	-	-	-	-	-	-	-	-	158,035
Research income	-	-	9,580	1,712	7,394	-	-	-	-	-	-	18,676
Recurrent government grants	-	-	93,707	-	-	-	-	-	-	-	-	93,707
Non-course fees and charges	-	2,376	-	-	-	-	-	-	-	-	-	2,376
Capital Government grants	-	-	463	-	-	-	-	-	-	-	-	463
Royalties & licences	-	-	-	-	951	-	-	-	-	-	-	951
Other	-	-	-	-	-	10,760	2,938	571	-	-	-	10,434
Total revenue from contracts with customers	73,261	87,150	9,580	1,712	18,769	-	-	-	-	-	-	190,472
Total income of not-for-profit	-	-	94,170	-	336	2,938	571	-	-	-	-	98,015
Total	73,261	87,150	103,750	1,712	19,105	2,938	571	-	-	-	-	98,015

Investment income (note 3) and net gain on disposal of assets (income statement) are excluded from the above table.

2.7 Revenue and Income from consulting operations (continued)
(a) Disaggregation (continued)

	Consolidated										2019	
	Sources of funding											
	Higher Education Loan Program ('HELP')	Student fees and charges	Australian Government financial assistance	Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, scholarships & bequests	Others	Revenue from contracts with customers	Total income of not-for-profit entities		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue and Income Streams												
Course fees and charges												
Domestic students undergraduate	54,599	2,749	-	-	-	-	-	-	-	-	57,348	-
Onshore overseas students undergraduate	-	40,901	-	-	-	-	-	-	-	-	40,901	-
Domestic students postgraduate	12,372	5,099	-	-	-	-	-	-	-	-	17,471	-
Onshore overseas students postgraduate	-	55,008	-	-	-	-	-	-	-	-	55,008	-
Other course fees and charges	-	2,423	-	-	-	-	-	-	-	-	2,423	-
Total course fees and charges	66,971	106,180	-	-	-	-	-	-	-	-	173,151	-
Research income	-	-	11,164	3,890	7,032	-	-	-	-	-	21,283	803
Recurrent government grants	-	-	88,390	-	-	-	-	-	-	-	-	88,390
Non-course fees and charges	-	3,819	-	-	-	-	-	-	-	-	3,819	-
Capital Government grants	-	-	10,453	-	-	-	-	-	-	-	-	10,453
Royalties & licences	-	-	-	-	898	-	-	-	-	-	898	-
Total other	-	-	-	-	13,656	2,340	-	-	-	-	12,830	3,166
Total revenue from contracts with customers	66,971	109,999	11,164	3,087	20,760	-	-	-	-	-	211,981	-
Total income of not-for-profit	-	-	98,843	803	826	2,340	-	-	-	-	-	102,812
Total	66,971	109,999	110,007	3,890	21,586	2,340	-	-	-	-	211,981	102,812

Investment income (note 3) and net gain on disposal of assets (income statement) are excluded from the above table.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2.7 Revenue and Income from consulting operations (continued)

Revenue from contracts with customers

(b) Accounting policies and significant accounting judgements and estimates

Course fees and charges

The course fees and charges revenue relates to undergraduate programs, graduate and professional degree programs and continuing education and executive programs.

The revenue is recognised over time as the University provides tuition services.

When the courses or trainings have been paid in advanced by students or the University has received the government funding in advance (e.g. before starting the academic period) the University recognises a contract liability until the services are delivered.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

Research

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction.

The following specific research revenue recognition criteria have been applied:

- Funding received from Australian Research Council "ARC" is recognised over time as the research activities are performed.
- Funding received from the Department of Education: The University received funding in relation to the Research Training Program ("RTP") and Research Support Program ("RSP") – recognised immediately when the University has the contractual right to receive the grant.
- Funding received from non-government entities is recognised over time as the University satisfies a performance obligation by transferring a promised good or service.

The research grants that are considered within the scope of AASB 15 meet the enforceability criteria due to the existence of refund clauses in the agreements with the grantor and the promises to transfer good or services to the customer (or on behalf of the customer) are sufficiently specific as the University has the obligation to provide:

- Results of the research
- Publishing research data and results on an ongoing basis in a openly accessible repository as requested by the grantor
- Intellectual property

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2.7 Revenue and Income from consulting operations (continued)

(b) Accounting policies and significant accounting judgements and estimates (continued)

Depending on the nature of the promise, the University either recognises revenue at a point in the time when the promise is delivered (e.g. when the comprehensive academic paper is published) or recognises revenue over time as the service is performed (e.g. as the grantor obtains control or otherwise as the results of the research are made available to authorised third parties).

Non-course fees and charges

Non-course fees and charges revenue relates to student services and amenities fees, parking fees, and publications.

Revenue is recognised either:

- Over time as and when the service is provided over the period; or
- At a point in time.

Other

Other revenue that is within the scope of AASB 15 mainly relates to laboratory testing services, memberships and recoveries.

Revenue is recognised at a point in time when the service has been delivered.

Royalties, trademarks and licences

Royalties, trademarks and licences that are within the scope of AASB 15 mainly relate to enforceable agreements relating to licencing courses and the University's accommodation facilities.

Revenue is recognised over the period of the licence.

(c) Unsatisfied performance obligations

Remaining performance obligations represent services Southern Cross University has promised to provide to customers under the research and education service agreements which are satisfied as the goods or services are provided over the contract term. In determining the transaction price allocated to the remaining performance obligations in Southern Cross University's contracts with customers, the University has used the input method.

For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB 15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Further, the amounts disclosed below do not include variable consideration which has been constrained.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2 Revenue and Income (continued)

(c) Unsatisfied performance obligations (continued)

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	Within 1 year \$'000
Consolidated	
Grants and research services	8,668
Student tuition	12,996
Other	102
Total	21,766
Parent	
Grants and research services	8,668
Student tuition	12,996
Other	81
Total	21,745

(d) Assets and liabilities related to contracts with customers

The University has recognised the following assets and liabilities related to contracts with customers:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contract assets	389	1,750	389	1,750
Contract assets - current	389	1,750	389	1,750
Australian Government unspent financial assistance	-	543	-	543
Other contract liabilities	21,766	20,738	21,745	20,710
Contract liabilities - current	21,766	21,281	21,745	21,253

Contract assets

The contract assets are associated with the University's right to consideration for work completed but not billed at the reporting date.

Any impairment associated with the contract assets is disclosed in Note 10. Receivables and contract assets.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2 Revenue and Income (continued)

(d Assets and liabilities related to contracts with customers(continued)

Accounting Policy

While a receivable is the University's right to consideration that is unconditional, a contract asset is the University's right to consideration in exchange for goods or services that the University has transferred to the customer when that right is conditioned on something other than the passage of time (e.g. HEP's future performance).

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for contracts, for which revenue is recognised over time.

Accounting Policy

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

Contract liabilities (deferred income) differ from the amounts disclosed in note 18 Other liabilities.

(e) Refund liabilities

The University has refund liabilities related to contracts with customers:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Australian government refund liability	4,175	2,147	4,175	2,147
Refund liabilities - current	4,175	2,147	4,175	2,147

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

2 Revenue and Income (continued)

2.8 Reconciliation of revenue and income

The following table reconciles the amounts disclosed in notes 2.1 to 2.6 which contain the mandatory disclosures required by the department and the disclosures provided in note 2.7 as per AASB 15 and AASB 1058:

	Note	Consolidated	
		2020 \$'000	2019 \$'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	2.1	177,012	176,978
Total State and Local Government financial assistance	2.2	1,712	3,890
Total HECS-HELP - Student Payments		2,515	2,133
Total Fees and charges	2.3	84,633	107,866
Total Royalties, trademarks and licences	2.4	951	898
Total Consultancy and contract fees	2.5	7,782	7,736
Total Other revenue and income	2.6	13,882	15,292
Total		288,487	314,793
Total Revenue from contracts with customers as per AASB15	2.7	190,472	211,981
Total Income of not-for-profit entity as per AASB1058	2.7	98,015	102,812
Total Revenue and Income from continuing operations		288,487	314,793

	Note	Parent	
		2020 \$'000	2019 \$'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	2.1	177,012	176,978
Total State and Local Government financial assistance	2.2	1,712	3,890
Total HECS-HELP - Student Payments		2,515	2,133
Total Fees and charges	2.3	84,633	107,866
Total Royalties, trademarks and licences	2.4	951	898
Total Consultancy and contract fees	2.5	7,782	7,736
Total Other revenue and income	2.6	12,254	13,225
Total		286,859	312,726
Total Revenue from contracts with customers as per AASB15	2.7	189,415	209,913
Total Income of not-for-profit entity as per AASB1058	2.7	97,444	102,813
Total Revenue and Income from continuing operations		286,859	312,726

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

3 Investment income

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest				
Financial assets	323	824	323	823
Dividends				
Equity instruments designated at fair value through OCI	3,880	570	3,880	570
Total investment income	4,203	1,394	4,203	1,393

Interest revenue is recognised as it is earned. Dividends are recognised when the dividend is declared.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

4 Employee related expenses

	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Academic				
Salaries	65,999	60,547	65,999	60,547
Contributions to funded superannuation schemes	9,160	8,775	9,160	8,775
Payroll tax	3,861	3,719	3,861	3,719
Worker's compensation	191	172	191	172
Long service leave	1,493	1,800	1,493	1,800
Annual leave	3,521	3,581	3,521	3,581
Other	614	687	614	687
Total academic	84,839	79,281	84,839	79,281
Non-academic				
Salaries	62,614	57,580	61,370	55,855
Contributions to funded superannuation schemes	9,282	9,575	9,188	9,400
Payroll tax	3,787	3,972	3,720	3,858
Worker's compensation	216	190	208	185
Long service leave	1,821	2,183	1,810	2,175
Annual leave	4,010	3,877	3,966	3,805
Other	1,223	1,083	1,223	1,055
Total non-academic	82,953	78,460	81,485	76,333
Total employee related expenses	167,792	157,741	166,324	155,614

Contributions to the defined contribution section of Southern Cross University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Past service costs are recognised in profit or loss immediately.

Refer to note 16 for accounting policies on employee benefits and note 31 for retirement benefit obligations.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

5 Depreciation and amortisation

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Depreciation				
Buildings	7,567	7,358	7,567	7,358
Infrastructure	952	916	952	916
Plant and equipment	6,482	6,907	6,455	6,866
Land (Right-of-use)	1,165	1,165	1,165	1,165
Buildings (Right-of-use)	586	459	586	459
Equipment (Right-of-use)	273	532	273	532
Leasehold improvements	48	25	48	25
Total depreciation and amortisation	17,073	17,362	17,046	17,321

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Depreciable assets	2020 Useful Lives (Years)	2019 Useful Lives (Years)
Buildings	10-60	10-60
Plant and equipment	2-30	2-30
Improvements	5	5
Infrastructure	7-70	7-70

Right of use assets recognised under a lease are amortised over the shorter of the lease term and the useful life of the asset.

6 Borrowing costs

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest expense on financial liabilities at amortised cost	27	116	27	116
Interest expense on lease liabilities	1,700	1,698	1,700	1,698
Total borrowing costs expensed	1,727	1,814	1,727	1,814

Accounting Policy

Borrowing costs incurred for the construction of any qualifying asset are expensed in the period in which they are incurred regardless of how the borrowings are applied.

Finance charges in respect of leases are included in the definition of borrowing costs.

For finance charges on lease liabilities, refer to note 15.1 which details the policy for lease accounting where Southern Cross University is the lessee.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

7 Impairment of assets

		Consolidated		Parent	
	Note	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Impairment losses - Financial assets					
Trade receivables and contract assets	29,10	4,828	1,654	4,828	1,654
Related party receivables		-	-	198	615
		4,828	1,654	5,026	2,269
Total impairment of assets		4,828	1,654	5,026	2,269

Accounting Policy

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Many assets of the Southern Cross University that are not held primarily for their ability to generate net cash inflows are typically specialised assets held for continuing use of their service capacity and they are rarely sold. The recoverable amount of such assets is expected to be materially the same as fair value, determined under AASB 13, with the consequence that AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138.

For further information on accounting policies of impairment of financial assets, refer to Note 10 and Note 11.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

8 Other expenses

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Advertising, marketing and promotional expenses	2,408	4,323	2,408	4,315
Audit fees, bank charges, insurance & taxes	1,994	1,815	1,960	1,740
Books and subscriptions	4,102	3,916	4,102	3,915
Consulting and professional fees	14,283	16,453	14,275	16,423
External education services	43,888	51,382	43,888	51,382
Grants & contributions	406	1,190	406	1,190
Leased asset charges	1,901	1,899	1,901	1,899
Non-capitalised equipment	1,788	2,712	1,770	2,649
Printing and stationery	374	642	370	637
Property and facility costs	5,605	6,437	5,365	6,109
Scholarships, grants and prizes	9,661	7,819	9,661	7,819
Software expenses	6,302	6,158	6,286	6,138
Telecommunications	1,078	880	1,070	869
Travel, entertainment and staff development	1,672	5,316	1,685	5,503
Other expenses	4,223	5,995	4,377	5,887
Total other expenses	99,685	116,937	99,524	116,475

Accounting Policy

Lease payments relating to short term or low value leases are classified as leased asset charges. Refer to note 15.

9 Cash and cash equivalents

Cash at bank and on hand	6,996	8,644	6,874	8,545
Short term deposits at call	35,000	13,550	35,000	13,550
Total cash and cash equivalent in the statement of financial position and cashflows	41,996	22,194	41,874	22,095

(a) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earned floating interest rates of between NIL% and 0.55% (2019: 1.30% and 0.55%).

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

9 Cash and cash equivalents (continued)

(b) Deposits at call

The deposits are bearing floating interest rates between 0.81% and 0.88% (2019: 1.54% and 2.62%). The deposits have an average maturity of 122 days.

For statements of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statements of financial position.

10 Receivables and contract assets

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current					
Trade receivables		5,371	2,745	5,341	2,727
Student fees receivable		12,599	10,926	12,599	10,926
Less: Allowance for expected credit losses		(6,655)	(2,832)	(6,655)	(2,832)
		11,315	10,839	11,285	10,821
Deferred government benefit for superannuation	31(d)	5,437	-	5,437	-
Related party receivables	24(e),24(f)	16	16	829	631
Less: Allowance for expected credit losses		-	-	(813)	(615)
OS-HELP Receivable	32(f)	-	126	-	126
Other receivables		5,038	3,099	5,036	3,104
Total current receivables		21,806	14,080	21,774	14,067
Non-current					
Deferred government benefit for superannuation	31(d)	111,286	113,508	111,286	113,508
Total non-current receivables		111,286	113,508	111,286	113,508
Total receivables		133,092	127,588	133,060	127,575

A receivable represents the University's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Refer to note 11 for a detailed accounting policy for financial assets.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

10 Receivables and contract assets (continued)

Contract assets

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contract assets - current	389	1,750	389	1,750
Total contract assets	389	1,750	389	1,750

The contract assets are associated with grants and research services.

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

At 1 January	2,832	1,752	2,832	1,752
Provision for expected credit losses	4,890	1,690	4,890	1,690
Write-off	(1,067)	(610)	(1,067)	(610)
At 31 December	6,655	2,832	6,655	2,832

The significant changes in the balances of contract assets are disclosed in note 2.7 while the information about the credit exposures are disclosed in note 29 Financial risk management.

Classification and measurement

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are non-interest bearing and generally on terms of 30 days.

Impairment

For trade receivables and contract assets, the University applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

While a receivable is the University's right to consideration that is unconditional, a contract asset is the University's right to consideration in exchange for goods or services that the University has transferred to the customer when that right is conditioned on something (e.g. a report) other than the passage of time (e.g. the University's future performance).

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

11 Other financial assets

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Financial assets at amortised cost:				
Term deposits	8,000	9,000	8,000	9,000
Total current other financial assets	8,000	9,000	8,000	9,000
Non-current				
Other financial assets at fair value through other comprehensive income:				
Unlisted equity securities	57,561	47,316	57,561	47,316
Total non-current other financial assets	57,561	47,316	57,561	47,316
Total other financial assets	65,561	56,316	65,561	56,316

(a) Other financial assets at amortised cost

The University measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Equity instruments elected to be at fair value through other comprehensive income

	Reason for Adopting	Fair Value	Dividends Recognised
		2020 000's	2020 000's
Investments			
Unlisted Equity Securities	The University elected to classify irrevocably its unlisted equity securities at fair value through OCI upon adoption of AASB 9	57,561	3,880

There were no equity instruments derecognised during 2020.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the University has elected to classify irrevocably the above investments, as equity instruments designated at fair value through other comprehensive income, as they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statements when the right of payment has been established, except when the University benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment. The University has recognised \$3,880,000 (2019: \$570,000) as Dividends from these unlisted equity securities.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

12 Investments accounted for using the equity method

Associates

Name of Entity	Place of business/ Country of incorporation	Measurement method	Quoted fair value \$		Ownership Interest %	
			2020	2019	2020	2019
Coffs Harbour Technology Park Ltd	Coffs Harbour, Australia	At Cost	175	175	33.33	33.33

Summarised financial information for individually material associates is set out below:

	2020 \$'000	2019 \$'000
Financial Position		
Current assets	153	130
Non-current assets	842	883
Total assets	995	1,013
Current liabilities	29	34
Non-current liabilities	96	96
Total liabilities	125	130
Net assets	870	883
Share of associates' net assets	290	294
Reconciliation of carrying amounts:		
Balance at 1 January	294	295
Share of profit/(loss) for year	(4)	(1)
Balance at 31 December	290	294
Financial Performance		
Income	127	145
Expenses	(139)	(148)
Profit/(loss) from continuing operations	(12)	(3)
Total comprehensive income	(12)	(3)
Share of associates' profit/(loss)	(4)	(1)

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

12 Investments accounted for using the equity method (continued)

Associates are all entities over which the University has significant influence but not control. Investments in associates are accounted for in the parent entity financial statements using the cost method or the equity method, and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The University's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

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

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method. When the University's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the University does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

13 Property, plant and equipment

Parent	Land	Buildings	Plant and equipment	Infrastructure	Improvements	Library collections	Capital works in progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets**	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019										
At cost	11,974	254,194	73,322	32,888	40	8,827	1,779	383,024	-	383,024
Accumulated depreciation	-	(65,573)	(38,569)	(7,551)	(11)	(8,027)	-	(119,731)	-	(119,731)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)	-	(2,058)
Net book amount	11,974	188,509	34,753	24,074	29	117	1,779	261,235	-	261,235
Year ended 31 December 2019										
Opening net book amount	11,974	188,509	34,753	24,074	29	117	1,779	261,235	-	261,235
Adoption of AASB 16	(3,000)	-	-	-	-	-	-	(3,000)	35,854	32,854
Additions	-	-	3,273	-	1	-	13,494	16,768	-	16,768
Disposals - written down value	-	-	(417)	-	-	-	-	(417)	-	(417)
Depreciation expense	-	(7,358)	(6,866)	(916)	(25)	-	-	(15,165)	(2,156)	(17,321)
Transfers	-	9,577	1,506	445	1,746	-	(13,274)	-	-	-
Closing net book amount	8,974	190,728	32,249	23,603	1,751	117	1,999	259,421	33,698	293,119
At 31 December 2019										
At cost	8,974	263,771	75,756	33,333	1,788	8,828	1,999	394,449	39,042	433,491
Accumulated depreciation	-	(72,931)	(43,507)	(8,467)	(37)	(8,028)	-	(132,970)	(5,344)	(138,314)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)	-	(2,058)
Net book amount	8,974	190,728	32,249	23,603	1,751	117	1,999	259,421	33,698	293,119

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

13 Property, plant and equipment (continued)

Parent	Land	Buildings	Plant and equipment	Infrastructure	Improvements	Library collections	Capital works in progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets**	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2020										
Opening net book amount	8,974	190,728	32,249	23,603	1,751	117	1,999	259,421	33,698	293,119
Additions	-	-	2,811	-	121	-	1,122	4,054	1,156	5,210
Disposals - written down value	(75)	(317)	(967)	(29)	-	-	(20)	(1,408)	-	(1,408)
Depreciation expense	-	(7,567)	(6,455)	(952)	(48)	-	-	(15,022)	(2,024)	(17,046)
Transfers	-	166	1,074	888	-	-	(2,128)	-	-	-
Closing net book amount	8,899	183,010	28,712	23,510	1,824	117	973	247,045	32,830	279,875
At 31 December 2020										
At cost	8,899	263,338	76,386	34,084	1,909	8,828	973	394,417	39,796	434,213
Accumulated depreciation	-	(80,216)	(47,674)	(9,311)	(85)	(8,028)	-	(145,314)	(6,966)	(152,280)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)	-	(2,058)
Net book amount	8,899	183,010	28,712	23,510	1,824	117	973	247,045	32,830	279,875

Notes to the Financial Statements

For the Year Ended 31 December 2020
Southern Cross University ABN 41 995 651 524

13 Property, plant and equipment (continued)

	Land	Buildings	Plant and equipment	Infrastructure	Improvements	Library collections	Capital works in progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets***	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019										
At cost	11,974	254,194	73,549	32,888	40	8,827	1,779	383,251	-	383,251
Accumulated depreciation	-	(65,573)	(38,703)	(7,551)	(11)	(8,027)	-	(119,865)	-	(119,865)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)	-	(2,058)
Net book amount	11,974	188,509	34,846	24,074	29	117	1,779	261,328	-	261,328
Year ended 31 December 2019										
Opening net book amount	11,974	188,509	34,846	24,074	29	117	1,779	261,328	-	261,328
Adoption of AASB 16	(3,000)	-	-	-	-	-	-	(3,000)	35,854	32,854
Additions	-	-	3,310	-	1	-	13,494	16,805	-	16,805
Disposals - written down value	-	-	(439)	-	-	-	-	(439)	-	(439)
Depreciation expense	-	(7,358)	(6,907)	(916)	(25)	-	-	(15,206)	(2,156)	(17,362)
Transfers	-	9,577	1,506	445	1,746	-	(13,274)	-	-	-
Closing net book amount	8,974	190,728	32,316	23,603	1,751	117	1,999	259,488	33,698	293,186
At 31 December 2019										
At cost	8,974	263,771	75,987	33,333	1,788	8,828	1,999	394,680	39,042	433,722
Accumulated depreciation	-	(72,931)	(43,671)	(8,467)	(37)	(8,028)	-	(133,134)	(5,344)	(138,478)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)	-	(2,058)
Net book amount	8,974	190,728	32,316	23,603	1,751	117	1,999	259,488	33,698	293,186

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

13 Property, plant and equipment (continued)

	Land	Buildings	Plant and equipment	Infrastructure	Improvements	Library collections	Capital works in progress	Property, plant and equipment (owned)	Subtotal Right of use assets***	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2020										
Opening net book amount	8,974	190,728	32,316	23,603	1,751	117	1,999	259,488	33,698	293,186
Additions	-	-	2,831	-	121	-	1,122	4,074	1,156	5,230
Disposals - written down value	(75)	(317)	(997)	(29)	-	-	(20)	(1,438)	-	(1,438)
Depreciation expense	-	(7,567)	(6,482)	(952)	(48)	-	-	(15,049)	(2,024)	(17,073)
Impairment (loss)/income	-	-	-	-	-	-	-	-	-	-
Transfers	-	166	1,074	888	-	-	(2,128)	-	-	-
Closing net book amount	8,899	183,010	28,742	23,510	1,824	117	973	247,075	32,830	279,905
At 31 December 2020										
At cost	8,899	263,338	76,600	34,084	1,909	8,828	973	394,631	39,796	434,427
Accumulated depreciation	-	(80,216)	(47,858)	(9,311)	(85)	(8,028)	-	(145,498)	(6,966)	(152,464)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)	-	(2,058)
Net book amount	8,899	183,010	28,742	23,510	1,824	117	973	247,075	32,830	279,905

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

13 Property, plant and equipment (continued)

Accounting Policy

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

13.1 Right-of-use assets

Information about leases where Southern Cross University is a lessee is presented below:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Right-of-use assets				
Buildings				
At 1 January	2,103	2,562	2,103	2,562
Additions of right-of-use assets	1,188	-	1,188	-
Disposal of right-of-use assets	(322)	-	(322)	-
Depreciation charge	(296)	(459)	(296)	(459)
At 31 December	2,673	2,103	2,673	2,103
Right-of-use assets				
Land				
At 1 January	31,322	32,487	31,322	32,487
Depreciation charge	(1,165)	(1,165)	(1,165)	(1,165)
At 31 December	30,157	31,322	30,157	31,322
Right-of-use assets				
Equipment				
At 1 January	273	805	273	805
Depreciation charge	(273)	(532)	(273)	(532)
At 31 December	-	273	-	273
Total right-of-use assets	32,830	33,698	32,830	33,698

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

13 Property, plant and equipment (continued)

Accounting Policy

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

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

Southern Cross University assesses whether:

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

Accounting for leases - Southern Cross University as lessee

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

Right-of-use asset

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

A right-of-use asset associated with land and buildings is measured at amortised cost. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 13.

Concessionary leases

The University has elected to measure right-of-use assets arising under 'concessionary leases' on initial recognition at fair value, which incorporates the amount of the initial measurement of the lease liability.

No lease liabilities corresponding to concessionary leases, have been recognised in 2020, due to nil lease payments required over the term of the concessionary lease.

Information about leases where Southern Cross University is a lessee is presented below:

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

13 Property, plant and equipment (continued)

Concessionary leases (continued)

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Land				
At 1 January	2,786	2,910	2,786	2,910
Depreciation charge	(124)	(124)	(124)	(124)
At 31 December	2,662	2,786	2,662	2,786
Total concessionary leases	2,662	2,786	2,662	2,786

Dependencies on concessionary leases

The University operates its Coffs Harbour Campus through a joint operation between North Coast TAFE and the New South Wales Department of Education, refer to Note 26. As a partner to the joint operation, the University has a lease with the New South Wales Department of Education for the right to construct and operate buildings and other assets for the purposes of furthering its objectives as a Higher Education Provider and those of the joint operation.

Nature and term of the leases

The underlying asset of the lease is the land that the University can use to operate accommodation principally for students and the development of additional building or buildings for accommodation principally for students.

The lease is for a term of 36 years and 2 months and the University is not required to pay any rent during the term.

Concessionary (peppercorn) leases

Leased assets arising from significantly below market leases are measured at fair value at the inception of the lease whereas the lease liability is recognised at present value of peppercorn lease payment amounts. The difference between the right-of-use asset and lease liability is recorded as income in the income statements under AASB 1058.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

14 Trade and other payables

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Trade creditors	21,269	16,533	21,202	16,371
OS-HELP liability to Australian Government 32,(f)	723	-	723	-
Total current trade and other payables	21,992	16,533	21,925	16,371

(a) Foreign currency risk

The carrying amounts of the University's trade and other payables are denominated in the following currencies:

Australian Dollars	20,219	16,365	20,153	16,203
US Dollars	5	149	5	149
Fiji Dollars	28	-	28	-
Great British Pounds	4	-	4	-
Danish Krone	-	3	-	3
Euros	-	16	-	16
Indian Rupees	3	-	3	-

For an analysis of the sensitivity of trade and other payables to foreign currency risk, refer to note 29.

Trade and other payables represent liabilities for goods and services provided to the University prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities - Australian Government	2,803	544	2,803	544
Other contract liabilities	18,963	20,737	18,942	20,709
Contract liabilities - current	21,766	21,281	21,745	21,253

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

15 Borrowings

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Lease liabilities	2,261	2,440	2,261	2,440
Total current borrowings	2,261	2,440	2,261	2,440
Non-Current				
Lease liabilities	42,437	42,169	42,437	42,169
Total non-current borrowings	42,437	42,169	42,437	42,169
Total borrowings	44,698	44,609	44,698	44,609

(a) Assets pledged as security

The University has no assets pledged as security for borrowings drawn during the year ended 31 December 2020 (2019: Nil).

(b) Financing arrangements

Unrestricted access was available at reporting date to the following lines of credit:

Credit standby arrangements:				
Guarantee facility	5,000	5,000	5,000	5,000
Commercial card facility	500	500	500	500
Total credit standby arrangements	5,500	5,500	5,500	5,500
Used at balance date	(285)	(451)	(285)	(451)
Total unused at balance date	5,215	5,049	5,215	5,049
Bank loan facilities				
Total facilities	26,070	28,510	26,070	28,510
Total unused at balance date	26,070	28,510	26,070	28,510

(c) Bank loans

On 3rd October 2019, Southern Cross University re-negotiated its bank loan and credit facilities with the ANZ Banking Group Limited. As part of the renegotiation, the University entered into an uncommitted loan facility for \$19,730,000 and a committed facility of \$10,000,000 on an annual revolving basis. The undrawn component of the uncommitted facility can be terminated, cancelled or withdrawn by ANZ at any time and is not subject to any other provision of the facility:

- ANZ has no obligation to provide a drawing or utilisation or otherwise make available the facility at any time; and
- ANZ may, at any time without notice and without giving any reason, withdraw and/or cancel the undrawn component of the facility (or any part thereof).

(d) Fair value

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

15 Borrowings (continued)

(e) Risk exposures

The exposure of the University's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Within one year	2,314	2,533	2,314	2,533
Between one and five years	12,264	11,374	12,264	11,374
Later than five years	59,054	61,130	59,054	61,130
Total borrowings	73,632	75,037	73,632	75,037
Current borrowings	2,261	2,440	2,261	2,440
Non-current borrowings	42,437	42,169	42,437	42,169
Total borrowings	44,698	44,609	44,698	44,609

The carrying amounts of the University's borrowings solely relate to leases and are denominated in Australian dollars. For an analysis of the sensitivity of borrowings to interest rate risk, refer to note 29.

(f) Reconciliation of liabilities arising from financing activities

	2019	Cash flows	Non-cash changes		2020
	\$'000	\$'000	Acquisition / Disposal \$'000	Other \$'000	\$'000
Lease liabilities	44,609	(2,766)	1,155	1,700	44,698
Total liabilities from financing activities	44,609	(2,766)	1,155	1,700	44,698

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statements over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

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

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

15 Borrowings (continued)

15.1 The University as lessee

Amounts recognised in the income statements

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest on lease liabilities	1,700	1,698	1,700	1,698
Income from sub-leasing right of use assets	(6)	(34)	(6)	(34)
Expenses relating to short-term leases	447	512	447	512
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	1,210	1,387	1,210	1,387
	3,351	3,563	3,351	3,563

Maturity analysis - undiscounted contractual cash flows

Less than one year	2,314	2,533	2,314	2,533
One to five years	12,264	11,374	12,264	11,374
More than 5 years	59,054	61,130	59,054	61,130
Total undiscounted lease payments receivable	73,632	75,037	73,632	75,037
Future finance charges	(28,934)	(30,428)	(28,934)	(30,428)
Lease liabilities recognised in the statements of financial position	44,698	44,609	44,698	44,609
Current	2,261	2,440	2,261	2,440
Non-current	42,437	42,169	42,437	42,169

Nature of leasing activities as a lessee

Land

The University has entered into three long term land leases with Gold Coast Airport Pty Limited for the purposes of the construction and operation of a public university and educational campus at Bilinga, Queensland and includes the following:

- administration buildings;
- sport and recreation facilities;
- bookstore, cafe, mixed businesses, medical and professional services suites;
- service buildings;
- carparking; and
- all other approved uses necessary or incidental to a tertiary institution.

Each lease has a remaining term of less than 27 years and an option to renew for a further 48 years. Lease payments are subject to an annual review based on the higher of CPI or the fixed rate and then an additional market review each three years.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

15 Borrowings (continued)

Buildings

The University leases office space under non-cancellable operating leases expiring within one to five years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

Exposure from variable lease payments

The University does not have any material leases which are exposed to variable lease payments.

Exposure from extension options and termination options

The University has options to extend the term of its long term land leases at its Gold Coast campus, at balance date. Extension options are available on each long term land lease, however, it is the University's assessment that it is not certain that these options will be exercised, therefore, the option has not been included in determining the length of term of the associated lease liabilities.

Exposure from residual value guarantees

The University is not exposed to any material residual value guarantees on any of its lease contracts.

Exposure from leases not yet commenced but committed by Southern Cross University

The University has not entered into any contractual lease arrangements which are not yet effective at balance date.

Restrictions and covenants imposed by leases

The University leases land on which its Gold Coast campus is located. The lease agreement stipulates that the land may, during the term, be affected by a resumption or surrender by the landlord and the tenant of the land, and/or the granting of a volumetric lease to facilitate the development of a heavy railway line by Queensland Transport.

Sale and leaseback transactions

None of the University's lease contracts are subject to sale and leaseback arrangements.

Amounts recognised in statements of cash flows

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Total cash outflow for leases	2,766	2,701	2,766	2,701

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

15 Borrowings (continued)

Accounting policy leases

Lease liabilities - Southern Cross University as lessee

Policy on assessment of whether a contract is, or contains, a lease is detailed in note 13.1.

Lease liability

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI); and
- Amounts expected to be payable by the lessee under residual value guarantees.

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

Right-of-use assets are presented within the right-of-use assets note, in Note 13.1 and lease liabilities are presented within Note 15.1 above.

Short-term leases and leases of low-value assets

Southern Cross University has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e. when the value of the leased asset when new is \$10,000 or less. Southern Cross University recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Concessionary leases

The University has not recognised any lease liabilities corresponding to concessionary leases in 2020 and 2019 as there were no lease payments being required over the term of the concessionary lease. Refer to note 13.1 for the accounting policy related to concessionary leases.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

16 Provisions

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		7,762	7,517	7,735	7,467
Deferred government benefits for superannuation	31(d)	5,437	-	5,437	-
Long service leave		5,583	4,862	5,578	4,858
Termination benefits		4,436	-	4,436	-
		23,218	12,379	23,186	12,325
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		2,904	2,147	2,889	2,120
Long service leave		13,486	14,473	13,469	14,458
		16,390	16,620	16,358	16,578
Total current provisions		39,608	28,999	39,544	28,903
Non-current provisions					
Employee benefits					
Long service leave		3,357	3,601	3,344	3,577
Defined benefit obligation	31(d)	111,613	113,879	111,613	113,879
Total non-current provisions		114,970	117,480	114,957	117,456
Total provisions		154,578	146,479	154,501	146,359

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

16 Provisions (continued)

Employee benefits (continued)

(ii) Other long-term obligations

The liability for other long-term benefits are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave and long service leave liabilities.

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Retirement benefit obligations

Refer to note 31.

17 Other financial liabilities

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Other financial liabilities at amortised cost	772	536	772	536
Total current other financial liabilities	772	536	772	536

18 Other liabilities

Current				
Australian Government unspent financial assistance	4,175	2,147	4,175	2,147
Student Fees received in advance	9,921	16,802	9,921	16,802
Total current other liabilities	14,096	18,949	14,096	18,949
Total other liabilities	14,096	18,949	14,096	18,949

Accounting Policy

Any Australian Government contract liabilities in scope of AASB 15 are disclosed in Note 14.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

19 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Reserves				
Financial Asset Reserve	57,561	47,316	57,561	47,316
Total Reserves	57,561	47,316	57,561	47,316

Movements

Financial asset reserve				
Balance 1 January	47,316	29,412	47,316	29,412
Gain on revaluation	10,245	17,904	10,245	17,904
Balance 31 December	57,561	47,316	57,561	47,316
Total reserves	57,561	47,316	57,561	47,316

(b) Retained earnings

Movements in retained earnings were as follows:

Retained earnings at 1 January	216,602	225,772	216,587	225,780
Retrospective changes (AASB 15)	-	(20,834)	-	(20,834)
Retrospective changes (AASB 16)	-	(11,289)	-	(11,289)
Retrospective changes (AASB 1058)	-	799	-	799
Retrospective changes (other)	-	6,344	-	6,344
Restated opening balance	216,602	200,792	216,587	200,800
Net result from continuing operations	(2,636)	15,810	(2,780)	15,787
Remeasurement of defined benefit plans 31(e)	44	-	44	-
Retained earnings at end of the financial year	214,010	216,602	213,851	216,587

(c) Nature and purpose of reserves

The financial asset reserve reflects the difference between the carrying value and fair value of investments in non-listed companies.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

20 Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons of Southern Cross University during the financial year:

Official Council Members

Mr Nicholas Burton Taylor AM, Chancellor

Professor Adam Shoemaker, Vice Chancellor

Professor Tyrone Carlin, Vice Chancellor

Professor Andrew Rose, Chair Academic Board

Ministerial Appointments

Murray d'Almeida

Jonathan Rourke

Elected Council Members

Professor William Boyd

Michael Jones

Associate Professor Renaud Joannes Boyau

Graham Lancaster

Dr Alessandro Pelizzon

Associate Professor Adele Wessell

Gabriella Wayne

Council Appointed Members

Dr Austin Curtin AM

Julie Granger

Lynda O'Grady

Scott Noble

Council members whose term concluded in 2020 are as follows:

Professor Adam Shoemaker, Vice Chancellor

Professor William Boyd

Michael Jones

Associate Professor Adele Wessell

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

20 Key management disclosures (continued)

(b) Names of executive officers

The following persons had executive authority and responsibility for planning, directing and controlling the activities of Southern Cross University during the financial year:

Professor Adam Shoemaker	Vice Chancellor
Professor Tyrone Carlin	Vice Chancellor; Deputy Vice Chancellor (Academic)
Professor Mary Spongberg	Deputy Vice Chancellor (Research)
Monty Singh	Vice President (Global)
Allan Morris	Vice President (Operations)
Travis Walker	Vice President (Finance)
Ben Roche	Vice President (Engagement)
Professor Nanette Bahr	Deputy Vice Chancellor (Students)
Professor Erica Wilson	Pro Vice Chancellor (Academic Innovation)
Associate Professor Thomas Roche	Pro Vice Chancellor (Academic Quality)

At the reporting date of 31 December 2020, Professor Adam Shoemaker and Monty Singh were no longer executive officers.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

20 Key management disclosures (continued)

(c) Remuneration of board members and executives

	Consolidated		Parent	
	2020 Number	2019 Number	2020 Number	2019 Number
Remuneration of Board Members				
Nil to \$14,999	9	9	9	9
\$15,000 to \$29,999	-	1	-	1
\$60,000 to \$74,999	2	-	2	-
\$75,000 to \$89,999	1	-	1	-
\$120,000 to \$134,999	1	-	1	-
\$180,000 to \$194,999	1	3	1	3
\$210,000 to \$224,999	1	-	1	-
\$450,000 to \$464,999	1	-	1	-
\$555,000 to \$569,999	1	-	-	-
\$765,000 to \$779,999	-	1	-	1
Remuneration of executive officers				
\$15,000 to \$29,999	-	1	-	1
\$75,000 to \$89,999	1	-	1	-
\$90,000 to \$104,999	2	-	2	-
\$300,000 to \$314,999	-	1	-	1
\$315,000 to \$329,999	1	-	1	-
\$345,000 to \$359,999	2	-	2	-
\$360,000 to \$374,999	-	2	-	2
\$375,000 to \$389,999	1	1	1	1
\$390,000 to \$404,999	-	2	-	2
\$420,000 to \$434,999	-	1	-	1
\$450,000 to \$464,999	2	-	2	-
\$555,000 to \$569,999	1	-	1	-
\$765,000 to \$779,999	-	1	-	1

Remuneration bands for the Vice Chancellor appear in both tables above as this management position is a responsible person and an executive officer.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

20 Key management disclosures (continued)

(d) Key management personnel compensation

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Short-term employee benefits	3,316	3,380	3,316	3,380
Post-employment benefits	532	559	532	559
Other long-term benefits	60	63	60	63
Termination benefits	4	-	4	-
	3,912	4,002	3,912	4,002

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

21 Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Audit the Financial Statements				
Fees paid to the Audit Office of NSW	205	209	184	180
Total paid for audit	205	209	184	180
Other audit and assurance services				
Fees paid to the Audit Office of NSW	11	11	11	11
Fees paid to firms unrelated to the Audit Office of NSW	95	97	95	97
Total paid for audit and assurance	106	108	106	108

22 Contingencies

(a) Contingent liabilities

Bank Guarantees

The University has entered into bank guarantees with ANZ Banking Group Limited for \$167,868 (2019: \$167,868). These guarantees are in respect of leased premises at the University's Gold Coast and Sydney campuses.

Claims

From time to time, the University is subject to claims arising from activities undertaken in the normal course of business. Such claims may result in litigation. The University has considered those claims of which it was aware as at 31 December 2020 by reference to the disclosure criteria of contingent liabilities. The University is satisfied that none of the contingent liabilities are material for disclosure in the University's financial statements.

Letter of comfort to subsidiary

The University has provided its subsidiary (Southern Cross Campus Services Ltd) a letter of comfort guaranteeing the liabilities of the controlled entity. At the date of this report the net liabilities of the controlled entity total (\$774,568) (2019: (\$724,853)).

(b) Contingent assets

Bonds and guarantees

The University has entered into a construction contract in 2018. The parties agreed to enter into a maintenance bond up to \$229,949 in favour of the University. This bond is in respect to obligations for the construction of a building.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

23 Commitments

(a) Capital commitments

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

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Property, plant and equipment				
Within one year	374	280	374	280
Total property, plant and equipment commitments	374	280	374	280

24 Related Parties

(a) Parent entities

The ultimate parent entity is Southern Cross University, which is incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 25.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 20.

(d) Transactions with related parties

The following transactions occurred between related parties:

	Parent	
	2020 \$'000	2019 \$'000
Sale of goods and services		
Service fees	(1)	(1)
Purchase of goods		
Catering services	21	232
External labour hire and cost recoveries	445	578
Equipment hire	-	3
Other transactions		
Impairment of related party loan	(198)	(615)

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

24 Related Parties (continued)

(e) Loans to related parties

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Loans from associates				
Beginning of the year	16	16	16	16
End of year	16	16	16	16

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

(f) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Parent	
	2020 \$'000	2019 \$'000
Current receivables		
Subsidiaries	813	615
Total current receivables	813	615

A provision for doubtful debt has been raised in relation to the outstanding balance, with an expense being recognised in respect of bad or doubtful debts due from related parties.

(g) Guarantees

There have been no guarantees given by the parent entity to its subsidiary as at balance date (2019: Nil)

A letter of unconditional financial support has been provided by Southern Cross University to Southern Cross Campus Services Limited. The ultimate parent entity will support the entity financially to ensure that the entity can pay its debts as and when they fall due.

(h) Terms and Conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

25 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described below:

Name of Entity	Principal place of business	2020 %	2019 %
Southern Cross Campus Services Ltd	Australia	100.00	100.00

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Southern Cross University ("parent entity") as at 31 December 2020 and the results of all subsidiary for the year then ended. Southern Cross University and its subsidiary together are referred to in this financial report as the University or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the University has control. The University has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the University.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

26 Joint Operations

The University has entered into the following joint operations.

Name of joint operation	Nature of relationship	Principle place of business	Controlling Interest	
			2020 %	2019 %
The Hotel School	Represents a partnership with Mulpha Education Group Pty Ltd for the purpose of the education and development of students who are either employed, or wishing to be employed, in the hotel and tourism industries.	Sydney, Melbourne & Brisbane	50.00	50.00
Coffs Harbour Education Campus	Represents the development and continued operation of a joint educational precinct with Coffs Harbour Senior College and North Coast TAFE at the Coffs Harbour campus	Coffs Harbour	33.33	33.33

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

The University's share of assets, liabilities, revenue and expenses of each joint operation have been incorporated in the financial statements under the appropriate headings.

The assets and liabilities employed in the above jointly controlled operations, including the Southern Cross University's share of any assets and liabilities held jointly, are detailed below.

The amounts are included in the financial statements under their respective categories.

	2020 \$'000	2019 \$'000
Assets (including share of jointly held assets)	24,596	24,060
Liabilities (including jointly incurred)	4,445	3,542

The revenue and expenses raised or incurred in the above jointly controlled operations, including the Southern Cross University's share of any revenue or jointly incurred expenses, are detailed below. The amounts are included in financial statements under their respective categories.

Share of revenue from joint operation	8,338	8,458
Expenses (including jointly incurred)	5,295	4,637

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

27 Events Occurring After the Reporting Date

Coronavirus Pandemic

The impact of the Coronavirus (COVID-19) pandemic is ongoing, however, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and the impacts of economic stimulus that has been provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the University, the results of those operations, or the state of affairs of the University in future financial years.

28 Reconciliation of net result to net cash provided by / (used in) operating activities

	Note	Consolidated		Parent	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net result from continuing operations		(2,636)	15,810	(2,780)	15,787
Depreciation and amortisation	5	17,073	17,362	17,046	17,321
Impairment loss on assets	7	4,828	1,654	5,026	2,269
Net (gain)/loss on sale of non-current assets		(215)	(124)	(224)	(126)
Share of associate net profit after income tax and dividends		4	1	-	-
Change in operating assets and liabilities:					
(Increase) / decrease in trade and other receivables		(10,136)	(15,753)	(10,313)	(15,138)
(Increase) / decrease in inventories		93	44	92	40
(Increase) / decrease in contract assets		1,361	(3,359)	1,361	(3,359)
(Increase) / decrease in other assets		2,644	(955)	2,643	(959)
Increase / (decrease) in trade payables and accruals		4,996	(2,423)	5,288	(3,037)
Increase / (decrease) in other provisions		8,143	13,896	8,186	13,924
Increase / (decrease) in other operating liabilities		(4,853)	(16,393)	(4,853)	(16,350)
Increase / (decrease) in contract liabilities		485	2,906	492	2,878
Increase / (decrease) in other financial liabilities		236	486	236	486
Net cash provided by / (used in) operating activities		22,023	13,152	22,200	13,736

29 Financial risk management

The University's activities expose it to a variety of financial risks such as: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

29 Financial risk management (continued)

The University may use derivative financial instruments such as interest rate swaps to hedge certain risk exposures. The University uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by a central group treasury department under policies approved by the University Council. The University does not enter into or trade financial instruments for speculative purposes.

(a) Market risk

(i) Foreign exchange risk

The University undertakes transactions with other educational institutions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. At reporting date the transactions were insignificant and the movement in rates throughout the year was not considered high risk.

(ii) Price risk

Price risk arises on financial instruments because of changes in equity prices in shares in unlisted entities.

(iii) Cash flow and fair value interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The University's exposure to market interest rates relates primarily to the University's long term borrowings and investments held as interest bearing deposits and on-call bank deposits. It is policy to protect part of the borrowings from exposure to increasing interest rates. .

Any gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified to income statement when the hedged interest expense is recognised. The ineffective portion is recognised in the income statement immediately.

(iv) Summarised sensitivity analysis

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

31 December 2020	Interest rate risk				Foreign exchange risk				Other price risk				
	Carrying amount	-1%		+1%		-1%		+1%		-10%		+10%	
	\$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	41,996	(350)	(350)	350	350	-	-	-	-	-	-	-	-
Trade and other receivables	132,426	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets at amortised cost	8,000	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets - unlisted shares	57,561	-	-	-	-	-	-	-	-	-	(5,756)	-	5,756
Financial liabilities													
Trade and other payables	(16,956)	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	(4,175)	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(350)	(350)	350	350	-	-	-	-	-	(5,756)	-	5,756

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

29 Financial risk management (continued)

(a) Market risk (continued)

31 December 2019	Interest rate risk				Foreign exchange risk				Other price risk				
	Carrying amount	-1%		+1%		-1%		+1%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	22,194	(136)	(136)	136	136	-	-	-	-	-	-	-	-
Trade and other receivables	127,489	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets at amortised cost	9,000	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets - unlisted shares	47,316	-	-	-	-	-	-	-	-	-	(4,732)	-	4,732
Financial liabilities													
Trade and other payables	(13,990)	-	-	-	-	2	2	(2)	(2)	-	-	-	-
Other liabilities	(2,147)	-	-	-	-	-	-	-	-	-	-	-	-
Total		(136)	(136)	136	136	2	2	(2)	(2)	-	(4,732)	-	4,732

(b) Credit risk

The carrying amount of financial assets (as contained in the table in subnote 29(a)) represents the University's maximum exposure to credit risk.

Receivables and contract assets

Credit risk is managed at group level subject to the University's established policy, procedures and control relating to credit risk management. Credit quality of a customer is assessed based on individual credit limits. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes above.

The University evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

29 Financial risk management (continued)

(b) Credit risk (continued)

Set out below is the information about the credit risk exposure on the University's receivables using a provision matrix:

31 December 2020	Trade receivables						
	Contract Assets	Day past due					Total
		Current	<30 days	30-60 days	61-90 days	>91 days	
\$	%	%	%	%	%	%	
Expected credit loss rate	-	10	1	11	12	85	36
Estimated total gross carrying amount at default (\$'000)	389	3,246	1,725	6,333	106	6,561	18,360
Expected credit loss (\$'000)	-	319	25	706	13	5,592	6,655

31 December 2019	Trade receivables						
	Contract Assets	Day past due					Total
		Current	<30 days	30-60 days	61-90 days	>91 days	
	%	%	%	%	%	%	
Expected credit loss rate	-	-	4	5	59	58	18
Estimated total gross carrying amount at default (\$'000)	1,750	2,029	503	6,879	41	4,219	15,421
Expected credit loss (\$'000)	-	10	20	316	24	2,462	2,832

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the University in accordance with the University's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the University's Audit & Risk Committee on an annual basis, and may be updated throughout the year subject to approval of the Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The University's maximum exposure to credit risk for the components of the statements of financial position at 31 December 2020 and 2019 is the carrying amounts as illustrated in Note 11.

(c) Liquidity risk

The University manages liquidity risk by maintaining adequate cash reserves, banking facilities and continuously monitoring forecast and actual cash flows to ensure that there is adequate liquidity to meet the University's obligations over the near term.

The interest bearing deposits and deposits at call have an average maturity of 122 days. There has been no variation to the objectives, policies and processes for liquidity risk since the prior period.

The following tables summarise the maturity of the University's financial assets and financial liabilities:

Notes to the Financial Statements

For the Year Ended 31 December 2020
Southern Cross University ABN 41 995 651 524

29 Financial risk management (continued)
(c) Liquidity risk (continued)

	Average Interest rate		Variable interest rate		Non Interest Bearing		Within 1 year		1 - 5 years		5+ years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:														
Cash and cash equivalents	0.81%	1.54%	41,978	22,173	18	21	41,996	22,194	-	-	-	-	41,996	22,194
Trade and other receivables	-	-	-	-	132,426	127,489	132,426	127,489	-	-	-	-	132,426	127,489
Other financial assets	0.88%	2.47%	8,000	9,000	-	-	8,000	9,000	-	-	-	-	8,000	9,000
Total financial assets			49,978	31,173	132,444	127,510	182,422	158,683	-	-	-	-	182,422	158,683
Financial Liabilities:														
Trade and other payables	-	-	-	-	16,956	13,990	16,956	13,990	-	-	-	-	16,956	13,990
Borrowings	3.84%	3.84%	73,777	75,037	-	-	2,459	2,533	12,264	11,374	59,054	61,130	73,777	75,037
Other liabilities	-	-	-	-	4,175	2,147	4,175	2,147	-	-	-	-	4,175	2,147
Total financial liabilities			73,777	75,037	21,131	16,137	23,590	18,670	12,264	11,374	59,054	61,130	94,908	91,174

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

30 Fair value measurements

(a) Fair value measurements

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

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

The carrying value of the University's financial assets approximates their fair value at balance date.

The University measures and recognises financial assets at fair value through other comprehensive income at fair value on a recurring basis.

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement.

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(i) Recognised fair value measurements

Fair value measurements recognised in the statements of financial position are categorised into the following levels at 31 December 2020.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

30 Fair value measurements (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2020

Consolidated	Note	2020 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements				
Financial assets				
Other financial assets at fair value through other comprehensive income	11	57,561	49,384	8,177
Investments using the equity method	12	290	-	290
Total financial assets		57,851	49,384	8,467
Parent				
Recurring fair value measurements				
Financial assets				
Other financial assets at fair value through other comprehensive income	11	57,561	49,384	8,177
Investments using the equity method	12	175	-	175
Total financial assets		57,736	49,384	8,352

Fair value measurements at 31 December 2019

Consolidated	Note	2019 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements				
Financial assets				
Other financial assets at fair value through other comprehensive income	11	47,316	39,723	7,593
Investments using the equity method	12	294	-	294
Total financial assets		47,610	39,723	7,887
Parent				
Recurring fair value measurements				
Financial assets				
Other financial assets at fair value through other comprehensive income	11	47,316	39,723	7,593
Investments using the equity method	12	175	-	175
Total financial assets		47,491	39,723	7,768

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

30 Fair value measurements (continued)

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

(i) Recurring fair value measurements

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

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

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

- The use of quoted market prices discounted to reflect the limited liquidity in the market for shareholders to sell their holding and the likely impact of a trade sale should the shareholders realise the value of their equity interests;
- Share of the net assets of unlisted entities;

All of the resulting fair value estimates are included in level 2 except for unlisted Associates and equity securities explained in (d) below.

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2020 and 2019.

Consolidated	Unlisted securities \$'000	Other financial \$'000	Total \$'000
Level 3 Fair Value Measurement 2020			
Opening balance	7,593	294	7,887
Recognised in profit or loss	-	(4)	(4)
Recognised in other comprehensive income	584	-	584
Closing balance	8,177	290	8,467
Level 3 Fair Value Measurement 2019			
Opening balance	6,479	295	6,774
Recognised in profit or loss*	-	(1)	(1)
Recognised in other comprehensive income	1,114	-	1,114
Closing balance	7,593	294	7,887

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

30 Fair value measurements (continued)

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

(i) Transfers between levels 2 and 3 and changes in valuation techniques

There were no transfers of assets/liabilities between levels 2 and 3 during the financial year ended 31 December 2020.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Consolidated				
Description	Fair value at 31 December 2020 \$'000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted equity securities	8,177	Asset-based valuation approach	Book value of net assets assumed to reflect fair value	A market-based and income based valuation approach may produce a different fair value
Associated companies	290	Asset-based valuation approach	Book value of net assets assumed to reflect fair value	A market-based and income based valuation approach may produce a different fair value
Total	8,467			
Parent				
Description	Fair value at 31 December 2020 \$'000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted equity securities	8,177	Asset-based valuation approach	Book value of net assets assumed to reflect fair value	A market-based and income based valuation approach may produce a different fair value
Associated companies	175	Asset-based valuation approach	Book value of net assets assumed to reflect fair value	A market-based and income based valuation approach may produce a different fair value
Total	8,352			

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

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations

All University employees, including casuals, receive superannuation benefits equal or exceeding the government superannuation guarantee levy.

Defined Contribution Plan (Unisuper)

The University contributes to the UniSuper Defined Benefit Plan ('Unisuper') (formerly Superannuation Scheme for Australian Universities) SSAU for academic staff appointed since 1 March 1988 and all other staff from 1 July 1991. Unisuper is a post employment defined contribution plan into which the University pays fixed contributions. The Unisuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of Clause 34 of the Unisuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119.

Defined Benefit Plans (State Funds)

The University contributes to three closed state pension schemes (as detailed in Note 31(a)), which are subject to reimbursement arrangements under the Higher Education Support Act 2003 in the proportion of 78:22 from the Commonwealth and the NSW State Government respectively.

A non-current receivable for deferred government superannuation benefits are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian and New South Wales (NSW) Governments for the emerging costs of the superannuation funds for the life of the liability.

A liability in respect of defined benefit superannuation plans is recognised in the statements of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statements of changes in equity and in the statements of financial position. Past service costs are recognised in profit or loss immediately.

The liabilities recorded in the statement of financial position under provisions, for all NSW Universities, have been determined by Mercer (Australia) Pty Ltd using consistent valuation techniques.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(a) Fund specific disclosure

i) Nature of the benefits provided

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)

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. Members receive a lump sum or pension benefits on retirement, death, disablement and withdrawal. All schemes are closed to new members.

ii) Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation:

- *Superannuation Act 1916*
- *State Authorities Superannuation Act 1987*
- *State Authorities Non-Contributory Superannuation Scheme Act 1987*, and their associated regulations

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2018. The next actuarial investigation will be performed at 30 June 2021.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(a) Fund specific disclosure (continued)

iii) Description of other entities' responsibilities for the governance of the funds

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

iv) Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk: the risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall;
- Longevity risk: The risk that pensioners live longer than assumed, increasing future pensions;
- Pension indexation risk: the risk that pensions will increase at a rate greater than assumed, increasing future pensions;
- Salary growth risk: The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions;
- Legislative risk: the risk is that Legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

The trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

v) Description of any plan amendments, curtailments and settlements

There were no fund amendments, curtailments or settlements during the year.

vi) Expected Contributions

The Southern Cross University expects to make employer contribution's of \$232,841 (2019: \$279,625) to the defined benefit plan during the next financial year.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(a) Fund specific disclosure (continued)

vii) Maturity Profile

The weighted average duration of the defined benefit obligation is 12.0 years (2019 12.0 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligations - 31 December 2020	5,946	5,609	16,289	95,842	123,686
Defined benefit obligations - 31 December 2019	5,887	5,776	16,302	100,355	128,320

(b) Categories of plan assets

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

	2020 (%)		2019 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Short term securities	9.50	-	8.90	-
Australian fixed interest	1.90	-	3.50	-
International fixed interest	4.60	-	4.80	-
Australian equities	19.90	-	19.30	-
International equities	32.30	-	31.30	-
Property	1.70	6.60	3.70	5.00
Alternatives	7.70	15.90	12.80	10.70
Total	77.60	22.50	84.30	15.70

The fair value of the Pooled Fund assets as at 31 December 2020 includes \$33.9 million (2019: \$84.8 million in NSW Government bonds).

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

	2020 %	2019 %
Discount rate(s)	0.97	1.37
Expected rate of return on fund assets backing current pension liabilities	7.00	7.40
Expected rate of return on fund assets backing other liabilities	6.00	6.40
Expected rate(s) of salary increase	1.70 to 3.20	3.20
Expected rate of CPI increase	2.00	2.20

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(c) Actuarial assumptions and sensitivity

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

	Change in assumption	Impact on defined obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Increase by 7%	Decrease by -6%
Rate of CPI	0.50%	Increase by 7%	Decrease by -6%
Salary inflation rate	0.50%	Increase by 0.2%	Decrease by -0.2%
Pensioner mortality	5.00%	Decrease by 2%	Increase by -1%

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

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

(d) Statement of financial position amounts

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation		5,450	1,088	107,752	114,290
Add: Oncosts on pension entitlements		132	26	2,602	2,760
Total liabilities recognised in the statement of financial position	16	5,582	1,114	110,354	117,050
Assets					
Receivable for deferred government benefit for superannuation	10	5,555	1,079	110,089	116,723
Total assets recognised in the statement of financial position		5,555	1,079	110,089	116,723
Net liability recognised in the statements of financial position		(27)	(35)	(265)	(327)

Net liability reconciliation - 2020					
Defined benefit obligation		8,284	1,600	114,980	124,864
On-cost on pension entitlements		132	26	2,602	2,760
Fair value of plan assets		(2,834)	(512)	(7,228)	(10,574)
Net liability	16	5,582	1,114	110,354	117,050
Reimbursement right	10	(5,555)	(1,079)	(110,089)	(116,723)
Total net liability/(asset)		27	35	265	327

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(d) Statement of financial position amounts (continued)

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Reimbursement rights - 2020					
Opening value of reimbursement right		5,253	1,181	107,074	113,508
Contributions received for super schemes		(828)	(110)	1,491	553
Actuarial losses/(gains) arising from changes in financial assumptions		1,122	6	1,381	2,509
Payroll tax (superannuation)		8	2	143	153
Closing value of reimbursement right	10	5,555	1,079	110,089	116,723
Present value of obligation - 2020					
Opening defined benefit obligation		8,342	1,825	116,646	126,813
Current service cost		160	53	93	306
Interest expense		103	22	1,570	1,695
		8,605	1,900	118,309	128,814
Remeasurements					
Actuarial losses/(gains) arising from changes in financial assumptions		(87)	(30)	1,546	1,429
Actuarial losses/(gains) arising from liability experience		1,237	27	(323)	941
Contributions		1,150	(3)	1,223	2,370
Contributions by participants		87	-	85	172
Payments from plan					
Benefits paid		(1,503)	(260)	(4,794)	(6,557)
Taxes, premiums and expenses		(55)	(37)	157	65
		(1,558)	(297)	(4,637)	(6,492)
Closing defined benefit obligation		8,284	1,600	114,980	124,864
Present value of plan assets - 2020					
Opening fair value of plan assets		3,183	629	11,730	15,542
Interest (income)		40	7	133	180
		3,223	636	11,863	15,722
Remeasurements					
Return on fund assets less interest income		32	(7)	(120)	(95)
Contributions					
Employers		1,050	180	37	1,267
Fund participants		87	-	85	172
		1,137	180	122	1,439
Payments from plan					
Benefits paid		(1,503)	(260)	(4,794)	(6,557)
Taxes, premiums and expenses		(55)	(37)	157	65
		(1,558)	(297)	(4,637)	(6,492)
Closing fair value of plans assets		2,834	512	7,228	10,574

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(d) Statement of financial position amounts (continued)

Amounts recognised in the statements of financial position - 2019	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation		5,159	1,195	104,917	111,271
Provision for pension entitlements		121	28	2,459	2,608
Total liabilities recognised in the statement of financial position	16	5,280	1,223	107,376	113,879
Assets					
Receivable for deferred government benefit for superannuation		5,253	1,181	107,074	113,508
Total assets recognised in the statements of financial position	10	5,253	1,181	107,074	113,508
Net liability recognised in the statements of financial position		(27)	(42)	(302)	(371)

Net liability reconciliation - 2019					
Defined benefit obligation		8,342	1,825	116,646	126,813
On-cost on pension entitlements		121	28	2,459	2,608
Fair value of plan assets		(3,183)	(630)	(11,729)	(15,542)
Net liability	16	5,280	1,223	107,376	113,879
Reimbursement right	10	(5,253)	(1,181)	(107,074)	(113,508)
Total net liability/(asset)		27	42	302	371

Reimbursement rights - 2019					
Opening value of reimbursement right		5,378	1,155	95,214	101,747
Contributions received for super schemes		117	22	2,437	2,576
Actuarial losses/(gains) arising from changes in financial assumptions		(284)	(6)	9,190	8,900
Payroll tax (superannuation)		42	10	233	285
Closing value of reimbursement right	10	5,253	1,181	107,074	113,508

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(d) Statement of financial position amounts (continued)

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Present value of obligation - 2019				
Opening defined benefit obligation	8,285	1,807	106,726	116,818
Current service cost	180	55	367	602
Interest expense	182	38	2,468	2,688
	8,647	1,900	109,561	120,108
Remeasurements				
Actuarial losses/(gains) arising from changes in financial assumptions	212	69	11,525	11,806
Experience (gains)/losses	(138)	(39)	(1,754)	(1,931)
	74	30	9,771	9,875
Contributions				
Plan Participants	97	-	87	184
Payments from plan				
Benefits paid	(430)	(268)	(3,212)	(3,910)
Taxes, premiums and expenses	(46)	163	439	556
	(476)	(105)	(2,773)	(3,354)
Closing defined benefit obligation	8,342	1,825	116,646	126,813
Present value of plan assets - 2019				
Opening fair value of plan assets	2,969	634	13,422	17,025
Interest (income)	60	11	296	367
	3,029	645	13,718	17,392
Remeasurements				
Return on plan assets, excluding amounts included in net interest expense	346	31	598	975
Contributions				
Employers	187	60	102	349
Plan participants	97	-	87	184
	284	60	189	533
Payments from plan				
Benefits paid	(430)	(268)	(3,215)	(3,913)
Taxes, premiums and expenses	(46)	162	439	555
	(476)	(106)	(2,776)	(3,358)
Closing fair value of plans assets	3,183	630	11,729	15,542

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

31 Retirement benefit obligations (continued)

(e) Amounts recognised in other statements

Amounts recognised in other comprehensive income - 2020

The amounts recognised in the statements of comprehensive income are restricted to the the following schemes and are included in retained earnings (note 19).

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Remeasurements				
Actuarial losses (gains) arising from changes in financial assumptions	(87)	(30)	1,546	1,429
Actuarial losses (gains) arising from experience adjustments	1,237	27	(323)	941
Actual return on plan assets less interest income	(32)	7	120	95
Remeasurement of reimbursement right	(1,122)	(6)	(1,381)	(2,509)
Total remeasurements in OCI	(4)	(2)	(38)	(44)

Amounts recognised in other comprehensive income - 2019

The amounts recognised in the statements of comprehensive income are restricted to the the following schemes and are included in retained earnings (note 19).

Remeasurements				
Actuarial losses (gains) arising from changes in financial assumptions	212	69	11,525	11,806
Actuarial losses (gains) arising from experience adjustments	(138)	(39)	(1,754)	(1,931)
Actual return on plan assets less interest income	(346)	(31)	(598)	(975)
Remeasurement of reimbursement right	284	6	(9,190)	(8,900)
Total remeasurements in OCI	12	5	(17)	-

32 Acquittal of Australian government financial assistance**(a) Education - CGS and other Education grants**

Parent Entity (University) Only	Note	Commonwealth Grants Scheme#1		Access and Participation Fund		Promotion of Excellence in Learning and Teaching		Disability Performance Funding #2		Indigenous Student Success Program #3		Total
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		86,784	81,852	2,441	2,528	-	-	75	107	2,079	1,963	91,379
Net adjustments		2,328	1,940	-	-	-	-	-	-	-	-	2,328
Revenue for the period	1(a)	89,112	83,792	2,441	2,528	-	-	75	107	2,079	1,963	93,707
Surplus/(deficit) from the previous year		-	-	-	-	21	23	-	-	-	374	21
Total revenue including accrued revenue		89,112	83,792	2,441	2,528	21	23	75	107	2,079	2,337	93,728
Less expenses including accrued expenses		(89,112)	(83,792)	(2,441)	(2,528)	(8)	(2)	(75)	(107)	(2,237)	(2,337)	(88,766)
Surplus/(deficit) for reporting period		-	-	-	-	13	21	-	-	(158)	-	(145)

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS – Medical Student Loading, Allocated Places, Non Designated Courses and CGS – Special Advances from Future Years.

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training

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

(b) Higher Education Loan Programs (excl OS-HELP)

	HECS-HELP (Australian Government payments only)		FEE-HELP #4		SA-HELP		Total
	2020	2019	2020	2019	2020	2019	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Parent Entity (University) Only	Note						
Cash Payable/(Receivable) at the beginning of the year		1,464	1,479	170	(662)	(31)	1,603
Financial assistance received in Cash during the reporting period		52,461	49,894	20,000	16,633	1,356	73,817
Cash available for period		53,925	51,373	20,170	15,971	1,325	75,420
Revenue earned net of adjustments	1(b)	54,072	49,910	17,850	15,801	1,339	73,261
Cash Payable/(Receivable) at end of year		(147)	1,463	2,320	170	(14)	2,159

#4 Program is in respect of Fee-HELP for Higher Education only, and excludes funds received in respect of VET FEE-HELP.

(c) Department of Education and Training Research

	Research Training Program		Research Support Program		Total	
	2020	2019	2020	2019		
	\$'000	\$'000	\$'000	\$'000		
Parent Entity (University) Only	Note					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		4,204	4,241	2,905	3,004	7,109
Revenue for the period	1(c)	4,204	4,241	2,905	3,004	7,109
Total revenue including accrued revenue		4,204	4,241	2,905	3,004	7,109
Less expenses including accrued expenses		(4,204)	(4,241)	(2,905)	(3,004)	(7,109)
Surplus/(deficit) for reporting period		-	-	-	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

32 Acquittal of Australian government financial assistance

(d) Total Higher Education Provider Research Training Program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research Training Program Fees offsets	2,636	140
Research Training Program Stipends	1,281	140
Research Training Program Allowances	6	1
Total for all types of support	3,923	281

(e) Australian Research Council Grants

	Note	Discovery		Linkages		Total	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Parent Entity (University) Only							
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		1,006	764	1,666	196	2,672	960
Net accrual adjustments		(398)	185	(783)	86	(1,181)	271
Revenue for the period	1(d)	608	949	883	282	1,491	1,231
Surplus/(deficit) from the previous year		600	466	196	62	796	528
Total revenue including accrued revenue		1,208	1,415	1,079	344	2,287	1,759
Less expenses including accrued expenses		(964)	(815)	(925)	(148)	(1,889)	(963)
Surplus/(deficit) for reporting period		244	600	154	196	398	796

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross University ABN 41 995 651 524

32 Acquittal of Australian government financial assistance

(f) OS-HELP

Parent Entity (University) Only	Note	2020 \$'000	2019 \$'000
Cash received during the reporting period		940	810
Cash spent during the reporting period	2.1	(91)	(929)
Net cash received		849	(119)
Cash surplus/(deficit) from the previous period		(126)	(7)
Cash surplus/(deficit) for reporting period	10,14	723	(126)

(g) Higher Education Superannuation Program

Parent Entity (University) Only			
Cash received during the reporting period		745	-
University contribution in respect of current employees		210	-
Cash available		955	-
Cash surplus / (deficit) from the previous period		-	-
Cash available for current period		955	-
Contributions to specified defined benefit funds	31 / 10	(955)	-
Cash surplus/(deficit) this period		-	-

(h) Student Services and Amenities Fee

Parent Entity (University) Only			
Unspent/(overspent) revenue from previous period		379	121
SA-HELP revenue earned	1(b)	1,339	1,260
Student Services and Amenities Fees direct from students	2.3	1,061	1,117
Total revenue expendable in period		2,779	2,498
Student services expenses during period		(2,359)	(2,119)
Unspent/(overspent) student services revenue		420	379



INDEPENDENT AUDITOR'S REPORT

Southern Cross University

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Southern Cross University (the University), which comprises the Income Statements and Statements of Comprehensive Income for the year ended 31 December 2020, the Statements of Financial Position as at 31 December 2020, the Statements of Changes in Equity and the Statements of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

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

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

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 31 December 2020. These matters were

addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
Valuation of defined benefit superannuation, long service leave and annual leave liabilities	
<p>At 31 December 2020, the University reported:</p> <ul style="list-style-type: none"> defined benefit superannuation liabilities totalling \$117.1 million employee long service leave liabilities totalling \$22.4 million employee annual leave liabilities totalling \$10.6 million. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> the defined benefit superannuation, long service leave and annual leave liabilities are financially significant to the University's financial position there is a risk that the data used in the defined benefit superannuation, long service leave and annual leave liability valuation models (models) is not accurate and/or complete the underlying models used to value the liabilities are complex due to a high level of judgement and estimation involved in the valuation assumptions, including discount rates, salary inflation and other assumptions the total value of the liabilities is sensitive to small changes in key valuation inputs. <p>Further information on the valuation of defined benefit superannuation, long service leave and annual leave liabilities is included in Note 16 'Provisions' and Note 31 'Retirement benefit obligations'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> assessed the key controls supporting the data used in the models and assessed the completeness and accuracy of the data used in the models obtained management's actuarial reports and year-end adjustments, and in relation to defined benefit superannuation liabilities engaged a qualified actuary ('auditor's expert') to: <ul style="list-style-type: none"> assess the qualifications, competence and objectivity of management's independent experts assess the appropriateness of the models confirm the reasonableness of key assumptions used assess the reasonableness of the reported liability values assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.
Valuation of other financial assets (investments)	
<p>At 31 December 2020, the University held investments of \$57.6 million measured at fair value.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> of the significance of the balance to the University's financial position the University holds a number of assets classified as 'level 3' according to the fair value hierarchy under Australian Accounting Standards (i.e. where significant unobservable inputs are used in the valuation). The University's Level 3 assets of \$8.5 million include unlisted equities. Assessing the fair value of these assets requires judgment as the valuation inputs are not based on observable market transactions or other readily available market data of the degree of judgement and estimation uncertainty associated with the valuation. 	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> evaluated the design of relevant key controls over investments, and assessed on a sample basis whether these controls were implemented effectively obtained management's valuation reports to: <ul style="list-style-type: none"> assess qualifications, competence and objectivity of management's independent experts gain an understanding of the work performed by management's expert assess the appropriateness of the models and the reliability of the underlying assumptions perform sensitivity analysis on assumptions adopted by management's expert. assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.

Key Audit Matter**How my audit addressed the matter**

Further information on investments is included in Note 11 'Other financial assets' and Note 30 'Fair value measurements'.

Other Information

The University's annual report for the year ended 31 December 2020, includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Council of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Members of Council.

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

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

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

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Min Lee
Director Financial Audit

Delegate of the Auditor-General for New South Wales

13 April 2021
SYDNEY

Southern Cross Campus Services Limited

ABN 57 003 082 406

Financial Statements

for the Year Ended 31 December 2020

Directors' Report	Statement of Profit or Loss and Other Comprehensive Income	Statement of Financial Position
104	109	110
Statement of Changes in Equity	Statement of Cashflows	Notes to the Financial Statements
111	112	113
Directors' Declaration	Financial Declaration for Responsible Persons	Independent Auditor's Report
129	130	131

Directors' Report

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

The directors present their report on Southern Cross Campus Services Limited ("the Company") for the financial year ended 31 December 2020.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Paul Deegan

Qualifications BBuild (UNSW), Licensed Real Estate Agent

Experience Over thirty years experience in the property and construction industries.

Special responsibilities Independent Director

Professor Leslie Christidis

Qualifications BSc(Hons), PhD(ANU)

Experience Professor Leslie Christidis is currently the Assoc Deputy Vice Chancellor (Research) and Dean, Graduate Studies at Southern Cross University. Previously he was Director of the University's National Marine Science Centre. He was curator of birds at Museum Victoria and later became Head of Sciences where he led the development of a Planetarium, Children's Museum and five major exhibitions. He then went to the Australian Museum as its Deputy Director. Here he led the development of a \$35 million research and collections building and initiated the Intangible Cultural Heritage program at the Museum.

Special responsibilities Head of the Coffs Harbour Campus, Southern Cross University

Professor Robin Stonecash

Qualifications MSciEcon(Wisc), PhD(UNSW)

Experience Professor Robin Stonecash is currently the Dean of Business and Head of the Gold Coast Campus at Southern Cross University. She has been an academic and consultant for 30 years, working at the University of Sydney Business School, the Macquarie Graduate School of Management, the Australian Graduate School of Management at UNSW and the School of Business at UTS. She also worked for the Centre for International Economics, a Canberra based economic consulting firm, working on government policy and regulatory issues. Robin spent four years as Director of the Global Executive MBA and Director of Executive Education at the Business School at University of Sydney. She also developed Executive Education programs for the Human Rights Commission, the Royal Australian Navy, several Australia Awards programs, as well as for corporate clients. She has been Director of Rabobank's Executive Development Program and Farm Managers Program for a number of years.

Special responsibilities Head of the Gold Coast Campus, Southern Cross University

Directors' Report

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

Allan Morris	
Qualifications	Grad Dip InfoTech (Monash), GAICD, MACS (Senior)
Experience	Allan Morris is currently the Vice President (Operations) at Southern Cross University. Previously, he was the Chief Information Officer at RMIT University, lectured in Information Technology and has held numerous Information Technology executive management positions in the private sector. He is a Meritorious of the Council of Australian University Directors of IT (CAUDIT), a senior member of the Australian Computer Society and a Graduate of the Australian Institute of Company Directors. Allan has served on a number of boards and advisory committees in the education sector.
Special responsibilities	Vice President (Operations) at Southern Cross University
Professor William MacNeil	
Qualifications	BA(Tor), MA(Tor), LLB(Dal.), LLM(Lond), JSD(Col)
Experience	Professor William MacNeil is the Dean and Head of the School of Law and Justice at Southern Cross University. He is also the Head of the University's Lismore Campus. Previously, Professor MacNeil taught at Griffith University, the University of Hong Kong and the London School of Economics. He is the author of <i>Lex Populi: The Jurisprudence of Popular Culture</i> (Stanford, 2007) and <i>Novel Judgements: Legal Theory as Fiction</i> (Routledge, 2012).
Special responsibilities	Head of the Lismore Campus, Southern Cross University
Travis Walker	
Qualifications	BBus (Accounting) (RMIT), MBA (La Trobe), CPA
Experience	Travis Walker has over 20 years' experience in financial roles in the higher education sector. He is currently the Vice President (Finance) at Southern Cross University and was the Deputy Director Finance at RMIT University prior to that. Mr Walker is on the board of the Australian Universities Senior Finance Officers Group.
Special responsibilities	Vice President (Finance) at Southern Cross University

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

Company Secretary

Belinda Atkinson is a Lawyer and Head, Governance Services at Southern Cross University. Belinda was appointed Company Secretary of Southern Cross Campus Services Limited on 12 December 2017.

Principal activities

The principal activity of Southern Cross Campus Services Limited ("the Company") during the year was to provide on-campus amenities and services to students and staff of Southern Cross University ("the University"). These principal activities include operating food and beverage facilities, catering services, pool, gymnasium and fitness facilities.

No significant changes in the nature of the Company's activities occurred during the financial year.

Short term and long term objectives

The Company's short and long term objective is to provide services and amenities to students and staff of the University.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the strategy to provide high quality service in the provision of on-campus food and beverage services and other amenities.

Performance measure

The Company measures performance through the analysis of metrics relating to student and staff usage of facilities provided.

Members guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. As the sole member, Southern Cross University, undertakes to contribute to the property of the Company, in the event of it being wound up, such an amount as may be required not exceeding \$20. At 31 December 2020, the collective liability of members was \$20 (2019: \$20).

Going concern

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis as the directors have received a guarantee of continued financial support from the Company's ultimate parent entity, Southern Cross University, and the directors believe that such financial support will continue to be made available.

Directors' Report

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

Meetings of directors

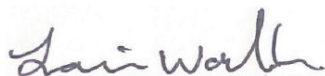
During the financial year, 1 meeting of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Paul Deegan	1	-
Les Christidis	1	1
Robin Stonecash	1	1
Allan Morris	1	1
Professor William MacNeil	1	1
Travis Walker	1	1

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2020 has been received and can be found on page 108 of the financial report.

Signed on behalf of and in accordance with the resolution of the Board of Directors in accordance with section 298(2)(a) of the *Corporations Act 2001*:



Director:

Travis Walker



Director:

Allan Morris

Dated this 26th day of March 2021



To the Directors

Southern Cross Campus Services Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Southern Cross Campus Services Limited for the year ended 31 December 2020, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

Margaret Crawford
Auditor-General of New South Wales

26 March 2021
SYDNEY

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020
Southern Cross Campus Services Limited ABN 57 003 082 406

	Note	2020 \$	2019 \$
Revenue	2	1,078,666	2,301,694
Other income	2	1,016,831	577,886
Costs of goods sold		(263,367)	(623,321)
Employee benefits expense		(1,468,049)	(2,127,949)
Depreciation expense		(26,740)	(41,633)
Other expenses	3	(387,059)	(679,616)
Net profit/(loss) for the year		(49,718)	(592,939)
Total comprehensive income for the year		(49,718)	(592,939)

Statement of Financial Position

As at 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	121,875	99,095
Trade and other receivables	5	38,627	18,174
Inventories	6	18,239	18,786
Prepayments		830	1,630
Total current assets		179,571	137,685
Non-current assets			
Property, plant and equipment	7	30,179	67,154
Total non-current assets		30,179	67,154
Total assets		209,750	204,839
Liabilities			
Current liabilities			
Trade and other payables	8	886,374	781,548
Provisions	9	64,225	95,632
Contract liabilities	10	20,924	28,081
Total current liabilities		971,523	905,261
Non-current liabilities			
Provisions	9	12,795	24,428
Total non-current liabilities		12,795	24,428
Total liabilities		984,318	929,689
Net assets/(net liabilities)		(774,568)	(724,850)
Equity/(net deficiency)			
Accumulated losses	11	(774,568)	(724,850)
Total equity/(net deficiency)		(774,568)	(724,850)

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

	Note	Accumulated losses \$
Balance at 1 January 2019		(131,911)
Net profit/(loss) for the year		(592,939)
Balance at 31 December 2019	11	(724,850)
Balance at 1 January 2020		(724,850)
Net profit/(loss) for the year		(49,718)
Balance at 31 December 2020	11	(774,568)

The accompanying notes form part of these financial statements

Statement of Cashflows

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

	Note	2020 \$	2019 \$
Cash flows from operating activities:			
Receipts from customers		1,634,364	3,065,270
Payments to suppliers and employees		(2,271,932)	(3,494,243)
Government subsidies received		543,250	-
Net GST recovered/(paid)		(83,184)	(155,344)
Net cash used in operating activities	12	(177,502)	(584,317)
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		22,172	18,800
Payments for property, plant and equipment		(20,264)	(38,006)
Net cash generated by investing activities		1,908	(19,206)
Cash flows from financing activities:			
Amounts advanced from related parties		1,598,374	2,280,005
Repayments of loans to related parties		(1,400,000)	(1,665,000)
Net cash generated by financing activities		198,374	615,005
Net increase in cash and cash equivalents held		22,780	11,482
Cash and cash equivalents at beginning of year		99,095	87,613
Cash and cash equivalents at end of financial year	4(a)	121,875	99,095

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

Contents	Page
Notes to the Financial Statements	
Note 1 Summary of Significant Accounting Policies	114
Note 2 Revenue and Other Income	119
Note 3 Other expenses	119
Note 4 Cash and cash equivalents	119
Note 5 Trade and other receivables	120
Note 6 Inventories	120
Note 7 Property, plant and equipment	121
Note 8 Trade and other payables	122
Note 9 Provisions	122
Note 10 Contract liabilities	123
Note 11 Accumulated losses	123
Note 12 Cash flow information	123
Note 13 Financial Risk Management	124
Note 14 Key Management Personnel Disclosures	126
Note 15 Related Parties	127
Note 16 Remuneration of Auditors	128
Note 17 Members' Guarantee	128
Note 18 Contingencies	128
Note 19 Events Occurring After the Reporting Date	128
Note 20 Company Details	128

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Additionally the statements have been prepared in accordance with following statutory requirements:

- *Corporations Act 2001*
- *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015*
- *Australian Charities and Notforprofit Commission Act 2012 and Australian Charities and Notforprofit Commission Regulations 2013*

Southern Cross Campus Services Limited is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the IFRS requirements. The main impact is in the following accounting treatments relating to the offsetting of impairment losses within a class of assets

Date of authorisation for issue

The financial statements were authorised for issue by the directors of Southern Cross Campus Services Limited on 26 March 2021.

Historical cost convention

These financial statements, except for the cash flow information, have been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of financial assets and liabilities and certain classes of property, plant and equipment and investment property, where applicable.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates.

It also requires management to exercise its judgement in the process of applying Southern Cross Campus Services Limited's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Measurement and recognition of employee benefits provisions
- Impairment of trade and other receivables
- Estimated useful life assessments of property, plant and equipment assets
- Impairment of property, plant and equipment assets

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

A letter of unconditional financial support has been provided by Southern Cross University, the Company's ultimate parent entity. The parent entity will support the Company financially to ensure the Company can pay its debts as and when they fall due.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

1 Summary of Significant Accounting Policies (continued)

(b) Comparative Amounts

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

(c) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

(i) Rendering of services

Revenue from rendering of services is recognised over time in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

(ii) Sale of goods

Revenue from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

(iii) Membership revenue

Membership revenue is recognised as income in the year of receipt, except to the extent that membership revenue relates to future periods. Such periods (or portion thereof) are treated as contract liabilities in the statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

1 Summary of Significant Accounting Policies (continued)

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

(d) Employee benefits

i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, nonmonetary benefits and profitsharing bonuses which are expected to be settled wholly before 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in other payables.

ii) Annual leave and sick leave

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of longterm employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. An actuarial assessment is performed every year and gives consideration to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Commonwealth government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after balance date are discounted to present value.

(e) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

1 Summary of Significant Accounting Policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(g) Trade receivables

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL (Expected Credit Losses). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(i) Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include gains or losses that were recognised in other comprehensive income on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straightline method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Class of Asset	Useful life (yrs)
Plant and Equipment	5-10
Motor Vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

1 Summary of Significant Accounting Policies (continued)

(j) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k) Goods and Services Tax (GST)

Revenue, 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

(l) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

(m) Initial application of AAS

Australian Accounting Standard AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. The standard applies to annual reporting periods beginning on or after 1 January 2020.

Transition to AASB 1059

Based on the Company's assessment, the nature and effect of the changes arising from the adoption of this new accounting standard are immaterial to the users of the Company's financial statements.

(n) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

2 Revenue and Other Income

	Note	2020 \$	2019 \$
Revenue			
Membership revenue		566,037	1,028,591
Food and beverage revenue		489,143	1,207,561
		1,055,180	2,236,152
Other revenue		23,486	65,542
Total revenue		1,078,666	2,301,694
Other Income			
Cost recoveries		445,381	577,886
Special purpose Commonwealth grants		571,450	-
Total other income		1,016,831	577,886

3 Other expenses

Audit fees, bank charges & taxes		34,358	73,413
Fees and charges		13,912	49,846
Noncapitalised equipment & maintenance costs		47,509	99,184
Net loss on disposal of plant and equipment		8,327	2,621
Property & facility costs		253,522	355,123
Travel, entertainment & staff development		4,621	31,962
Other expenses		24,810	67,467
Total other expenses		387,059	679,616

4 Cash and cash equivalents

Cash at bank and on hand		121,875	99,095
Total cash and cash equivalents	4(a)	121,875	99,095

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	4	121,875	99,095
Balance as per statement of cash flows		121,875	99,095

(b) Cash at bank

Cash in operating accounts earns interest at variable interest rates.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

5 Trade and other receivables

	2020 \$	2019 \$
Current		
Trade receivables	31,163	18,121
Other receivables	7,464	53
Total current trade and other receivables	38,627	18,174

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Ageing analysis of receivables:

As at 31 December 2020 trade receivables of \$3,200 (2019:\$9,829) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

Past due but not impaired receivables

Between 2 to 3 months	3,200	9,829
Between 3 to 6 months	-	-
Over 6 months	-	-
	3,200	9,829

The creation and release of the provision for impaired receivables has been included in impairment expenses in the statement of profit or loss and other comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

6 Inventories

	2020 \$	2019 \$
Current		
At cost:		
Food and beverage stock	18,239	18,786
Total current inventories	18,239	18,786

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

7 Property, plant and equipment

Plant and equipment	2020 \$	2019 \$
At cost	190,203	169,938
Accumulated depreciation	(168,067)	(150,192)
Total plant and equipment	22,136	19,746
Motor vehicles		
At cost	22,936	60,941
Accumulated depreciation	(14,893)	(13,533)
Total motor vehicles	8,043	47,408
Total property, plant and equipment	30,179	67,154

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Plant and Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 December 2019			
Opening net book value	49,620	42,583	92,203
Additions	-	38,005	38,005
Disposals	-	(21,421)	(21,421)
Depreciation expense	(29,874)	(11,759)	(41,633)
Closing net book amount	19,746	47,408	67,154
Year ended 31 December 2020			
Opening net book value	19,746	47,408	67,154
Additions	20,265	-	20,265
Disposals	-	(30,500)	(30,500)
Depreciation expense	(17,875)	(8,865)	(26,740)
Closing net book amount	22,136	8,043	30,179

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

8 Trade and other payables

	Note	2020 \$	2019 \$
Current			
Trade payables		23,540	28,763
GST payable		5,577	4,945
Related party payables	15(c)	813,379	615,005
Other payables		43,878	132,835
Total current trade and other payables		886,374	781,548

All amounts are short-term and the carrying values are considered to be a reasonable approximation of fair value.

9 Provisions

Current provisions expected to be settled wholly within 12 months

Employee benefits			
Annual leave		28,496	50,483
Long service leave		4,614	4,259
		33,110	54,742

Current provisions expected to be settled wholly after more than 12 months

Employee benefits			
Annual leave		14,512	26,244
Long service leave		16,603	14,646
		31,115	40,890
Total current provisions		64,225	95,632

Non-current provisions

Employee benefits			
Long service leave		12,795	24,428
Total non-current provisions		12,795	24,428
Total provisions		77,020	120,060

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

10 Contract liabilities

	2020 \$	2019 \$
Current		
Income received in advance	20,924	28,081
Total current contract liabilities	20,924	28,081

11 Accumulated losses

Accumulated losses at the beginning of the financial year	(724,850)	(131,911)
Net result for the year	(49,718)	(592,939)
Accumulated losses at end of the financial year	(774,568)	(724,850)

12 Cash flow information

Reconciliation of net income to net cash generated by/(used) in operating activities:

Net result for the year	(49,718)	(592,939)
Non-cash flows in net result:		
Depreciation expense	26,740	41,633
Net loss/(gain) on disposal of plant and equipment	8,327	2,621
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(20,453)	1,357
(Increase)/decrease in inventories	547	4,242
(Increase)/decrease in other assets	800	2,719
Increase/(decrease) in trade and other payables	(93,548)	(1,485)
Increase/(decrease) in provisions	(43,040)	(27,550)
Increase/(decrease) in other liabilities	-	(42,996)
Increase/(decrease) in contract liabilities	(7,157)	28,081
Cash flows used in operating activities	(177,502)	(584,317)

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

13 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including, liquidity risk, credit risk and market risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and daily assessment of investment portfolios to determine market risk.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

	Note	2020 \$	2019 \$
Financial assets			
<i>Held at amortised cost:</i>			
Cash and cash equivalents	4	121,875	99,095
Trade and other receivables *	5	38,627	18,174
Total financial assets		160,502	117,269
Financial liabilities			
<i>Measured at amortised cost:</i>			
Trade and other payables *		867,649	757,894
Total financial liabilities		867,649	757,894

* The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Government, GST input tax credit recoverable and taxes payable).

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company manages its liquidity needs by maintaining adequate reserves, banking facilities and continuously monitoring forecast and actual cash flows.

There have been no variations to the objects, policies and processes for liquidity risk since the prior period.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

13 Financial Risk Management (continued)

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis Nonderivative

	Weighted average Interest rate		Within 1 Year		Total	
	2020 %	2019 %	2020 \$	2019 \$	2020 \$	2019 \$
Financial liabilities due for payment						
Trade and other payables	-	-	867,649	757,894	867,649	757,894
Total contractual outflows	-	-	867,649	757,894	867,649	757,894

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

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

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. Trade receivables are assessed after 60 days and action taken to collect the debt. There has been no change in managing credit risk since the prior year.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Refer to Note 5 for the ageing analysis of receivables.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on longterm financing. Longterm borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank deposits, which are subject to variable interest rates.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

13 Financial Risk Management (continued)

Market risk (continued)

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and 1.00% (2019: +1.00%/1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2020		2019	
	+1.00%	1.00%	+1.00%	1.00%
	\$	\$	\$	\$
Net results	1,219	(1,219)	991	(991)
Equity	1,219	(1,219)	991	(991)

The Company is not exposed to any other forms of market risk.

14 Key Management Personnel Disclosures

(a) Directors

The names of directors of Southern Cross Campus Services Limited who held office during the financial year are:

Paul Deegan

Professor Les Christidis

Professor Robin Stonecash

Allan Morris

Professor William MacNeil

Travis Walker

The above persons have been in office since the start of the year unless otherwise stated.

(b) Directors and responsible officers' remuneration

No income is paid or payable, or otherwise made available, to board members by the Company in connection with the management of affairs of the Company. The independent board member, Paul Deegan, is external to the Company and is not remunerated.

The remaining board members and responsible officers are remunerated by the Company's ultimate parent entity, Southern Cross University.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

15 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Ultimate Parent Entity

The Company is a wholly owned subsidiary of its ultimate parent entity, Southern Cross University.

Transactions with Southern Cross University for services provided are fully reimbursed by the Company. The Company operates from premises owned by Southern Cross University at no charge and the Company is unable to determine the value for this charge.

(b) Transactions with related parties

The following transactions occurred with related parties:

	Note	2020 \$	2019 \$
Parent			
Catering services		20,902	231,668
Cost recoveries		445,381	577,886
Equipment hire		-	2,844
Other costs		(884)	(884)

(c) Balances to related parties

Current			
Amount payable to:			
Ultimate parent entity	8	813,379	615,005
Total current balances to related parties		813,379	615,005

(d) Terms and Conditions

Related party outstanding balances are unsecured and have been provided on interestfree terms.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

16 Remuneration of Auditors

	2020 \$	2019 \$
Remuneration of the auditor of the Company, Audit Office of NSW, for:		
Auditing the financial report	20,900	28,600
Total remuneration of auditor	20,900	28,600

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstanding and obligations of the Company. At 31 December 2020 the number of members was 1 (2019:1).

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

19 Events Occurring After the Reporting Date

Coronavirus Pandemic

The impact of the Coronavirus (COVID19) pandemic is ongoing, however, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and the impacts of economic stimulus that has been provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

20 Company Details

The registered office of and principal place of business of the Company is:

Southern Cross Campus Services Limited
Southern Cross University
Military Road
EAST LISMORE NSW 2480

Directors' Declaration

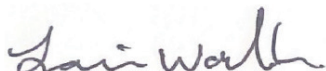
For the Year Ended 31 December 2020

Southern Cross Campus Services Limited ABN 57 003 082 406

The directors of the Company declare that:

1. The financial statements and notes, set out on pages 109 to 128, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standards, the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*, *Australian Charities and Notforprofit Commission Act 2012* and *Australian Charities and Notforprofit Commission Regulation 2013*; and
 - b) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors in accordance with section 295(5)(a) of the *Corporations Act 2001*.



Director

Travis Walker



Director

Allan Morris

Dated this 26th day of March 2021

Financial Declaration for Responsible Persons

For the Year Ended 31 December 2020

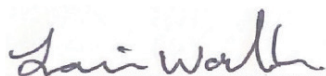
Southern Cross Campus Services Limited ABN 57 003 082 406

per section 60.15 of the Australian Charities and Notforprofits Commission Regulation 2013

The Responsible Persons declare that in the Responsible Persons' opinion:

- a. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b. the financial statements and notes satisfy the requirements of the *Australian Charities and Notforprofits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Notforprofit Commission Regulation 2013*.



Director

Travis Walker



Director

Allan Morris

Dated this 26th day of March 2021



INDEPENDENT AUDITOR'S REPORT

Southern Cross Campus Services Limited

To Members of the New South Wales Parliament and Members of Southern Cross Campus Services Limited

Opinion

I have audited the accompanying financial statements of Southern Cross Campus Services Limited (the Company), which comprises the Statement of Profit and Loss and Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, the Directors' Declaration and the Financial declaration for Responsible Person.

In my opinion, the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

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

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

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 26 March 2021, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Other Information

The Company's annual report for the year ended 31 December 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The directors of the Company are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Director's Report.

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

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

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

I have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Margaret Crawford
Auditor-General for NSW

1 April 2021
SYDNEY

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Southern Cross University and Controlled Entities

ABN 41 995 651 524

Appendices for the
2020 Reporting Period

Appendix A

Staff Employment
2014-2020

136

Appendix B

Executive Remuneration

137

Appendix C

Frequency of meetings
and members' attendance
at meetings

138

Appendix D

GIPA Statistics

139

Appendix E

Financial Compliance

143

Appendix F

Budget and Actual
Performance (Parent
entity only)

145

Appendix A

Staff Employment 2014-2020

All Staff FTE*

Nominal FTE	2014	2015	2016	2017	2018	2019	2020
Academic	326.0	319.0	310.7	313.2	301.0	322.4	339.8
Professional	553.4	519.0	515.2	526.5	536.5	550.3	574.5
Total	879.4	838.0	825.9	839.7	837.5	872.7	914.4

*This data excludes staff employed on a casual/sessional basis. Figures may not add exactly to the total FTE due to rounding.

Academic Staff

Nominal FTE	2014	2015	2016	2017	2018	2019	2020
Above Senior Lecturer	68.6	77.1	73.0	75.3	78.1	80.3	85.5
Senior Lecturer	79.0	80.2	84.0	82.8	83.2	94.3	103.0
Lecturer	142.0	122.4	118.9	123.9	114.4	119.4	111.2
Below Lecturer	36.4	39.3	34.9	31.2	25.2	28.4	40.2
Total	326.0	319.0	310.7	313.2	301.0	322.4	339.8

Above senior lecturer = Levels D, E (plus VC and DVC)

Senior lecturer = Level C

Lecturer = Level B

Below lecturer = Level A

Professional Staff

Nominal FTE	2014	2015	2016	2017	2018	2019	2020
HEW 1	7.0	8.0	7.8	7.6	1.0	15.7	2.0
HEW 2	3.5	2.0	0.5	1.0	0.5		1.0
HEW 3	16.8	17.4	12.1	12.4	19.5	13.3	12.8
HEW 4	139.0	124.4	117.4	118.2	118.9	126.5	136.0
HEW 5	142.3	133.9	132.7	129.1	140.1	139.8	143.6
HEW 6	89.7	79.1	89.2	97.6	94.9	97.2	104.2
HEW 7	85.0	88.5	89.7	92.9	93.9	85.5	95.9
HEW 8	32.6	27.0	31.0	30.2	36.2	39.9	44.0
HEW 9	10.6	13.8	12.0	12.0	9.0	9.8	14.0
HEW 10	12.0	12.0	9.0	10.0	8.5	7.6	7.0
Non-Academic Above Level 10	15.0	12.9	13.9	15.5	14.0	15.0	14.0
Total	553.4	519.0	515.2	526.5	536.5	550.3	574.5

*This data excludes staff employed on a casual/sessional basis.
Figures might not add exactly to the total FTE due to rounding.

Source: MIS Government Staff Cube – 21 April 2021

Appendix B

Executive Remuneration

Senior Executives

Band	2020		2019	
	Female	Male	Female	Male
Band 1 (Executive)	1	1		
Band 2 (Executive)	1	1	1	2
Band 3 (Executive)	1	2	1	3
Band 4 (Executive)				
Above Band 4 (Executive)		1		1
Totals	3	5	2	6
	8		8	

Band	Range \$	Average remuneration	
		2020 \$	2019 \$
Band 1 (Executive)	\$192,600 to \$274,700	\$255,400	0
Band 2 (Executive)	\$274,701 to \$345,550	\$329,900	\$316,300
Band 3 (Executive)	\$345,551 to \$487,050	\$370,600	\$378,825
Band 4 (Executive)	\$487,051 to \$562,650	0	0
Above Band 4 (Executive)	Over \$562,651	\$675,600	\$733,600

In 2020, 1.76% of the Southern Cross University's employee-related expenditure was related to senior executives, compared to 2.03% in 2019.

Appendix C

Frequency of meetings and members' attendance at meetings

Council 2020

	20 Feb	8 Apr	4 Jun	18 Jun	26 Aug	10 Sept	26 Nov	
B Boyd	✓	✓	✓	✓	✓	Not applicable		Term concluded 9 Sept 2020
N Burton Taylor	✓	✓	✓	✓	✓	✓	✓	
T Carlin	Not applicable						✓	Term commenced 28 Sept 2020
A Curtin	✓		✓	✓	✓	✓	✓	
M d'Almeida	✓	✓	✓	✓	✓	✓	✓	
J Granger	✓	✓	✓	✓	✓	✓		
R Joannes-Boyau	Not applicable					✓	✓	Term commenced 10 Sept 2020
M Jones	✓	✓	✓		✓	Not applicable		Term concluded 9 Sept 2020
G Lancaster	✓	✓	✓	✓	✓	✓	✓	
S Noble	✓	✓	✓		✓	✓	✓	
L O'Grady	✓	✓	✓	✓	✓	✓	✓	
A Pelizzon	Not applicable					✓	✓	Term commenced 10 Sept 2020
A Rose	✓	✓	✓	✓	✓	✓	✓	
J Rourke	✓	✓	✓		✓	✓		
A Shoemaker	✓	✓	✓	✓	✓	✓	N/A	Term concluded 26 Sept 2020
G Wayne	Not applicable					✓	✓	Term commenced 10 Sept 2020
A Wessell	✓	✓	✓	✓	✓	Not applicable		Term concluded 9 Sept 2020

Legend

Attended meeting	✓
Absent from meeting	

GIPA Statistics

Statistical information about access applications – Clause 8(d) and Schedule 2

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media								
Members of Parliament								
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)								
Members of the public (other)		2		2				

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*								
Access applications (other than personal information applications)								
Access applications that are partly personal information applications and partly other		2		2				

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

Table C: Invalid applications

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

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

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

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	2
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	2

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

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*		0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

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

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

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

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

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

Appendix E

Financial Compliance

Investment Performance

The University held investment funds (excluding cash at bank and on hand) of \$43 million as at 31 December 2020, with the maturity period of 184 days or less.

The average rate of return on term deposits is shown below in comparison to the TCorp Cash Hourglass Facility.

Cash Investments	0.88%
TCorp Hourglass Facility - Cash	0.80%

As investments are held as interest bearing deposits and on-call bank deposits the only impact of economic events has been on the future earning potential due to lower interest rates, with no impact on the invested values.

Payment of Accounts

The University's payment terms in respect of its creditors are 30 days. In 2020, 59 per cent of invoices were paid in accordance with these terms. Interest of \$0 was incurred during 2020.

Aged analysis at the end of each quarter

Quarter	Mar-20 \$	Jun-20 \$	Sep-20 \$	Dec-20 \$
Current	599,679	968,566	1,036,850	37,172
Between 30-60 days	129,823	156,053	192,893	8,842
Between 60-90 days	15,444	27,295	1,889	142
Over 90 days	44,825	9,258	21,693	-
Total	789,771	1,161,163	1,253,325	46,156

Accounts paid within each quarter

Measure	Mar-20 \$	Jun-20 \$	Sep-20 \$	Dec-20 \$	Annual
Number of accounts paid	911	866	703	778	1,723
Number of invoices paid on time	1,210	3,088	2,444	2,179	8,921
Actual percentage of invoices paid on time (based on number of invoices)	32%	58%	78%	76%	59%
Number of payments for interest of overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-
Total number of invoices paid	3755	5334	3128	2881	15098

Overseas Travel

The University spent \$356,216 on a variety of overseas visits in 2020 (\$1.75 million in 2019) for the purposes of promotion and marketing of the University and specific programs, visits to overseas partners and the development of new partner relationships, the attendance and presentation of research papers at international conferences, and research and teaching at affiliated universities.

Consultants

The University engaged a range of consultants to provide recommendations or high level specialist or professional advice to assist in decision making by management. Table 1 lists the consultancies that were engaged by the University and the fees paid for their services during the year ended 31 December 2020. Table 2 lists those consultants costing greater than \$50,000.

Table 1: Consultancies costing less than \$50,000

Consultancy	No.	Amount \$'000
Financial Services	1	43
Management Services	2	76
Organisation Review	4	98
Marketing & Communications	1	27
Total Consultancies costing less than \$50,000		244

Table 2: Consultancies costing more an \$50,000

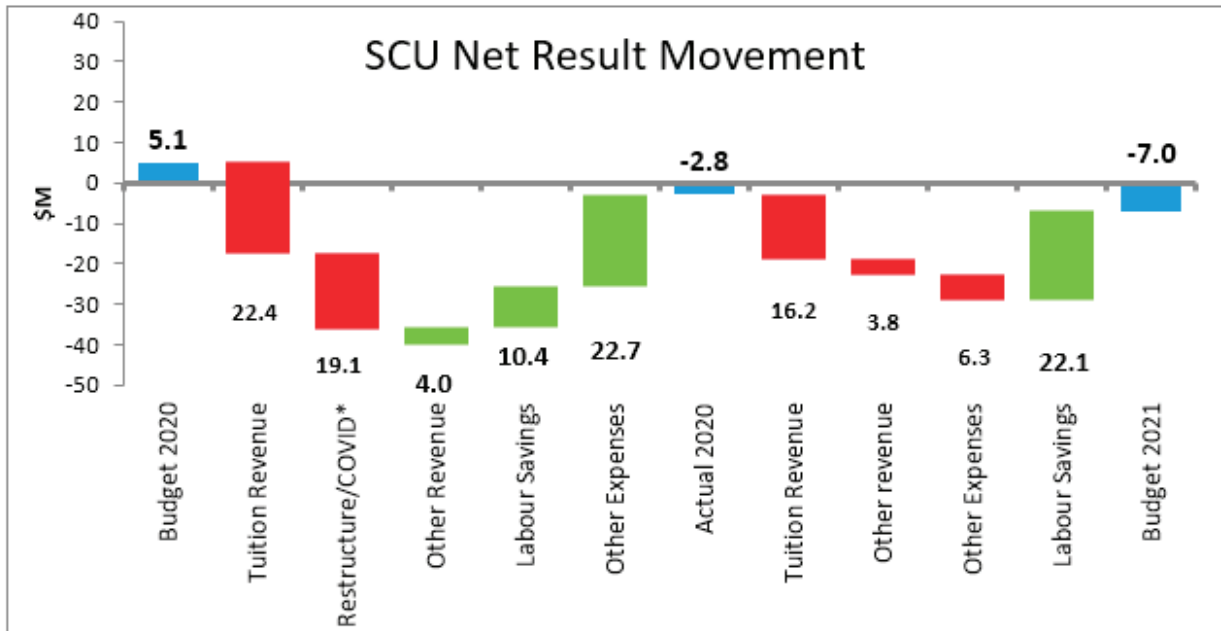
Consultant Name	Description	Amount \$'000
KPMG Financial Advisory Services (Australia) Pty Ltd	Treasury Strategy and Assessment	105
Lilyfield Partners	Strategy consultancy services	855
Deloitte Toche Tohmastu Marketing	Marketing and media assurance services	75
Total Consultancies costing more than \$50,000		1,035

Appendix F

Southern Cross University
ABN 41 995 651 524

Budget and Actual Performance (Parent entity only)

Southern Cross University	Budget	Actual	Budget
Statement of Comprehensive Income	2020 \$'000	2020 \$'000	2021 \$'000
Income from Continuing Operations			
Australian Government Financial Assistance			
Australian Government Grants	104,254	103,751	110,520
HELP - Australian Government Payments	71,390	73,261	71,346
State & Local Government Payments	2,135	1,712	2,049
HECS-HELP - Student Payments	2,273	2,515	2,100
Fees & Charges	108,196	84,633	63,610
Investment Income	612	4,203	118
Royalties, trademarks & licences	830	951	916
Consultancy & contracts	7,700	7,782	7,172
Other revenue	12,251	12,254	13,402
Gain on Disposal of assets	0	224	0
Total Income from Continuing Operations	309,641	291,286	271,233
Expenses from continuing operations			
Employee related expenses	157,582	166,324	144,182
Depreciation & Amortisation	16,654	17,046	16,808
Repairs & Maintenance	4,477	4,419	3,241
Borrowing Costs	1,350	1,727	1,828
Impairment of assets	1,484	5,026	4,205
Losses on Disposal of assets	100	0	100
Other Expenses	122,863	99,524	107,882
Total expenses from continuing operations	304,510	294,066	278,246
Net Result from Continuing Operations	5,131	-2,780	-7,012



* Restructure/COVID costs relate to staff restructure costs as part of Transform SCU initiative, and abnormal leave provision movements due to community travel restrictions & higher tuition bad debt provision

Net savings in Labour and Other costs from Budget 2020 position of \$48.9M a result of managements actions to offset the impact of COVID related impacts to Tuition.

Southern Cross University
Annual Report 2020

scu.edu.au

Production costs: \$2,600

Locations

Lismore campus
Military Road
East Lismore NSW 2480

Coffs Harbour campus
Hogbin Drive
Coffs Harbour NSW 2450

Gold Coast campus
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Bilinga QLD 4225

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