

# 2004 Annual Report

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26 April 2005

The Hon. Carmel Tebbutt MLC  
Minister for Education and Training  
Parliament House  
SYDNEY NSW 2000

Dear Minister

The Council of Southern Cross University presents the report of proceedings of the University and audited financial statements for the year ended 31 December 2004.

The report and financial statements have been prepared and approved in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983.

Yours sincerely



The Honourable John Dowd AO QC  
Chancellor  
Southern Cross University



Professor Paul Clark  
Vice-Chancellor & President  
Southern Cross University

# Vice-Chancellor's message

## A year of transition



Southern Cross University (SCU) commenced operations as an autonomous institution in 1994, so the year 2004 presented an opportunity to celebrate the University's tenth anniversary. The celebrations included an ecumenical service and an evening concert at which the University awarded an Honorary Doctorate to the NSW Governor Professor Marie Bashir. The high level of community support for the University demonstrated by the attendance and participation in the celebrations was especially gratifying.

The progressive implementation in 2004 of the provisions of the Higher Education Support Act 2003 enabled the University to bid for additional Commonwealth supported places to meet burgeoning student demand, especially at the Coffs Harbour and Tweed Gold Coast campuses. The bid was successful, with an additional 295 student places allocated in 2005. The relatively late notification of these new places necessitated a major marketing thrust, which augmented the University's regular marketing strategy. The continued growth in enrolments of both Australian and international students at the Tweed Gold Coast Campus was higher than expected, and the University submitted a bid for funding in 2007 from the Capital Development Pool. An initial allocation of \$2m was notified late in the year, which enabled the University to proceed to detailed planning.

The significant administrative changes required to meet the new Australian Government funding requirements were made in a timely fashion, and the University formally signed the 2005 Funding Agreement with the Commonwealth in October. The Agreement includes a detailed specification of the student load required to be delivered in twelve defined funding clusters, which is a level of enrolment precision not previously imposed on universities.

The University takes a significant proportion of its students from regions of low socio-economic standing, and in May

2004, Council determined that it would not impose any surcharge on students' Higher Education Contribution for 2005.

Research took another leap forward with the announcement of funding for three new Cooperative Research Centres in which the University is a core participant. In two cases, the CRC for National Plant Biosecurity and the CRC for Contamination Assessment and Remediation of the Environment, the University is the Education Program Leader in addition to its role as a research provider.

The University also established the Aged Services Learning and Research Centre, based at the Coffs Harbour campus, to focus on the needs of a coastal region experiencing an influx of retirees. Given that the sea-change phenomenon is worldwide, the Centre's work will have wide application.

The University's offshore academic programs have continued to expand. This is particularly pleasing in light of the appreciating Australian dollar and the increasing or new recruitment activities of countries in our region.

A number of new initiatives occurred in 2004 which will have long term implications. Following widespread consultation in 2003 the Leadership and Management Development Strategy was endorsed by Executive. The program addresses the needs of staff at all levels in the University. An external review of the functionality of the University's administrative and support functions was commissioned. And a planning group was established to update the University's ten strategic directions and review the overall priorities in light of the rapid change in the University's external environment. The consultation process associated with this review will occupy the first half of 2005.

During the year the University appointed its third Vice-Chancellor and farewellled the previous incumbent, Professor John Rickard, who took up the position of Vice-Chancellor at Central Queensland University.

Southern Cross University has successfully met all of the challenges asked of it in this year of transition. The University is well placed to seize the opportunities that will arise in 2005 as its standing and recognition continue to grow.



Professor Paul Clark  
Vice-Chancellor, Southern Cross University

# Charter



*Southern Cross University provides opportunities for high quality university education with a strong student focus.*

After commencing operation first as the Lismore Teachers' College, then as the Northern Rivers College of Advanced Education, Southern Cross University (SCU) operated as a campus of the University of New England between July 1989 and December 1993.

Today, SCU is constituted under the 'Southern Cross University Act 1993' and operates under the legislature of New South Wales.

The main functions of the University as set out in the Act are:

- The provision of educational facilities of university standard, having particular regard to the needs of the North Coast region of the State
- The preservation, extension and dissemination of knowledge through scholarship, research, creative works, consultancy and internal and external teaching
- The conferring of the Degrees of Bachelor, Master, and Doctor, and the awarding of diplomas, certificates and awards

# Strategic directions

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## Vision

Southern Cross University aims to be a dynamic learning community recognised for distinctive achievements in teaching and research, and for playing a leading role in supporting regional development with an international presence.

## Mission

Southern Cross University provides opportunities for high quality university education with a strong student focus. Our programs are innovative, linked to targeted research and the needs of our partners in industry and the professions. Our research is regionally valued and internationally significant. Southern Cross University enhances the cultural, social, economic and intellectual development of its region.

## Commitments

Southern Cross University is committed to:

- Applying the values of honesty, civility, creativity, teamwork and courage
- Pursuing the highest standards in learning, teaching and research
- Enhancing the natural qualities, social cohesion and knowledge base of the University's distinctive region in eastern Australia
- Promoting equity and cultural diversity with a particular focus on the region's Indigenous peoples
- Contributing to an ethical, enterprising and caring society
- Ensuring that Southern Cross University graduates have the professional knowledge and skills to contribute productively to their chosen vocations in a global community, and the intellectual values to strive for reform
- Developing national and international partnerships for mutual benefit and strategic achievement
- Pursuing and responding to new challenges with resourcefulness and by expanding our resource flexibility to achieve greater self-reliance
- Striving for continuous improvement through systematic performance evaluation.

## Priorities

In pursuing our mission, the University sets itself the following major priorities for the years 2002 to 2005:

- Focus our research efforts, increase research productivity, promote our research profile, and increase the number of our postgraduate research students.
- Continue to improve the quality of learning and teaching.
- Improve university learning opportunities for regional students through our different campuses as part of one University, and address regional needs through collaboration with other educational providers and regional organisations.
- Maintain a balance of on-campus and flexible learning programs, stimulate greater independence of learning for students as part of lifelong learning, and further develop flexible learning initiatives that are attuned to the needs of our students and strategic partners.
- Further develop distinctive programs relevant to the needs of the University's region in eastern Australia and our global location in the Asia/Pacific region.
- Internationalise our programs and focus our overseas activities for the benefit of students, staff and our regional community.
- Strategically focus our entrepreneurial activities, extend and diversify our income and resource base, and seek multiple benefits from any investment of time and resources.
- Continue to improve the quality of university experience for our students, the quality of university life for our staff, and the quality of our management processes.
- Enhance the leadership potential and performance of our staff through strategic staffing support and development, and provide widespread recognition of the value of the work of all staff in the University.
- Promote the image of the University and awareness of its programs and achievements in Australia and overseas.

# Campuses



*Lismore*

*Coffs Harbour*

*Tweed Gold Coast*

Southern Cross University has campuses at three locations in the tourism belt of northern New South Wales, servicing some of the fastest growing communities in NSW and Queensland. Each of the campuses is linked electronically for coursework and research purposes.

## **Lismore**

Students love the lush and tranquil setting of the Lismore campus. Although located near the edge of rainforests and world heritage parks, Lismore is only 25 minutes drive from the sea and just over two hours drive from Brisbane. With a population of more than 40,000, it is the North Coast's regional economic and business hub, and has established itself as the heartland of the region's arts and entertainment industries.

The Lismore campus houses the majority of the University's academic and research units, administers most external courses, and is the base for the University's electronic information services and library, which service all three campuses.

Most essential facilities and services are available on-campus at Lismore including three residential colleges that provide accommodation. Lismore is easily accessible to students from across the country, with a regional airport located just a few minutes drive from the campus.

## **Tweed Gold Coast**

The multi-million dollar Tweed Gold Coast campus, on the NSW-Queensland border, incorporates the latest educational delivery technology within a strikingly modern facility.

The campus is located close to beaches, business facilities, an international standard airport, registered clubs as well as food and entertainment venues.

The Tweed Gold Coast campus provides a high technology learning environment and is set to double in size over the coming year. Initially, its on-campus courses focused largely on business, in response to local demand, however the range of quality programs offered at this campus has expanded

rapidly to include Tourism Management, Sport Management, Human Resource Management and Secondary Education.

Many postgraduate business programs are also located at this campus, which has earned an international reputation for innovation and flexibility. These programs attract many overseas as well as Australian students seeking international standard qualifications.

University staff regularly assist new students in locating appropriate residential accommodation nearby and the campus is well-served by local bus companies.

## **Coffs Harbour**

Students at the University's Coffs Harbour campus are enrolled in a number of prestigious degree programs – from the award-winning Tourism Management courses to ground-breaking programs in Technology Education, Nursing, Arts, Information Technology, Business, Social Science, Psychology and Human Services.

Visitors to the campus are immediately impressed by its expansive, modern design, which is further enhanced by its colourful, contemporary architecture and panoramic views. Newly constructed accommodation is located just a few hundred metres from the on-campus teaching areas and provides a relaxing environment for students.

Sub-tropical forests, banana plantations and a thriving tourism industry support Coffs Harbour's 60,000 residents. Sydney can be reached in one hour by air services from the city's international standard airport.

The University's Marine Science students and researchers have access to the nearby \$12 million National Marine Science Research Centre, which is located just three kilometres north of Coffs Harbour and the Solitary Islands Marine Park. This facility is jointly operated by Southern Cross University and the University of New England.

# Flexible learning options



*In 2004, the Tweed Gold Coast Library and the Teaching and Learning Centre were invited to participate in a national database*

Southern Cross University is committed to providing flexible options for its students and enhancing all aspects of student life. Admission to the University is flexible, and takes into account the wide range of study and work experience that students bring.

About half of the University's undergraduate programs are offered in external or mixed internal/external mode. Students can also select to study full or part time, depending on their work and family responsibilities.

To support all students studying internally or externally, the University offers students access to an online environment. This portal – 'MySCU' – provides students with access to extensive resources ranging from library search facilities and course timetables to online training and information about student support services such as counselling. It also offers secure, personal access to online sites relevant to each student's area of study.

The University Library provides an extensive range of online resources, and incorporates a distance education service providing resources and assistance to students in a timely manner. Through its participation with the University Library Australia, Southern Cross University is able to offer students access to other university libraries. The Library's website is the gateway to many online resources including electronic books and journals, past exam papers, subject guides and interactive self-paced information literacy tutorials.

The University's Teaching and Learning Centre supports academic staff in establishing suitable curriculum for flexible learning, and has developed a guide to flexible teaching for quality learning – 'Pathways to Good Practice' – which is provided to all University staff.

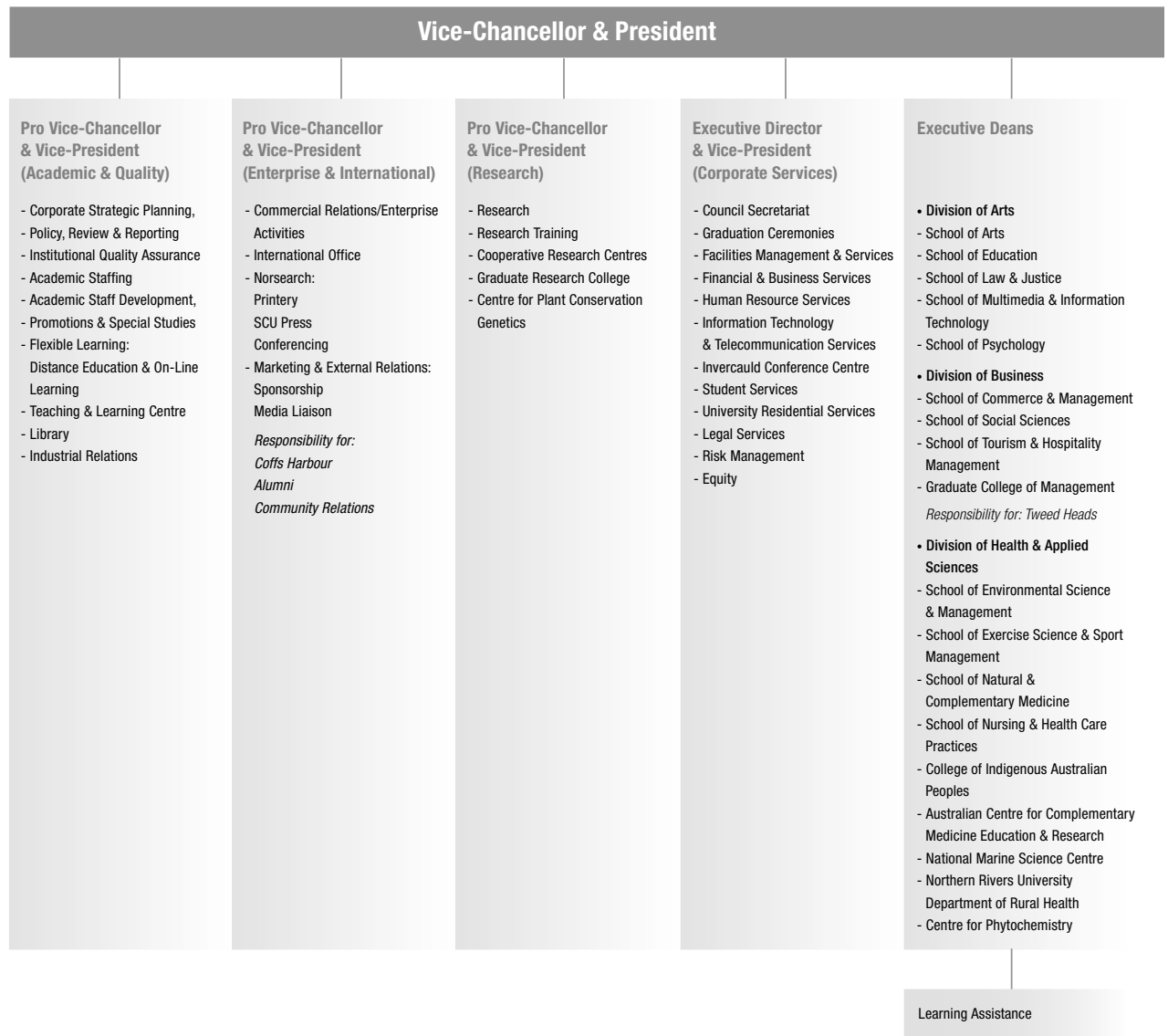
In 2004, both the Tweed Gold Coast Library and Teaching and Learning Centre were invited to participate in a national database of good practice.

The University also received national recognition for its work in support of flexible learning through the Australian Universities' Quality Audit report which commended initiatives such as MySCU, the Teaching and Learning Centre and electronic library.

In order to enhance delivery of its flexible learning options, the University has developed online and telephone administration and student support services across each of its campuses. Students are able to enrol on the Internet, access telephone counselling and seek learning support on line in areas such as academic research, reading, writing and critical learning. These support services are provided through the University's Learning Assistance Unit.



# Management functions and structure



## University Council

Council is the governing authority of the University and is responsible for the control and management of the affairs and concerns of the University. Its powers, duties and authorities are prescribed by the Southern Cross University Act 1993. There are six ordinary meetings of Council held each year and, except when confidential items are being considered, meetings are open to members of the University. In 2004, meetings were held on 20 February, 2 April, 21 May, 23 July, 24 September and 19 November.

## Members of the University Council during 2004

Under the terms of the Southern Cross University Act 1993, Council is to consist of the Chancellor (elected by Council, whether or not a member of the Council), Deputy Chancellor (elected from amongst the Council members), Vice-Chancellor, Chair of Academic Board, two parliamentary members, eight members appointed by the State Minister for Education and Training (including two graduates of the University), one person appointed by Council who is neither a student nor a member of staff of the University, two members elected by the academic staff, one member elected by the non-academic staff, and one member elected by the students.

## Official Members

(For the terms of the respective offices)

### Chancellor and Chair of Council

The Honourable John Robert Arthur Dowd AO QC, LLB(Syd)  
(Chancellor for four-year term to 26 September, 2006)

Meetings of Council attended: 6/6

### Deputy Chancellor and Deputy Chair of Council

Mary Elizabeth Rummery AM  
(Deputy Chancellor for two-year term to 27 September, 2004; re-elected for a further term to 2 September, 2006)

Meetings of Council attended: 4/6

### Vice-Chancellor and President

Professor John Anthony Rickard BSc, PhD(Lond), CMath, FIMA, FAIM, FANZAM

(Resigned 30 July, 2004)

Meetings of Council attended: 4/4

### Vice-Chancellor and President

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

(Appointed 30 August, 2004)

Meetings of Council attended: 2/2

### Chair of Academic Board

Associate Professor Roger Bronks DipT, DipPE(Cardiff), MSc, PhD(Oregon), FASMF

(Two-year term to February, 2005)

Meetings of Council attended: 5/6

### Parliamentary Members

(Hold office until replaced by election in Legislative Assembly and Legislative Council)

### Parliamentary Member, Legislative Council

The Honourable Peter Breen MLC  
Meetings of Council attended: 4/6

### Parliamentary Member, Legislative Assembly

Neville Newell MLA

Meetings of Council attended: 4/6

## Members Appointed by the State

### Minister for Education and Training

Neil Duncan Black BScAgr(Syd), DipEd(Tech)(SCAE), HortCert(Hons)(SydTC)  
(Four-year term to 2 September, 2006)

Meetings of Council attended: 4/6

Warren Albert Grimshaw AM, BBus(NSWIT), ASTC  
(Four-year term to 2 September, 2006)

Meetings of Council attended: 5/6

Irene Harrington  
(Term of office to 2 September, 2006)

Meetings of Council attended: 6/6

Judith Madeline Reid BLegS(Macq)  
(Four-year term to 2 September, 2006)

Meetings of Council attended: 3/6

Trevor Stanley Wilson BSc(Griff)  
(Four-year term to 2 September, 2006)

Meetings of Council attended: 6/6

## One Member Elected by Council

John Reynolds BSc(Hons)(Sheff), DipEd(Camb)  
(Three-year term to 21 February, 2006)  
(resigned February, 2004)

Meetings of Council attended: 0/1

Kevin J McGregor BEc(NE), FCA  
(Two-year term to 1 July, 2006)

Meetings of Council attended: 2/2

## Two Graduates of the University

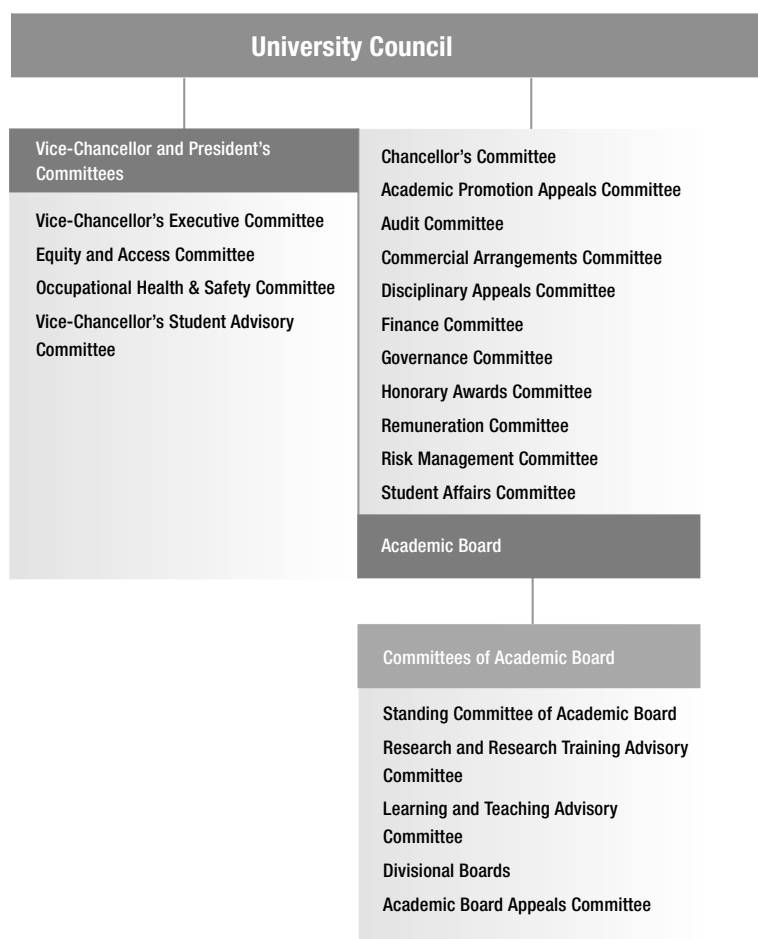
David Vincent Cody MB BS(Syd), PhD, FRACP, FACC, FAFRM  
(Four-year term to 7 September, 2004; re-appointed 18 November 2004 for a four-year term to 18 November, 2008)

Meetings of Council attended: 4/5

Elizabeth Trevan BEM, GradDipHealthSc(QUT), MBA(SCU)  
(Term of office from 28 October 2003 to 8 September, 2004; re-appointed 18 November 2004 for a four-year term to 18 November, 2008)

Meetings of Council attended: 5/5

## Council, Boards and Major Committees



## Elected Members

### Members of the Academic Staff:

Associate Professor Sharon Parry  
BBSoc, DipEd, PhD(LaT)  
(Two-year term to 9 September, 2004; re-elected two-year term to 9 September, 2006)

Meetings of Council attended: 6/6

Associate Professor Stephan Schnierer  
MSc(Qld)

(term of office to 9 September, 2004)

Meetings of Council attended: 4/4

Michael Whelan BAgrSc(Qld), MSc  
(Two-year term to 9 September, 2006)

Meetings of Council attended: 2/2

### Member of the Non-Academic Staff

Robyn Louise Anderson BBus(NRCAE)  
(Two-year term to 9 September, 2004)

Meetings of Council attended: 4/4

Toni Ledgerwood

(Two-year term to 9 September, 2006)

Meetings of Council attended: 2/2

### Students of the University

Cai Jing

(Two-year term to 9 September, 2004)

(Resigned April 2004)

Meetings of Council attended: 0/2

Soenke Biermann

(Casual vacancy appointment 21 May, 2004 to 9 September, 2004)

Meetings of Council attended: 1/1

Neville Neal

(Two-year term to 9 September, 2006)

Meetings of Council attended: 2/2

### Council Secretary

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

## Boards and Committees

Under the Act, Council has the power to delegate functions to an authorised person or persons and a number of boards and committees have been established to deal with specific areas of University business.

### Committees of Council

Chancellor's Committee

Academic Board

- Standing Committee of Academic Board
- Research and Research Training Advisory Committee

- Learning and Teaching Advisory Committee
- Divisional Boards
- Academic Board Appeals Committee
- Academic Promotion Appeals Committee
- Audit Committee
- Commercial Arrangements Committee
- Disciplinary Appeals Committee
- Finance Committee
- Governance Committee
- Honorary Awards Committee
- Remuneration Committee
- Risk Management Committee
- Student Affairs Committee

### Chancellor's Committee

This Committee is the executive committee of Council and meets between Council meetings to deal with matters of an urgent nature. The Minutes of Chancellor's Committee meetings are forwarded to the next Council meeting. The Chancellor's Committee met 13 times in 2004.

- Chancellor (Chair): The Honourable J. Dowd AO QC
- Deputy Chancellor: Mrs M.E. Rummery AM
- Vice-Chancellor and President: Professor J.A. Rickard (resigned 30 July, 2004)
- Vice-Chancellor and President: Professor P.E. Clark (appointed 30 August, 2004)
- Chair, Academic Board: Associate Professor R. Bronks

### Academic Board

The Academic Board is constituted under the Southern Cross University Act 1993 and By-laws of the University. Its primary functions are to advise the University Council and the Vice-Chancellor and President on all academic matters, including the formulation of policies and advice on the academic structure and academic development of the University and any matter relating to the University's teaching, learning, research or other academic activity. The Academic Board met six times in 2004.

### Chair

- Associate Professor R. Bronks DipT, DipPE(Cardiff), MSc, PhD(Oregon), FASMF

### Deputy Chair

- Associate Professor W.E. Boyd BSc(StAnd), PhD(Glas)

### Associate Chairs

- Associate Professor M.A. Wallace BA(Hons)(Syd), DipEd(William Balmain College), MEd(NE), PhD(Deakin)
- Associate Professor R.P. Weatherby BPharm(Hons), MSc, PhD(Syd)

### Members

- Professor V.J. Atkinson BA(Canb), PhD(QUT)
- D. Arthur BHLthSc(Hons)(NE), PhD(SCU)
- Professor P.R. Baverstock BSc(Hons), DSc(Adel), PhD(WAust)
- U. Bay BSW, MSW (Melb) (from May 2004)
- Professor R.W. Braithwaite BSc(UQ), MSc(UQ), PhD(Monash) (to July 2004)
- Professor P.E. Clark BSc(Hons), PhD(Exe), DipEd(Tert)(Monash), FAIP, FIICA (appointed 30 August 2004)
- Associate Professor J.A. Davis DipPEd(Melb), GradDip(FineArt)(PIT), MA(FineArts) (from March 2004)
- K. Davis DipNeurosurgical/ NeurologicalNursing(Macq), BSc(Macq), GradDipEd(SCAE), MSc(Hons)(UWSH), PhD(UWSH) (from April 2004)
- Professor A.C.B. Delves BSc(Hons), DipEd(Bath), PhD(Hull)
- Associate Professor N.M. Douglas BA, PhD(Qld) (from July 2004)
- R. Dowell GradDipOD(RMIT), AssocDipPersAdmin(PrahranCAE), MBus(VUT) (from November 2004)
- J.W. Fitzgerald BMus, BA(Qld), PhD, AMusA
- C.D. Game RN, RM, DipNEd(CNA), MEdStud(Monash), FRCNA, FCN (to August 2004)

- Associate Professor S.B. Garkawe BSc(Melb), LLB(Monash), LLM(Lond) (to June 2004)
- Professor J.M. Graham DipOT(NSWCollOccTher), MSc(Brad)
- C.B. Grant MEd(NE), BA(UNSW), DipEd(Syd)
- T. Gruner MSc(Chem)(Philippis), DipT(PNTC), PhD(Lincoln), Dip(Natural Therapies)(SPCNT) (from April 2004)
- R.H. Harris BA, LLB(ANU), DipEd(Syd), LLM(QUT) (to March 2004)
- Associate Professor P.L. Harrison BSc(Hons), PhD(JamesCook)
- Associate Professor S Hase RN AssocDipNursEd(CCHS), GradDipPsych(Tas), MA(Hons)(NE), PhD(SCU)
- Professor P.M. Hayden BA, MEd(Monash), PhD(Melb)
- Associate Professor J.S.P. Hobson BSc(Hons)(OxfordPoly), MSc(Mass), PhD(SCU)
- I.B. Howden BComm(Melb) (to April 2004)
- Professor J. Jackson BCom(UNSW), LLB(UNSW), GradDipEd(Tert)DDIAE, LLM(Hons), PhD(Syd) (from March 2004)
- B. Kean BADipEd(Macq), GradDipEdStud(NepeanCAE), MA(Macq), PhD(SCU)
- L. Kelly BA(UNSW), LLB(UNSW) (from May 2004)
- V.M. King RN, RM, BA(Melb), BHA, MNA(UNSW) (to March 2004)
- Professor L.Z. Klich BEd(Hons)(Nott), PhD(NE)
- E.A. Lewis AssocDegHlthSc(NE)
- M.H. Marshall BA(CCAE), MBA(CQU), CPA
- K. Martin
- P. Miller BBus(UTS), MBus(NE), PhD(SCU) (from April 2004)
- G. Moloney DipT(Well) BA(Hons), PhD(Murdoch) (from March 2004)
- T. Mosley (to August, 2004)
- Professor S. Murugesan BE(Hons)(Madr), MTech(I.I.T Madras), PhD(I.I.Sc.)
- N. Neal (from August 2004)
- D. Newell
- P.J. Orrock RN, ND, DBM, DipOsteopathy
- Associate Professor S. Parry BBS, DipEd, PhD(LaT)
- J. Phillips BCom, GradDipAppSci (InstrDes&Tech) CA (from April 2004)
- A.M. Ransome BA(Hons)(Qld), DipLib(UNSW), MA (Canb), ALIA
- L. Rennie (from August 2004)
- Professor J.A. Rickard BSc(Hons), PhD(Lond), CMath, FIMA, FAIM, FANZAM (to July 2004)
- S. Rixon (from July 2004)
- S. Rowe BBus(NRCAE), MA(SA) (from April 2004)
- Professor L.K. Savery MSc(Aston), PhD(W.Aust)
- Associate Professor S. Schnierer MSc(Qld)
- Associate Professor R.H.K. Sloan MCom, DipEd, PhD(UNSW), AAIBF(Snr) (to April 2004)
- Professor P. Thom MA(Syd), BPhil(Oxon), FAHA
- R. Tiffen (to July 2004)
- Wessell BA(Hons), PhD(UNSW)
- B.A. Wilks BSc(Hons)(ANU), MSc(Qld)
- M. Wiley
- Professor P.H. Wilson BA(Hons), PhD(UNSW)
- J. Xu BEng(University of Petroleum and Chemical Technology, China), MBA, PhD(Curtin) (from April 2004).

#### **Academic Board Appeals Committee**

This Committee is a standing committee of the Academic Board for matters relating to student appeals, apart from those of students enrolled in research degrees.

#### **Academic Promotion Appeals Committee**

This Committee considers and determines on an appeal against an academic promotion. It consists of the Chair, The Honourable J. Dowd AO QC, a member from an external university and a National Tertiary Education Industry Union NTEU nominee.

#### **Audit Committee**

This Committee has the primary objective of assisting Council to fulfil its responsibilities relating to the accounting and reporting practices of Southern Cross University. The Audit Committee met four times in 2004.

- Deputy Chancellor (Chair): Mrs M.E. Rummery AM
- Three members of Council: The Honourable J. Dowd AO QC, Dr D.V. Cody, Mr T.S. Wilson.

#### **Commercial Arrangements Committee**

The structure/membership of the Commercial Arrangements Committee reflects the membership of the Chancellor's Committee:

- Chancellor (Chair): The Honourable J. Dowd AO QC
- Deputy Chancellor: Mrs M.E. Rummery AM
- Vice-Chancellor and President: Professor J.A. Rickard (resigned July, 2004)
- Vice-Chancellor and President: Professor P.E. Clark (appointed August, 2004)
- Chair, Academic Board: Associate Professor R. Bronks
- An external member of Council who preferably has business experience.

The terms of reference of the Commercial Arrangements Committee are to be determined by the Committee. The Commercial Arrangements Committee meets between Council meetings, and only considers proposals where timing is of the essence. The Committee did not meet in 2004.

### **Disciplinary Appeals Committee**

The Disciplinary Appeals Committee is an ad hoc committee of Council. Its function is to hear and determine any matter referred to it under the by-laws and related to disciplinary matters. Membership consists of:

- One member of Council (Chair): Dr D.V. Cody
- Four other members of Council, as relevant to the nature of the appeal.

### **Divisional Boards**

The Divisional Board is the principal advisory committee of the Academic Board on academic matters within a Division. It provides a forum for the discussion and debate of the academic directions of the Division, as well as the quality of its academic programs.

The Board may consider any matter relating to the Division's teaching, learning, research or other academic activity, and advise the Academic Board accordingly. In providing this advice, it has particular regard to issues of academic accountability and quality assurance, and to University plans.

### **Finance Committee**

This Committee was established to oversee the capital, financial and budgetary arrangements of the University. The Finance Committee met six times in 2004. Memberships consists of:

- Chancellor (Chair): The Honourable J. Dowd AO QC
- Deputy Chancellor: Mrs M.E. Rummery AM
- Vice-Chancellor and President: Professor J.A. Rickard (resigned July, 2004)
- Vice-Chancellor and President: Professor P.E. Clark (appointed August, 2004)
- Two external members of Council: Mr W.A. Grimshaw AM, Mrs E.A. Trevan BEM
- Chair, Academic Board: Associate Professor R. Bronks

- Staff member on Council: Associate Professor S. Schnierer (to September, 2004)

- Mr M. Whelan (from November, 2004).

### **Honorary Awards Committee**

This Committee advises, and makes recommendations as appropriate, on matters concerning the conferring and awarding of honorary degrees and honorary titles. The Committee met three times in 2004. Memberships consists of:

- Chancellor (Chair): The Honourable J. Dowd AO QC
- Deputy Chancellor: Mrs M.E. Rummery AM
- Vice-Chancellor and President: Professor J.A. Rickard (resigned July, 2004)
- Vice-Chancellor and President: Professor P.E. Clark (appointed August, 2004)
- Chair, Academic Board: Associate Professor R. Bronks
- Two Pro Vice-Chancellors and Vice-Presidents nominated by the Vice-Chancellor and President.

### **Learning and Teaching Advisory Committee**

This Committee is a sub-committee of Academic Board, with responsibility for advising on matters related to management and development in teaching and learning at the University.

### **Remuneration Committee**

This Committee performs the annual performance appraisal of the Vice-Chancellor and President and determines the remuneration of the Vice-Chancellor and President. Membership consists of:

- Chancellor (Chair): The Honourable J. Dowd AO QC
- Deputy Chancellor: Mrs M.E. Rummery AM
- One external member of Council: Mr T. Wilson.

### **Research and Research Training Advisory Committee**

This committee is a sub-committee of the Academic Board and is the principal advisory committee of the Academic Board on issues of research across the University.

### **Risk Management Committee**

This Committee is responsible for ensuring the University and its controlled entities have an effective risk management system, have identified the principal strategic, operational and financial risks to which they are exposed, and that systems are in place to facilitate the effective monitoring and management of the principal risks and that timely and accurate information is presented to Council. Membership consists of:

- Three members of Council: Dr D. Cody (Chair), Ms I. Harrington and Ms J. Reid
- Two members of the University management: Mr M. Marshall and Mr P. Cordery.

### **Standing Committee of Academic Board**

The Standing Committee is the executive committee of the Academic Board and provides advice and recommendations on all matters of academic policy, planning and development, and identifies emerging academic issues. It is a source of advice and reference to Schools and Divisions in course development and review and ensures that submissions conform to the requirements of and meets the standards established by the Academic Board.

### **Student Affairs Committee**

The Student Affairs Committee deals with student matters as appropriate. The Committee met three times in 2004. Membership consists of:

- Nominee of Council (Chair): Associate Professor S. Parry
- One nominee of the Vice-Chancellor
- One nominee of the management

- One student member of Council
- Two students from Lismore Campus
- One student from Coffs Harbour Campus
- One student from Tweed Heads Campus
- One student from Port Macquarie Campus
- One post-graduate student
- One external student.

### Other Committees

Two other committees and the Tender Board also deal with University business and report through the Vice-Chancellor and President:

*The Vice-Chancellor and President's Executive Committee* deals with all higher-level management issues at the cost centre level and meets weekly.

*The Occupational Health and Safety Committee* meets monthly to investigate, discuss and make recommendations on occupational health and safety issues.

The Tender Board meets weekly to ensure that the University's policies and procedures for the acquisition of goods and services, tendering and quotations, involving amounts in excess of \$25,000, are properly applied.

### Principal Officers

#### Chancellor

The Honourable John Robert Arthur Dowd AO QC LLB(Syd)

#### Deputy Chancellor

Mary Elizabeth Rummery AM

#### Vice-Chancellor and President

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

#### Pro Vice-Chancellor and Vice-President (Research)

Professor Peter Raymond Baverstock BSc(Hons), DSc(Adel), PhD(WAust)

#### Pro Vice-Chancellor and Vice-President (Enterprise and International)

Professor Angela Christine Bailey Delves BSc(Hons), DipEd(Bath),

PhD(Hull)

#### Pro Vice-Chancellor and Vice-President (Academic and Quality)

Professor Leon Zbigniew Klich BEd(Hons)(Nott), PhD(NE)

#### Executive Dean, Division of Health and Applied Sciences

Professor Jennifer Margaret Graham DipOT(NSWCollOccTher), MSc(Brad)

#### Executive Dean, Division of Business

Professor Lawson Keith Savery MSc(Aston), PhD(WAust)

#### Executive Dean, Division of Arts

Professor Paul Thom MA(Hons)(Syd), BPhil(Oxon), FAHA

#### Executive Director and Vice-President (Corporate Services) and Council Secretary

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

### Senior Staff

#### Vice-Chancellor and President

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

#### Pro Vice-Chancellor and Vice-President (Research)

Professor P.R. Baverstock BSc(Hons), DSc(Adel), PhD(WAust)

#### Pro Vice-Chancellor and Vice-President (Enterprise and International)

Professor A.C.B. Delves BSc(Hons), DipEd(Bath), PhD(Hull)

#### Pro Vice-Chancellor and Vice-President (Academic and Quality)

Professor L.Z. Klich BEd(Hons)(Nott), PhD(NE)

#### Executive Dean, Division of Health and Applied Sciences

Professor J.M. Graham DipOT(NSWCollOccTher), MSc(Brad)

#### Executive Dean, Division of Business

Professor L.K. Savery MSc(Aston), PhD(WAust)

#### Executive Dean, Division of Arts

Professor P. Thom MA(Hons)(Syd), BPhil(Oxon), FAHA

#### Executive Director and Vice-President (Corporate Services) and Council Secretary

M.H. Marshall BA(CCAE), MBA(CQU), CPA

#### Director, College of Indigenous Australian Peoples

Professor J.J. Atkinson BA(Canb), PhD(QUT)

#### Director, Graduate College of Management

Associate Professor M. Evans BEc, MBA, PhD(Adel)

#### Head, School of Arts

Associate Professor M.F. Hannan BA, DipMusComp, PhD(Syd)

#### Head, School of Commerce and Management

Associate Professor R.H.K. Sloan MCom, DipEd, PhD(UNSW), AABF(Snr)

#### Head, School of Education

Professor P.M. Hayden BA, MEd(Monash), PhD(Melb), MACE

#### Head, School of Environmental Science and Management

Professor D.F. Gartside BSc(Hons), PhD(Melb), MEIA

#### Head, School of Exercise Science and Sport Management and Chair of Academic Board

Associate Professor R. Bronks DipT, DipPE(Cardiff), MSc, PhD(Oregon), FASMF

#### Head, School of Law

R.H. Harris BA, LLB(ANU), DipEd(Syd), LLM(QUT), Solicitor of the Supreme Court of New South Wales

#### Head, School of Multimedia and Information Technology

B.A.Wilks BSc(Hons)(ANU), MSc (Qld), MACS

#### Head, School of Natural and Complementary Medicine

P.J. Orrock RN, ND, DBM, DipOsteopathy

#### Head, School of Nursing and Health Care Practices

C.D. Game RN, RM, DipNEd(CNA), MEdStud(Monash), FRCNA, FCN

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**Head, School of Psychology**  
Professor P.H. Wilson BA(Hons),  
PhD(UNSW)

**Head, School of Social Sciences**  
Associate Professor M.A. Wallace  
BA(Hons)(Syd), DipEd(WilliamBalmain  
College), MEd(NE), PhD(Deakin)

**Head, School of Tourism and  
Hospitality Management**  
Associate Professor J.S.P. Hobson  
BSc(Hons)(OxfordPoly), MSc(Mass),  
PhD

**Director, Teaching and Learning  
Centre**  
Associate Professor S. Parry BBSoc,  
DipEd, PhD(LaT)

**Director, Centre for Plant  
Conservation Genetics**  
Professor R.J. Henry BSc(Hons)(Qld),  
MSc(Hons)(Macq), PhD(LaT), DSc(Qld),  
FRACI

**Director, Financial and Business  
Services**

S.M. Blackadder BCom(UNSW), CA

**Director, Facilities Management and  
Services**

M.J. Cooper, BMangt & Prof Studies

**Director, Human Resource Services**

P. Waters GradDipHRM(MCAE),  
GradDipFET(USQ)

**Director, Information Technology and  
Telecommunication Services**

M.R. Gillam

**Director, International Office**

F.V. Carter BCom(Melb), MBA

**Director, Marketing and External  
Relations**

S. McDonagh BBus, Grad Cert Ad  
Ed&Trng(NE), AssocDegLaw

**Director, Student Services**

C.J.R. Rallings BCom(W'gong)

**Director, University Residential  
Services**

I.A. Khan BSc(Hons), MSc(KU),  
PhD(NE)

**University Librarian**

A.M. Ransome BA(Hons)(Qld),  
DipLib(UNSW), MA(Canb), ALIA

**Equity Manager**

L. Eather BA (NSW), LLB (SCU),  
MHPEd (NSW), GradDip Legal Practice  
(NSW College of Law), AFRMIA

**Campus Manager, and Associate  
Dean, Tweed Gold Coast Campus**

Professor B. Rothwell PhD(BathUT)  
Associate Dean, Coffs Harbour  
B.A. Wilks BSc(Hons)(ANU), MSc(Qld)

# Research, learning and teaching achievements



*The University offers a hands-on, industry based contemporary music program.*

## Arts

The Division of Arts, which accounts for almost half of the students at SCU, offers courses in contemporary music, cultural studies, education, information technology, law, media studies, psychology and visual arts. The Division is committed to enriching students' lives by providing broad education relevant to the needs of the 21st century.

2004 was a year of 'firsts' for the Division, capped off with the awarding of SCU's first major external competitive award to School of Arts lecturer Dr Baden Offord in November. Dr Offord, who has convened and taught Cultural Studies in the School since 1999, was presented with the Minister for Education and Training and Australian College of Educators Quality Teaching Award for 2004. This prestigious award was presented to less than 60 selected teachers throughout Australia across all sectors of education.

## Program Development

Courses offered by the Division are constantly being reviewed and updated to ensure students are well equipped for their chosen careers.

In 2004, a committee was established to review units in the Associate Degree in Law (Paralegal Studies) to ensure students were acquiring the skills required of a paralegal. Also reviewed was the Bachelor of Technology Education, with the University's Academic Board approving a major restructure of the four-year award program.

Implementation of recommendations from course reviews for the Bachelor of Information Technology (BIT), Bachelor of Multimedia (BMM) and Associate Degree of Information Technology (ADIT) provided the opportunity for integration with the Bachelor of Arts.

Following the first intake of external graduate Bachelor of Law students, an independent survey of the compulsory five-day workshop was undertaken by the University's Teaching and Learning Centre, with outcomes implemented towards the end of 2004.

The Bachelor of Psychology (Honours) degree received full accreditation from the Australian Psychological Society (APS), while introduction of the Postgraduate Diploma of Psychology – which offers a new pathway for graduates from other degrees – welcomed the first student enrolment in 2004.

The School of Education was successful in obtaining additional funded places across all three campus; 30 places in education at Tweed Gold Coast; 25 places in combined awards with education at Lismore; and 15 places in education at Coffs Harbour.

## Innovative Initiatives

The Centre for Children and Young People (CCYP) – a unique centre promoting the wellbeing of children and young people through research, education and advocacy - was officially launched in February 2004 by the Minister for Children and Youth Affairs. The Centre's Advisory Board is chaired by Professor Judy Casmore of Sydney University and includes distinguished academics, jurists, public administrators and a medical doctor.



*The Centre for Children and Young People was officially launched at the University in 2004.*

The CCYP is focused on including the views of children and young people in any research, practice and policy development related to them. It has made a significant contribution to research in the area of children and young people, creating research and evaluation partnerships, securing four PhD scholarships, hosting conferences and seminars and submitting numerous grant applications. The Centre is committed to developing ethics guidelines for research involving children and young people as well as documented child protection and duty of care statements for staff and students working from the Centre.





*The Byron Bay Summer Law School attracted more than 100 students from 14 countries.*

Through its work with key community groups and agencies, the Centre provides vital services to children and young people and participates in inter-agency activities such as the Australian Research Alliance for Children and Youth (ARACY), ARC Network and Childwatch International Research Network. Outcomes from current research and community service activities have been incorporated into the development of a Graduate Certificate in Children's Studies. A Working Party has been established to develop the program.

The Byron Bay Summer Law School, which offers law students from across Australia and overseas access to some of the best legal minds in unusual areas of legal scholarship, was held for its seventh year in 2004. Offering units in areas such as Advanced Advocacy, Cyberlaw, Entertainment Law, Holocaust, Genocide and the Law, International Intellectual Property and Public Interest Advocacy, the school attracted more than 100 students from 14 universities around Australia and the US. Presenters included academic lecturers and practising lawyers from the US, Germany and Australia.

The Division of Arts hosted a two day conference on Veterans Law, covering areas ranging from new benefits to post traumatic stress disorder. Opened by the Minister for Children and Youth Affairs, delegates included lecturers and senior veteran affairs administrators from NSW, ACT, Victoria and Queensland.

Following a successful pilot, the Division continued its involvement in a partnership between school teachers from the Northern Rivers in NSW and Papua New Guinea. The 'Go Poroman' (Travel Friends) initiative involved primary school children exchanging toys with partner classes in the other country and was aimed at facilitating cultural understanding, literacy and information and communication technology skills.

At an event demonstrating the University's national profile within the legal profession, a portrait of internationally renowned lawyer, human rights advocate and High Court Judge, Justice Michael Kirby, was unveiled at the School of Law and Justice. Joining Justice Kirby at the event was the

portrait's artist, Judy Cassab, who is the only female to have won the coveted Archibald Prize twice.

A research thesis and four innovative coursework units were introduced as part of the Psychology Honours and Postgraduate Diploma programs in 2004. The new units were designed to support each major piece of work undertaken by Honours students. One innovative feature was the requirement for students to write theses in the form of two journal articles, helping students to learn first-hand how to prepare papers for publication and submit work to journals.

Psychology staff also worked with researchers from the University of Queensland and University of Tasmania to explore psychology teaching methods across Australia. The project was awarded funding by the former Australian Universities Teaching Committee (now the Carrick Institute).

School of Education staff were awarded an Australian Research Council (ARC) Linkage grant for 2004-2007, in partnership with the Catholic Education Office (CEO), Lismore Diocese, to develop and refine whole-school approaches to integrate Information and Communications Technology (ICT) in classroom environments. The School was also awarded an ARC Linkage grant for 2004-2007, in partnership with the CEO Melbourne, to research the effectiveness of teaching methods used in primary mathematics education.

#### **Industry and Professional Links**

University staff continued to serve on various professional associations and committees in 2004 including the:

- Course accreditation committee of the Australian Psychological Society (APS) which is responsible for conducting reviews of other psychology departments throughout Australia
- Heads of Departments and Schools of Psychology Association representing 38 University psychology departments throughout Australia
- School of Education Advisory Committee with representatives from employer groups in the region as well as the Teacher Federation, Parents and Citizens Association of NSW, recent graduates and current students
- Primary and Secondary Professional Experience Committees, which provide feedback and guidance on improving the quality of the professional experience programs
- IEEE Computer Society – a key international computing and IT organisation.

In 2004, the University strengthened its relationship with the Catholic Education Office, with a further 60 teachers participating in an information technology professional development program run by both organisations. They also worked together to offer the 'Springboard into Teaching' course, which was endorsed by the HSC board and aimed to attract top-achieving students into teaching.

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Demonstrating its reputation as quality provider of teaching and learning, the Division was commissioned to undertake a research consultancy for the NSW Department of Education and Training, evaluating the 'Quality Teaching in NSW Public Schools' model of pedagogy.

The School of Law and Justice worked with the NSW Bar Association, hosting a two-day Continuing Legal Education Conference in May that was attended by practitioners, staff, students and alumni. The School also offered a Bachelor of Legal and Professional Studies course in association with the Queensland Police Service.

### **Regional and Community Engagement**

Demonstrating its commitment to regional collaboration, the University's Division of Arts joined forces with Northern Rivers Performing Arts Inc (NORPA) in 2004 to research and develop a new performance incorporating local experiences of floods. The project brought together a distinguished group of arts practitioners and academic researchers to create a new music-theatre piece, improve performing arts practices, and develop original research and policy relating to performing arts in regional Australia.

In collaboration with the NSW Department of Education and Training and the Catholic Education Office, the University once again conducted a Year 12 Higher School Certificate Day, aimed at preparing students for their HSC exams across all subject areas. Approximately 750 Year 12 students and 40 teachers took part in the activities, with students from as far as Wauchope and Glen Innes attending.

Psychology staff held discussions with the Coffs Harbour Migrant Activity Council and the Survivors of Torture and Trauma group in order to facilitate an understanding of the concept of community in Coffs Harbour. This work will continue to explore issues of identity and sense of belonging amongst local residents.

Meanwhile, several psychology research activities undertaken in 2004 involved extensive community involvement, particularly in the Coffs Harbour area. Projects included the study of interactions between dolphins and children with autism, psychological sense of community and the construction of identity, and bike-riding safety. A project focused on psychological processes in gambling was undertaken with the Centre for Gambling Research.

University Law staff participated in local school activities involving rural high school students, including the judging of a Mooting Competition between local high schools which was sponsored by a regional law firm.

An open forum entitled 'The Detainees Held at Guantanamo Bay: Legal Issues' was presented by the Australian Red Cross and the School of Law and Justice. Speakers included Laurie Berg, the Australian Red Cross coordinator of the International Humanitarian Law Program, Brian Kinsella, Barrister and Major in the Australian Army Legal Corps and Southern Cross University Law staff.

Staff from the Division continued their community involvement through membership on a number of committees including the:

- YWCA community consultative committee developed to advise on the distribution of Federal funding in the Lismore area
- NSW Law Deans
- Legal Qualifications Committee which forms part of the Legal Practitioners Admissions Board of NSW
- Panel which forms part of the Police Academy Senior Sergeants' Program in Brisbane.

Education links remained strong through University staff membership on the Council of Trinity Catholic College in Lismore and Board of Mullumbimby Christian School. Staff also held offices as Directors on the Board of St Vincent's Hospital in Lismore.

In the Coffs Harbour area the University was represented by involvement with the Board of Directors of the Coffs Harbour Regional Conservatorium as well as Coffs Harbour City Council.

### **Student Support**

The Division of Arts offers a range of programs which add value to their studies and help prepare them for life outside of the University.

In 2004, those programs included an information session for indigenous students conducted by the NSW Bar Association, a research day for law students enrolled in honours or postgraduate studies and Women in Technology mentoring program.

Primary and Secondary teacher education students were invited to participate in the 'Beyond the Line' program organised by the NSW Department of Education. It involved students spending one week in schools in Western NSW to experience teaching and life in rural Australian schools.

A program to train psychology students in providing peer support to other University students was also held in early 2004.

The University worked with Queensland TAFE and North Coast Institute of TAFE to increase learning opportunities for regional students. Articulation agreements for students with diploma qualifications had already been developed for Information Technology programs.

For the fourth consecutive year, the Division offered a \$5,000 Fellowship and eight \$500 awards to visual arts students who excelled in their studies. These awards are thanks to a bequest to the University by John and Sheilagh Kaske, who shared a commitment to the local community in the fields of health, education and the arts.

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## Business

The Division of Business has established an international reputation for its quality teaching and research programs. It offers a range of courses in the areas of commerce and management, social sciences and tourism and hospitality management.

Also forming part of the Division is the Graduate College of Management (GCM) – a centre of excellence in management education and research. The College offers quality postgraduate programs with high academic standards, a practical focus and relevant content to meet challenges faced by today's managers.

In 2004 Southern Cross University emphatically reaffirmed its status as Australia's leader in tourism and hospitality education, winning the 2003-2004 Australian Tourism Award for Tourism Education and Training. The University's School of Tourism and Hospitality Management also won the national award in 1999 and has won the NSW Tourism Award on five previous occasions, most recently in 2003.



*A Bachelor of Convention & Event Tourism Management was introduced in 2004.*

### Program Development

In 2004, the University's MBA program – delivered by the GCM – underwent an external review of its curriculum, structure and delivery. The College received positive feedback from the review panel and a series of recommendations were made to further improve the course.

A review of all undergraduate courses within the School of Social Sciences was also conducted by a 'Think Tank' panel and review panel comprising industry representatives. Review recommendations resulted in the redevelopment of the Bachelor of Social Sciences and related programs. A number of contemporary units were developed, including the core unit Learning and Communicating developed with the School of Commerce and Management. A research project commenced to research and evaluate the efficacy of this subject in achieving its objectives.

The School of Commerce and Management completed a comprehensive review of its undergraduate programs, culminating in the reduction of compulsory core units and withdrawal of two bachelors programs and three majors.

Two new majors of Management and Logistics Management were incorporated in response to student demand, and the 'triple bottom line' philosophy, which involves consideration of environmental and social elements alongside traditional economic and financial factors, was embedded into the programs.

The Bachelor of Convention and Event Tourism Management was introduced in 2004, in direct response to exponential growth in Australia's convention and event industry during the past decade. The course offers final year students a 'hands on' internship in the event and convention industries, providing them with a real advantage in a highly competitive market place. It was developed by the University in consultation with the nation's academic and industry leaders in the areas of event and convention management. New programs at the masters level were initiated and will be offered at the Tweed Gold Coast Campus for students with no previous industry experience, enabling them to gain formal qualifications in the fields of tourism and hospitality.

Also developed in 2004 was the Bachelor of Business in International Tourism Management – a four-year degree with international exchange and international internship which will be delivered from 2005.

New programs introduced included the Professional and Continuing Education program (PACE) which offers fee-paying workshops, executive development programs and individual undergraduate and postgraduate teaching units.

A Graduate Certificate in Management was also developed by the GCM and Graduate Research College in conjunction with the Grain Foods Cooperative Research Centre (GFCRC), teaching management skills to PhD students with a focus on intellectual property management.

### Innovative Initiatives

Demonstrating their links with international experts, academic staff and students from the Doctor of Business Administration (DBA) program held two workshops at the Tweed Gold Coast Campus in 2004, attracting more than 100 DBA candidates from Australia and overseas. The candidates delivered 'research-in-progress' presentations and had the opportunity to hear first-hand from world-renowned guest speakers.

A DBA Candidate Centre was established at the Tweed-Gold Coast Campus in direct response to student feedback. Launched in November 2004, the Centre aims to provide candidates from around the globe with access to forum materials and published theses, while offering a networking platform for students from the United Kingdom, Asia, USA and Australia to exchange research methodologies.

A monthly seminar series commenced at the Tweed Gold Coast Campus to encourage cross-disciplinary discourse across the Business Division, while a Centre for Professional Development was established within the GCM, offering programs designed to meet specific management development needs of various organisations. The Centre delivered a series of seminars to regional industry and started planning



*In 2004, Southern Cross University emphatically reaffirmed its status as Australia's leader in tourism education.*

the extension of the seminar program through Australia and Singapore.

Meanwhile, the GCM continues to operate effectively in a competitive market not underpinned by government funding by using innovative methods to attract and maintain students. A specialist direct marketing function was established within the College to maintain its marketing, paying immediate dividends.

Following successful negotiations and agreement between the University and Victoria Business School in 2004, schools within the Division of Business will be offering programs in Melbourne from 2005. These programs will be offered to domestic and international fee-paying students. The central location of the Victorian Business School will provide an opportunity for the University to raise its profile in Melbourne and offer an attractive city location for international students.

In 2004, the Division of Business once again awarded an annual prize for the most outstanding Doctor of Business Administration (DBA) thesis. The award was initiated by Emeritus Professor Meredith who was responsible for developing the University's internationally renowned DBA program. Following his retirement Emeritus Professor Meredith donated \$15,000 to the University as an investment base to provide an annual prize for the most outstanding DBA thesis. The Division of Business has matched this contribution each year.

The School of Commerce and Management achieved professional accreditation for the Bachelor of Business (Accounting) with the Hong Kong Institute of Certified Public Accountants, providing a pathway for graduates of the

program to enter the accounting profession in both Hong Kong and mainland China. The School also developed online executive courses with Microsoft Pty Ltd and Agitavi, trialing the delivery of topics via web casts to participants in the Asia-Pacific region.

#### **Industry and Professional Links**

The Division of Business continued to provide services to, and collaborate with, relevant government and industry organisations in the areas of research, teaching and learning. Key stakeholder projects and achievements included:

- Delivery of the Public Sector Executive Management Program (PSEMP) for current and potential managers in the defence forces for the tenth consecutive year
- Extension of articulation arrangements, and planning for development of joint executive and short courses with the NSW branch of the Australian Institute of Management
- Collaboration with Logistics Association of Australia and the Australian Human Resource Institute regarding further course development and recognition of professional activity
- Re-accreditation of the revised Bachelor of Business Program by Certified Practising Accountants (CPA) Australia and the Chartered Institute of Accountants Australia
- Participation on the CPA Australia Universities Committee and CPA NSW Council
- Partner in the development of a software business management development program with ICT Enterprise Development and Research Institute and Microsoft

- Re-election of the Head of the School of Tourism and Hospitality as Chair of the Council of Australian University Tourism and Hospitality Educators (CAUTHE)
- Expanded membership on School of Tourism and Hospitality Management Advisory Board, paving the way for stronger connections with the Australian tourism industry
- Production of Meeting and Event Trend Analysis (META) data to assist the business events industry in decision-making processes
- Launch of a book relating to the Asian Pacific cruise business which was co-written by a staff member from the School of Tourism and Hospitality Management
- Contract signed between the Division of Business and the Open Learning Institute of Queensland for franchised delivery of University undergraduate sub-degree business programs in China
- Hosting and convening the 13th VET Research National Centre for Vocational Education Research Conference at Tweed Gold Coast campus, attended by more than 100 delegates from Universities and VET sectors around Australia
- Airline company Austrian – formerly Lauda Air – announced that it would offer 20 student scholarships to the School of Tourism and Hospitality Management, enabling undergraduate students to participate in international exchange programs

### **Regional and Community Engagement**

The Division of Business has long-standing relationships with key government, industry and community organisations in the Northern Rivers region and beyond. From delivering tailored management programs to hosting conferences, the Division has demonstrated its commitment to regional development.

In 2004, the GCM delivered a series of customised programs and seminars for various regional clients including the Northern Rivers Health Service and national dairy cooperative NORCO.

A staff member from the School of Tourism and Hospitality Management was commissioned by Arts Queensland and the Queensland Arts Council to deliver a series of three-day forums aimed at 'community capacity building' in five regions throughout Queensland.

The University's Centre for Regional Tourism Research (CRTR) convened the Australian Regional Tourism Conference (ARTC) which was held in Lorne, Victoria. Entitled Sea Change 2004, the convention explored regional tourism for Australia under an overarching theme of sustainability, and brought together Australia's key industry figures and researchers in regional tourism.

The CTRC, together with researchers from other universities, undertook research into best practice at Visitor Information Centres. An online tourism research and statistics system called Decipher was completed and delivered in May 2004, providing

regional tourism organisations online access to the latest research and business intelligence available for the industry. The Centre was also given the role of managing a new initiative commissioned by the Cooperative Research Centre (CRC) for Sustainable Tourism. Titled 'Prosper', the program aims to evaluate the capacity of regional communities to use innovation as a means of harnessing the economic, social and environmental value of tourism.



*The Graduate College of Management was ranked fourth in Australia for overall graduate satisfaction.*

Demonstrating initiative and effective collaboration, staff from the School of Social Science spearheaded the establishment of the first wholly regional branch of Australian Society for the Study of Labour History. This branch has created tangible links between SCU, the University of New England (UNE) and relevant regional organisations.

Meanwhile, Division of Business staff conducted a sponsored Affordable Housing Project, and participated in various community organisations such as Lismore Unlimited Opportunities. It also hosted a seminar on 'Doing Justice' in Coffs Harbour, providing a platform for local, regional and national speakers to address major current social and welfare issues. Amongst the high profile speakers was media identity George Negus who delivered an address on 'tolerance in an intolerant world'.

### **Student Support**

With about 85 percent of students enrolled in the Masters of Business Administration (MBA) and Doctor of Business Administration (DBA) studying externally, the Graduate College of Management (GCM) is committed to the high client service levels and quality of its student support services. In 2004, the GCM was ranked fourth in Australia for overall graduate satisfaction in the 2004 Graduate Destination Survey.

The School of Tourism and Hospitality Management ran a series of guest lectures for students in 2004 relating to quality service and maintaining a competitive edge. The lectures were presented by the Executive Director of the Association of Australian Convention Bureau, Mr Michael Cannon.

Meanwhile, the Division of Business extended its internship program in the Bachelor of Business program to better equip students for employment on completion of their studies.



*Degree components in the Bachelor of Nursing have been re-aligned to provide focus studies in aged care and Indigenous health.*

## **Health and Applied Sciences**

The Division of Health and Applied Sciences offers quality and regionally relevant courses in the areas of environmental science and management, exercise science and sport management, natural and complementary medicine, Indigenous studies and nursing and health care practices. It is strong in research outcomes and its engagement with wider communities of interest.

The Division is host to most of the University's strategic research centres and excels in innovative teaching and research partnerships with other Australian universities. These include the:

- Australian Centre for Complementary Medicine Education and Research (with the University of Queensland)
- National Marine Science Centre (with the University of New England)
- Aged Services Learning and Research Collaboration (with the University of New South Wales)
- Northern Rivers University Department of Rural Health (with the University of Sydney)

### **Program Development**

2004 saw significant program development across the Division, through management and participation in a number of course reviews, development and implementation of new courses and units of study, a significant increase in the externalisation of undergraduate units, and extension of delivery to coastal campuses.

Additional government funded places were obtained for Nursing and Midwifery, Marine Science and Exercise Science and Nutrition.

The Bachelor of Nursing was delivered for the first time at the Coffs Harbour campus and in Port Macquarie, and the degree components were re-aligned to provide focus studies in aged care and Indigenous health, in line with national priorities.

At the postgraduate level, the School of Nursing and Health Care Practices worked with the Centre of Public Health and Applied Health Promotion to develop units that could be offered across all Masters programs with a health orientation.

The Diploma of Sport Management (Surfing Studies) – a ground-breaking, fee-paying program offered by the School of Exercise Science and Sport Management in association with Surfing Australia at Tweed Gold Coast campus – took its first intake of students. The culmination of two years planning, this diploma received excellent feedback from its initial 22 students.

The School of Environmental Science and Management held foundation courses in computing, chemistry and mathematics and academic writing at the start of 2004 for prospective students. Successful completion of any two of these courses offered an alternative pathway for admission to the School's Associate Degree in Environmental Science and Management.

Gnibi College of Indigenous Australian Peoples (Gnibi) had a successful year. A new undergraduate degree, 'Indigenous Studies in Trauma and Healing', commenced in 2004. The first cohort of students in the Master of Indigenous Studies completed their studies, while a second and larger cohort commenced studies in first semester 2004. The Department of Health provided scholarships worth \$160,000 to support students in this course.



*Gnibi College of Australian Indigenous Peoples has a national reputation for leadership in course development and training.*

A full course review of the Bachelor of Indigenous Studies was undertaken, resulting in a commitment to upgrading several units to more fully focus on current needs of Indigenous communities.

Joint planning in Masters program development in evidence-based complementary medicine was a focal point for the School of Natural and Complementary Medicine and the Australian Centre for Complementary Medicine Education and Research.

The Northern Rivers University Department of Rural Health (NRUDRH) – a joint venture between Southern Cross University and the University of Sydney that aims to improve the rural educational experience for undergraduate health professionals and clinicians – significantly increased the number of and variety of undergraduate placements in 2004. New positions were created in occupational therapy, obstetrics, critical care, rehabilitation medicine and orthopaedics.

### **Innovative Initiatives**

In 2004, the Division of Health and Applied Sciences strengthened its reputation for introducing innovative concepts in teaching and learning, and for participating in pioneering research.

The School of Natural and Complementary Medicine established laboratory referrals for patients at the natural medicine clinic, and launched a Herbal Authentication Project aimed at providing the Australian and New Zealand industry with an independent, high standard service for medicinal plant and herbal raw materials identification and authentication.

The first major scoping study of the profession of osteopathy, the Osteopathic Census 2004, was undertaken by the School of Natural and Complementary Medicine.

With a focus on providing a leading-edge research service that provides seamless integration between plant chemistry, pharmacology and clinical trials, the Natural Products Pharmacology Unit (NPPU) was launched jointly by ACCMER

and the Centre for Phytochemistry and Pharmacology (CPP). ACCMER was also the recipient of 17 research grants, generally in the field of the efficacy and safety of natural products. Academic research partners included the:

- CRC for Innovative Grain Food Products
- National Research Centre for Environmental Toxicology
- Centre for Social Change Research, Queensland University of Technology
- Canadian College of Naturopathic Medicine
- Centre for Complementary Medicine, University of Western Sydney.

In 2004, through the efforts of the School of Exercise Science and Sport Management, the University was awarded 'Athlete Friendly University' status by the Australian Institute of Sport. This award recognised the University's readiness to develop policies that consider the special study needs of elite athletes.

The School initiated research in contemporary dance in collaboration with the NORPA Creative Laboratory based at the Northern Rivers Conservatorium, and undertook research in partnership with the Tianjin Institute of Physical Education in China. An international industry grant enabled the School to conduct research on the effect of anabolic steroids on athletes for a television documentary.

The School of Environmental Science and Management ran a series of workshops and professional development courses, in conjunction with the Soil Foodweb Institute. Approximately 250 delegates attended an 'Estuaries and Change' international conference hosted by the School and held at Ballina in northern NSW.

It was also awarded four ARC Linkage Grants in collaboration with industry partners, secured three Department of Infrastructure, Planning and Natural Resources contracts for research funding, and was successful in its bid for two Cooperative Research Centres in the areas of Environmental Remediation and Forestry. The School achieved further international recognition for its research involvement in the discovery of the remains of a miniature human on the island of Flores, Indonesia.

The University's internationally renowned Whale Research Centre continued to play a leading role in industry and public education, organising and hosting the following five workshops and meetings over four months:

- The South Pacific Whale Research Consortium Meeting
- The National Cetacean Research Priorities Workshop
- The National Humpback Whale Photo Identification Workshop
- Computer Matching Photo Identification Workshop
- Marine Mammal Necropsy and Standing Training Course.

Gnibi was involved with regional community groups, TAFE and the NSW Government in developing and offering of special non-award and Certificate Level 4 Indigenous Therapies



*The Diploma of Sport Management (Surfing Studies) was offered for the first time in 2004, in association with Surfing Australia.*

programs, providing pathways to further and higher education. This was a response to the need for education grounded within community needs, linked to TAFE, and articulated into undergraduate and postgraduate admission to university. A pilot program was successfully completed and evaluated, attracting significant interest from other regions. Gnibi's leadership has been nationally recognised and there is strong commitment to further development and migration of the programs to other communities.

Innovative approaches to supporting nursing students with challenging family and financial commitments were implemented at Coffs Harbour and Port Macquarie through a student mentoring scheme and the use of the Port Macquarie Base Hospital as a major teaching venue. These initiatives resulted in an excellent partnership between the University, Port Macquarie Base Hospital and the School of Rural Health of the University of NSW.

The Northern Rivers University Department of Rural Health was a key player in a large network grant funded by the Australian Research Council (ARC); the second successful ARC grant in two years. The Head of the Department was appointed to the Management Committee of the 'Coalition for Research to Improve Aboriginal Health' – a peak body bringing together research academics, community controlled medical services and the Aboriginal Health and Medical Research Council.

#### **Industry and Professional Links**

Due to the professional nature of many of its courses, the Division engaged with a broad range of organisations and institutions throughout 2004.

Staff of the School of Nursing and Health Care Practices retained strong links with industry and professional associations including the NSW Nurses and Midwives Board, the Council of Deans of Nursing and Midwifery, Royal College of Nursing Australia, the NSW College of Nursing, and numerous other specialist nursing professional groups. Colleagues in Exercise Science were represented on the NH&MRC Australian Health

Ethics Committee's Training Sub-committee and the Nurses Board of Victoria (Nurse Practitioner Advisory Committee), and maintained a strong association with the NSW Sporting Injuries Committee.

Locally, there were excellent working relations between Divisional health staff and the Northern Rivers and the Mid North Coast Area Health Services and with a variety of private providers throughout the region, including St Vincents Hospital, Baringa Private Hospital, Port Macquarie Base and Port Macquarie Private Hospitals, and various aged care facilities in the region.

Other stakeholders in nursing and health developments included the Lismore and District Women's Health Centre, the AIDS Council of NSW Northern Rivers, and a number of disability service providers.

A University first was witnessed in December 2004, when the Bananacoast Community Credit Union announced its sponsorship of the University's inaugural Professor in Aged Services and Director of Aged Services Learning and Research Collaboration (ASLaRC).

The School of Exercise Science and Sport Management extended its collaborative arrangement with Sheffield Hallam University in the UK, enabling University students enrolled in the Master of International Sport Management (MISM) to take two units from the program at Sheffield Hallam online, and Sheffield Hallam Masters students to take two MISM units as part of their program.

The strength of industry links in Exercise Science enabled a senior scientist and postgraduate student to successfully negotiate support from a nutritional supplement company, for ongoing research into the area of drugs and supplements in sport.

Gnibi worked with the NSW Premier's Department to deliver multi-skilling workshops to communities in the local region and entered discussions with the Department of Community Services (DoCS) for the delivery of education packages which



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will provide practitioners in the field with important insights and skills to deal with social trauma which may result in transgenerational levels of violence within specific populations. DoCS also requested the development of a postgraduate pathway for its Indigenous staff through a Master of Business Administration (MBA).

### **Regional and Community Engagement**

The Division of Health and Applied Sciences values strong engagement with its regional community, government and professional groups and associations.

In 2004, the Australian Centre for Complementary Medicine Education and Research (ACCMER) continued to provide national leadership through the participation of its staff in key national committees and working groups, and contribution to government discussion papers and enquiries. It engaged the community in clinical trials for complementary medicines, recruiting subjects from the regional area to explore areas such as:

- The effect of naturopathic medicine in the treatment of irritable bowel syndrome
- The effect of multivitamin and mineral supplement on premenstrual syndrome
- The role of essential oils in the modulation of immune function
- Role of diet and targeted plant foods in cardiovascular health
- Dietary supplement use in older adults.

The School of Exercise Science and Sport Management, in conjunction with the Northern Rivers Division of General Practice, conducted a Wellness Program that provided specialised exercise programs for patients with metabolic syndrome. A 'Heart for Health' program for Vietnam veterans from the Lismore Region was offered, in collaboration with Diabetes Australia and the Department of Veterans Affairs. Research was undertaken into the nature of fatigue in trained dancers, in collaboration with the NORPA Creative Laboratory at the Northern Rivers Conservatorium, while the School was also invited to participate in the NSW Sporting Injury research into baseball player injuries.

Staff from the Schools of Exercise Science and Sport Management as well as Environmental Science and Management organised the Royal Australian Chemical Institute (RACI) Titration Competition for the Northern Rivers Region high school chemistry students, and facilitated the delivery of the Nyholm Youth Chemistry lecture to regional high school students.

Academics and students of various health disciplines engaged in various forms of research and teaching collaboration with clinical colleagues. The Division formally contributed to health-related community developments through active membership on advisory committees, including those for the University of New South Wales Rural Clinical School, Northern Rivers

University Department of Rural Health, North Coast Area Health Service Workforce Development Taskforce, Department of Community Services Research Committee, and the Australian Rural Health Research Consortium.

In 2004, the School of Natural and Complementary Medicine played a key role in the Northern Rivers annual Herb Festival, with staff and postgraduate students delivering public seminars on complementary medicine and alternative therapies.

The Aged Services Learning and Research Collaboration (ASLaRC), a multi-disciplinary and multi-sectoral initiative headquartered at the Coffs Harbour campus, was formally recognised at the NSW Government's 2004 Forum on Ageing. ASLaRC brings together the University, TAFE and University of New South Wales School of Rural Health in an effort to influence delivery of aged services across the north coast region.

Gnibi embraced a number of initiatives that stemmed from its involvement with the local and regional Indigenous communities across both the Northern Rivers and North West NSW, with a particular focus on community violence, restorative and community justice, and healing needs.

The Bowraville based 'Healing our Families our Way' consultancy was completed in 2004. A member of Gnibi staff successfully completed a secondment to the Young and Powerful School, funded by the NSW Department of Education, and Gnibi was invited to continue its support in an advisory capacity.

### **Student Support**

Enhancing student support is a major element of the Division's Strategic Plan.

Nursing and Health Care Practices staff maintained a high level of support services for students on campuses and externally. Staff actively provided one-on-one support for external students, while their promotion of a 'Black Board' teaching assistance package available on the student Intranet added a new level of support.

A number of Schools of the Division successfully competed for special University equity grants to fund innovative student support projects. With the help of these grants, students of Naturopathy, Exercise Science and Sport Management benefited from peer mentoring programs. Mature-age Forestry students were supported by a grant for the employment of student mentors as well as an internship coordinator for the forestry student work placement program.

The School of Environmental Science and Management undertook a comprehensive review of administrative functions, resulting in the employment of a dedicated Student Liaison Officer and External Studies Coordinator.

Gnibi performed well with the highest access and participation rates for Indigenous students in NSW universities, and the second highest retention rates, demonstrated by Department of Education Science and Training (DEST) data.



*The University is a core participant in three new Cooperative Research Centres, demonstrating its research capabilities and reputation for excellence.*

## Cooperative Research Centres

2004 was an extremely successful year for research and research training at SCU, with the awarding of more than \$14 million in external funding.

The highlight was an announcement of funding from the Federal Government for the following three new Cooperative Research Centres in which SCU is a core participant:

- CRC Sustainable Forest Landscapes
- CRC National Plant Biosecurity
- CRC Contamination Assessment & Remediation of the Environment.

In two cases – the CRC for National Plant Biosecurity and the CRC for Contamination Assessment and Remediation of the Environment – the University has assumed the role of Education Program Leader in addition to its role as a research provider.

The University is now a partner in eight CRCs, demonstrating its research capabilities and reputation for excellence.

The *CRC Sustainable Tourism* provides global leadership in strategic research and development to improve the sustainability of the tourism industry to maximise the economic, environmental and social benefits it delivers to Australia through its three core research programs: Sustainable Destinations; Sustainable Enterprises; and Sustainable Resource Management.

The *CRC Innovative Grain Food Products* works to increase the value and competitiveness of the Australian grains industry by delivering unique, higher value functional products. A core objective of the Centre is to deliver functional grain products that offer health, taste and convenience benefits ensuring benefits for all stakeholders across the value chain.

The *CRC Sugar Innovation through Biotechnology* has been developed to seize the strategic opportunity for a sustainable and profitable export-based sugarcane industry, by combining Australia's world-class strengths in molecular biology and chemical engineering with industry skills and infrastructure.

The *Molecular Plant Breeding CRC* aims to deliver quantum improvements in pasture by providing the industry-desired target traits of both enhanced herbage quality and reduced

pollen allergenicity. Researchers at the Centre have already produced the world's first highly nutritious, highly digestible, hayfever-free pasture grasses. By extending this reach to additional key target species and by combining traits – thereby enhancing the global competitiveness of Australia's pastoral industries – the CRC will develop and penetrate world markets with Australian-owned technologies.

The *Desert Knowledge CRC* is focused on delivering thriving desert knowledge economies that sustain Australia's inland environments. The CRC works to develop and disseminate an understanding of sustainable living in remote desert environments, delivering enduring regional economies and livelihoods based on desert knowledge.

The *CRC Sustainable Production Forestry* (also known as the CRC Sustainable Forest Landscapes) is focused on generating new technologies that meet the management challenges faced across the entire forestry business chain – from site selection to delivery of wood at the mill gate. There will be a strong focus on the study of interactions between wood production systems and the wider environment, supporting the industry need for proof of sustainability. The CRC will focus on the production of fibre and solid wood from hardwood plantations ensuring a reliable supply of high-value wood. This will lead to greater market competitiveness for Australian wood products through an improved ability to grow a higher quality, more uniform resource from plantations of certified sustainability.

The *CRC National Plant Biosecurity* aims to counteract the impact of emerging plant pests and diseases through the application of new technology and by integrating approaches across agencies and jurisdictions. A number of pests and diseases pose a severe threat to Australian agriculture across a range of grain, horticultural and other plant industries. The CRC's research and education programs encompass all major aspects of biosecurity – prevention, diagnosis, surveillance and impact management. Deliverables from the CRC include risk analysis tools, diagnostics platforms, surveillance systems and rapid response systems. Small-to-medium-size enterprises (SMEs) will assist in taking CRC products to market.

The goal of the *CRC Contamination Assessment and Remediation of the Environment* is to develop a risk based approach to remediation, leading to improved regulatory acceptance of commercially viable and cost-effective solutions to environmental contamination. A significant feature of the CRC's strategic research is the National Contaminated Sites Demonstration Program (NCS DP). The NCS DP has been designed to solve difficult and challenging air, land and water contamination problems, involving site owners, regulators, consultants and research providers. The data generated during these studies will be used for further development of the Australian National Environmental Protection Measure. The CRC will develop monitoring tools for contaminant groups including heavy metals, petroleum hydrocarbons, industrial solvents, persistent organics such as pesticides, explosives, and others such as asbestos.

## Graduate Research College

The Graduate Research College focuses on developing research activities in fields of national and international significance where it can draw upon local resources and opportunities, and in return, can make a significant contribution to the North Coast region of NSW.

It ensures quality in postgraduate research candidate recruitment, supervision, examination and support, and acts to remove barriers wherever possible to research candidates achieving their goals.

The College is responsible for administering policies and rules as they relate to Research and Research Training. This is done through the Research and Research Training Advisory Committee, which is a sub committee of the Academic Board of the University and through other sub-committees such as the Higher Degrees Committee (Research).

In 2004, the College was commended in the Australian Universities Quality Assurance Report on 'the leadership provided, and the pivotal role it plays in developing the University's research profile, and maintaining appropriate levels of research training and support opportunities'.

In November, the Graduate Research College was awarded the Vice-Chancellors' Award of Excellence for outstanding achievement in furthering the strategic priorities of the University.

## Centre for Plant Conservation Genetics (CPCG)

The CPCG, established at SCU in 1996, provides research and commercial services in plant gene characterisation, genetic fingerprinting technology and genetic transformation. Its core objective is to help meet increasing demand for agriculture and food products worldwide.

The Centre has developed a growing portfolio of strategic alliances with industry bodies and companies to conduct contract and collaborative research and development in plant biotechnology. CPCG activities are internationally significant and regionally valued, honouring a commitment to social, economic and environmental benefit.

During 2004, the Centre embarked on the establishment and significant staffing phase for the following Cooperative Research Centre (CRC) programs:

- Grain Foods CRC
- Sugarcane Biotechnology CRC
- Molecular Plant Breeding CRC.

In a scientific breakthrough, researchers from the Centre – based at SCU – identified the gene that gives long grain fragrant rice, such as jasmine and basmati rice, its unique aroma and taste. This discovery, which has been patented, has the potential to lead to the development of healthy products with improved flavours and aromas.

In conjunction with the Queensland Department of Primary Industries, the Centre also commenced a major new Australian Research Council (ARC) Linkage project on wood quality improvement for spotted gum. Through the CPCG, a national 'Eucalypt Genome Initiative'(EGI) was created as the knowledge base for understanding important commercial and environmental traits of this uniquely Australian species.



*In a scientific breakthrough, researchers from the Centre for Plant Conservation Genetics identified the gene that gives fragrant rice its aroma and taste.*

# International activity



*Chinese students comprise 30 percent of commencing onshore international students at Southern Cross University.*

2004 has been the University's most successful yet in the recruitment of international students to study on its campuses, with 240 students commencing in degree programs – representing an increase of 50 percent from the previous year and demonstrating continued rapid demand for the University's courses. Increases in international student enrolments were experienced across all three campuses.

Chinese students now comprise 30 percent of commencing onshore international students with students from South Korea, Germany, India, Indonesia, Norway and America also representing a significant proportion of the enrolled students. Intakes into feeder programs at Dalian University and Changchun Normal College in China increased from 84 in 2003 to 190 in 2004. The first cohort of these students is scheduled to commence study on campus in Australia in 2005 after completing two years of study in China.

The University's international marketing staff visited 16 different countries and more than 50 cities during the year to participate in marketing and student recruitment activities. Approximately 17,000 brochures were distributed through the University's agent network and marketing activities last year and more than 5,000 email and web enquiries were fielded. In a period of weaker national demand from international students, SCU outperformed the sector in growth achieved in international student enrolments.

Each Division within the University continued to develop its own international links and enter into new collaborative arrangements with overseas organisations. Staff from across the University once again featured prominently at leading international conferences across all disciplines.

The Division of Arts continued to deliver courses across a range of disciplines in collaboration with organisations such as the International Education Agency in Papua New Guinea, Hannam University in Korea, Wisconsin-Stout in the United States and Aoyama Gakuin University in Japan.

The Byron Bay Summer Law School was once again a resounding success, attracting a large contingent of American Law students as well as international guest speakers.

The Division of Business continued to operate and develop successful undergraduate and postgraduate programs in a number of offshore locations including China, Malaysia, New Zealand, Singapore, Thailand and Papua New Guinea. Doctoral programs were run in Malaysia, Singapore, Hong Kong and Hawaii. In 2004 new programs were added to existing agreements and new Educational Collaboration Agreements negotiated.

The Division also continued negotiations with Ningbo Institute of Technology, Beijing Technology and Business University, Beijing Technology University, Liaoning Technical University, Liaoning University of Petroleum and Chemical Technology, Huzhou University and Fuzhou Agricultural University for joint delivery of Southern Cross University business programs in-country, articulation to University programs, joint research programs and staff and student exchange.

Links were developed with the Indian Institute of Management in Bangalore, Yongsei University in Korea and Unitec in New Zealand as part of the development and delivery of the Software Business Management program. A contract has also been signed with the Open Learning Institute of Queensland (OLI) for franchised delivery of Southern Cross University

undergraduate sub-degree business programs in China and recruitment of Chinese Students into OLI/SCU Business programs in Australia.

The Division of Health and Applied Sciences continued to attract many overseas students and take a lead role in collaborative research in areas such as complementary medicine and the effects of performance-enhancing drugs amongst elite athletes.

It was successful in procuring a World Bank funded project that sponsored a cohort of ten Indonesian health personnel from different areas of Java and Sumatra to undertake Master of Public Health Leadership studies at the University. The World Bank Fellows commenced their studies in mid 2004 and will complete them in 2005, having undertaken the research component of their course in their home environment and with input from Indonesian Health Department personnel.

The Australian Centre for Complementary Medicine Education and Research and the School of Natural and Complementary Medicine worked closely with key organisations in the United States, including the Bastyr University, Bridgeport University, Johns Hopkins University, National College of Naturopathic Medicine and South West College of Naturopathic Medicine in Phoenix.

The School of Nursing and Health Care Practice extended its enrolment of international students from countries such as Thailand, Germany, Sweden, Saudi Arabia, Western Samoa, China and the United States.

The School of Environmental Science and Management continued its successful student exchange program with the University of New Orleans in the United States, while Associate Professor Shi Zhou from the School was elected to the Society of Chinese Scholars on Exercise Physiology and Fitness. Sport Management lecturer Mr Terry Woods was honoured with an Exemplary Service Award by the Sport Management Association of Australia for outstanding service to Sport Management education on the international stage.

Through the activities of its research centres, the School has established an international profile for expertise in areas such as plant and animal conservation genetics, forestry, fisheries, geoarcheology and palaeoenvironmental research, climate change, acid sulfate soil research, coastal biogeochemistry, marine science and whale research. Major links have been established with tertiary institutions, governments, advocacy groups and blue-chip companies across the globe. As an example, the University's Ecosystem Assessment and Monitoring Program involved collaboration with organisations such as the Chinese Academy of Science, Japanese Institute for Climate Changes, University of Zululand in South Africa, and Whichita State University in the US.

In January 2004 the Head of Gnibi College attended a meeting in Hawaii to progress discussion for the advancement of an International Indigenous Graduate Program between Southern Cross University and universities in Canada, Alaska, Hawaii, New Zealand and Australia.

## Summary of International Activity in 2004

Meetings	Switzerland, Thailand, United States of America, Singapore, Scotland, South Africa, Mauritius, Sweden, Papua New Guinea, Japan, Korea, Malaysia, Hong Kong, India, Denmark, England, Germany, Austria
Workshops	Switzerland, Singapore, New Zealand, Papua New Guinea, Malaysia, Hong Kong, Czech Republic
Guest Speaker at Conferences	Taiwan
Present Conference Papers	South Africa, Spain, New Zealand, Italy, England, Austria, China
Attend Conferences	Thailand, USA, Singapore, Spain, The Netherlands, Ireland, Italy, Japan, Korea, Malaysia, Hawaii, Czech Republic, England, France, Argentina, Canada, Brazil, China
Research	Thailand, USA, Singapore, The Netherlands, New Zealand, Papua New Guinea, Japan, Laos, Guam, Denmark, England, French Polynesia, Germany, Canada
Teaching	Thailand, Singapore, New Zealand, Malaysia, Hong Kong, China
Promotion / Recruitment	Thailand, Vietnam, Singapore, Papua New Guinea, Japan, Hong Kong, India, Bangladesh, Cambodia
Academic Visits	USA, Malaysia, Hawaii, Denmark, England, Canada, China
Conventions	USA
Roadshow	Vietnam, Laos, India
Graduation / Presentation Ceremonies	Singapore, New Zealand, Malaysia, Hong Kong, China
Trial Workshops	Russia, Samoa, Greece
Trade Exhibitions	Germany, Hong Kong, Thailand

# Student Demand

Demand for places at the University continued to increase in 2004, despite a decrease in the total number of applications across NSW, and no growth in Queensland.

The University experienced an 18 percent increase in total applications. First preferences administered through the Universities Admissions Centre (UAC) were up by 6 percent, while Queensland Tertiary Admissions Centre (QTAC) increased by 11 percent on the previous year.

First preference demand increased across all campuses with Lismore up by 4 percent, Coffs Harbour by 10 percent, and Tweed Gold Coast by 78 percent. Areas of highest demand included the Psychology program at Coffs Harbour, as well as the Business and Social Science courses at the Tweed Gold Coast Campus.

In Lismore the Nursing, Education and the Exercise Science and Sport Management courses received stronger first preferences.

The University received an extra 807 Commonwealth-funded places, to be allocated over four years commencing in 2005 – almost triple the number of new places expected on a pro-rata national basis. The places were made available across each of the three campuses in a range of disciplines including nursing, education, tourism, social science, marine science, human movement and resource management.

In terms of Enrolment Load Management the University made available the same number of commencing places as the previous year, ending the year one percent over-enrolled against its funded load of 5,250 places.

Demand for PhD enrolments was also up, from 72 students in 2003 to 95 students in 2004. The number of total Masters by Thesis enrolments was 44 in 2005, down by five enrolments on the previous year.

## Student Enrolments 2000-2004

<b>Student Enrolments (Persons)</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
BY LEVEL					
Higher Degree – Research	268	340	386	448	481
Higher Degree – Coursework	727	786	851	1,095	1,224
Graduate Certificate / Diploma	456	487	624	715	755
Bachelor	6,951	7,707	8,437	8,874	8,723
Diploma / Associate Degree	537	607	591	612	551
Enabling Courses	4	9	9	15	12
Cross-Institutional	126	187	200	181	160
Non-Award	12	24	136	167	163
<b>Total</b>	<b>9,081</b>	<b>10,147</b>	<b>11,234</b>	<b>12,107</b>	<b>12,069</b>
BY GENDER					
Female	5,202	5,959	6,450	6,925	6,898
Male	3,879	4,188	4,784	5,182	5,171
STUDENT LOAD (EFTSU)					
Postgraduate	766	638	705	858	1,022
Undergraduate	5,195	5,461	6,108	6,329	6,127
Other	59	87	130	121	130
<b>Total</b>	<b>6,019</b>	<b>6,185</b>	<b>6,943</b>	<b>7,308</b>	<b>7,278</b>

Enrolments as at 31 March of the respective year.

# External relations and marketing



*Southern Cross University hosted a youth leadership forum to motivate high school students to achieve their goals.*

## Events

During 2004 Southern Cross University celebrated its tenth birthday with a program developed to ensure that the University's staff, students and partners celebrated the milestone that marked the anniversary of the University's first decade as an autonomous tertiary educational institution.

During the year, events were held at each campus and many initiatives were put in place that will provide an ongoing reminder of the University's achievement during the past ten years.

A 'Service of Celebration and Thanks' was held at the Lismore campus to recognise the spiritual dimension of University life. It was attended by approximately 250 staff and community representatives. The University's birthday celebrations culminated in a Gala Concert attended by the Governor of NSW, Professor Marie Bashir, AC, and her husband Sir Nicholas Shehadie, AC OBE. More than 750 people from the University and wider community attended the 'Town-and-Gown' event, that showcased the University's incredible musical and artistic talent.

Other events were held throughout the year, demonstrating the University's strong links with community, industry and government, as well as its commitment to enhancing student life.

In February, highly respected journalist and broadcaster Ms Geraldine Doogue was guest speaker at the launch of the University's Centre for Children and Young People. The Centre is focused on the support and well being of children and young people through research, education and advocacy.

As part of the graduation ceremonies in April 2004, the Chancellor launched and dedicated the Alumni Court at the Lismore campus, providing a pleasant recreational space for staff and students. The Court has also provided the opportunity for graduating students to leave a lasting impression of their time with SCU by purchasing a personalised paver. Funds raised were allocated to the SCU Alumni Scholarship Program.

In May an international alumni networking event was held in Shanghai, linked to a presentation ceremony for graduating students. This function was attended by about 280 alumni members and was seen as an excellent way of celebrating with our Chinese alumni in the Peoples Republic of China.

Two functions were held during 2004 to cement the relationship between SCU and Lismore City Council (LCC). SCU hosted a meeting of Council on campus, at which time a Memorandum of Understanding for ongoing collaboration was signed between the two institutions. A reciprocal meeting was held by SCU Council at the Lismore City Council Chambers later in the year.

The University hosted a youth leadership forum, organised by *The Australian* newspaper in conjunction with local high school students, at Lismore Campus during November. The aim of the 'Step to the Future' forum was to motivate, guide and inspire high school students in achieving their goals.

The HSC Day Program was held at the Lismore campus in June. An initiative of the Department of Education and Training, the University's School of Education and the Catholic Education Office, it was designed to help prepare Year 12 students for their HSC. Almost 100 students from across the

Northern Rivers region attended the event. The University also hosted a Summerland Tertiary Information Day, providing information about tertiary studies programs to Year 12 students from the region.

Demonstrating its commitment to community, the University hosted a series of seminars as part of Lismore City Council's 'Reduce Risk Increase Student Knowledge' (RRISK) program. The program aims to provide students with skills, attitudes and knowledge required to make informed decisions that will reduce risk-taking behaviour associated with driving, drug and alcohol use.



Scholarship recipients in 2004 included Bachelor of Information Technology student Alex Kowalczyk.

## Scholarships

Each year SCU offers Vice-Chancellor's and industry-sponsored scholarships, designed to acknowledge outstanding academic achievement, social responsibility and also to provide the opportunity for people from the region to pursue tertiary education, irrespective of their socio-economic backgrounds.

The scholarship program reflects the community's desire to offer graduates the opportunity to continue to live and work locally, while providing regional businesses with access to a pool of highly skilled graduates.

Since their inception in 1995, 174 students have benefited from the scholarship program.

Scholarships are offered across a range of disciplines including business, tourism, hotel and resort management, environmental science and research – and are made available to school leavers as well as mature age students.

## Vice-Chancellor's Scholarships

The Vice-Chancellor of Southern Cross University awards annual scholarships to high achieving students throughout Australia. Each Vice-Chancellor's scholarship is valued at \$15,000, paid over a three year period. Five Vice-Chancellor's scholarships were granted in 2004, bringing to 94 the number of students who have received this prestigious award.

## Industry Scholarships

In 1995, Summerland Credit Union sponsored the University's first industry scholarships. Each year, the University's ties with local industry and business strengthen and grow. Industry scholarships are open to both high school leavers and mature age students, with each sponsor having specific criteria for eligibility.

In 2004, thirteen students were awarded industry scholarships, bringing to 80 the number who have benefited from the program. These scholarships represent an important link between the University and local businesses, government and community groups.

In 2003, the University secured sponsorship commitments from 15 organisations worth almost \$400,000. During 2004, the University received support from a further ten organisations for scholarships, representing an additional \$115,000 for new scholarships to be distributed across all three campuses in 2005.

New sponsoring organisations include: Bananacoast Community Credit Union; Coffs Harbour City Council; Coffs Ex-Services Club; Enterprise Training Company; The George Lewin Foundation; Lismore City Council, Restaurant & Catering NSW, Thomas; Noble & Russell Chartered Accountants; Park Beach Plaza; and Tweed Heads Bowls Club.

The growth in the University's scholarship program demonstrates the strength of its relationships with local organisations – and the recognition of the value of providing tertiary education to people from all walks of life.

Amlink Technologies	3 x \$6,000
Ballina RSL Club	1 x \$15,000
Beach Hotel	1 x \$15,000
Casino RSM Club	1 x \$15,000
Environmental Analysis Laboratory	1 x \$15,000
Fletchers Photographics	2 x \$15,000
Kirklands Coaches	1 x \$6,000
Koori Mail	2 x \$15,000
Mayne Investments	2 x \$15,000
Rutherfords Chartered Accountants	1 x \$15,000
Summerland Credit Union	3 x \$15,000
Tourism New South Wales	1 x \$15,000
Tweed Shire Council	6 x \$15,000
	2 x \$5,000
Xerox Shop – Lismore	3 x \$15,000





*The University's schools, research and people have attracted media interest across the globe.*

## Media

The University's schools and research activities, its people and its participation in the communities surrounding each campus, generated a rich and diverse range of media coverage – locally, regionally, nationally and internationally.

During 2004 the University subscribed to the Media Monitoring Service, which enabled the number and nature of media mentions to be tracked and analysed. In 2004 there were 2,433 mentions of Southern Cross University reported through the Media Monitoring Service.

A number of key issues and events relating to the University's operations and enrolments attracted coverage. These included: the announcement of the new Bachelor of Nursing at Coffs Harbour and Tweed Gold Coast campuses; the allocation of an additional 295 Commonwealth funded places across the three campuses for 2005, growing to an additional 807 places in 2008; and celebrations surrounding the University's tenth anniversary.

The introduction of new courses, such as the Bachelor of Indigenous Tourism Management and Graduate Education course, also warranted media attention.

Research-related activities gained strong coverage in local and national media, including specialist publications and programs. The Whale Research Centre and its annual whale survey from the Cape Byron Lighthouse attracted widespread coverage across all media. Sightings of the majestic white whale Migaloo and his identification as male using DNA skin testing captured the media's interest and the public imagination.

Other research attracting attention included the signing of an agreement between the Queensland government and the

Australian Plant DNA Bank Ltd and trials run by the School of Natural and Complementary Medicine into osteoarthritis and PMS.

A study by Dr Robert Weatherby into the side effects of performance-enhancing drugs gained international coverage throughout the United Kingdom, in Europe and Australia, and featured in the documentary *High Performance*.

Dr Carol Lentfer's research into the stone tools used by the 'hobbits', a new species of human discovered on the Indonesian island of Flores, attracted mainstream and specialist media coverage. The discovery by researchers of the gene that makes rice fragrant also generated national coverage.

## Publications

Copies of official University documents, publications and other correspondence are held in a number of locations. These include: Central File, the University Library, the Vice-Chancellor's Office and the Office of the Executive Director and Vice-President (Corporate Services).

The agendas and minutes of Council, Academic Board, Divisional Boards and other Boards and Committees of the University are the major sources of information relating to the policies, procedures and operations of the institution and these are available from the Executive Director and Vice-President (Corporate Services).

The Human Resource Service Directorate maintains personal files of staff.

All of the above documents are subject to the relevant legislation, policies and/or procedures on retention periods, disposal schedules or archiving.

A range of University Publications are available on the University's website at [www.scu.edu.au/docs](http://www.scu.edu.au/docs)

These publications include course information, the student handbook and calendar, undergraduate prospectus, international prospectuses, research reports and the University's annual reports. They are all available for download from the site.

Subscribers can access University media releases and campus events at the SCU web page located at [www.scu.edu.au/news](http://www.scu.edu.au/news)

# Management activities

Many activities undertaken by the Corporate Services Division were reviewed during 2004 and recommendations from these reviews will be implemented during 2005.

More specifically, the information systems were analysed by the newly established Management Information System (MIS) unit and projects were identified and prioritised. The functionality of general staff also became the focus of a review through an external consultation. This review had terms of reference, which included an analysis of the duplication of functions and the efficiency of services provided by general staff of the University. The final report will be available in early 2005 and it is expected that recommendations of the review will be implemented during 2005.

The non current assets of the University were reviewed during 2004 with a particular emphasis on utilisation and value to the institution.

A submission to the Commonwealth Government for capital funds for Tweed Gold Coast Campus in 2007 resulted in a \$2m commitment, however further funds will be required to ensure that the capital expansion matches the momentum of the student growth. At Tweed Heads, the University has partnered with the adjacent Bowls Club and Tweed Heads Hospital to form a precinct group. It is envisaged that there will be synergies between the three partners in this group, including the provision of student amenities such as a gymnasium, accommodation and parking facilities that can be utilised by each partner. A master plan is currently being prepared for the precinct area.

In 2004, the University encouraged the student organisations to consider amalgamation with a view to efficiency gains given the likelihood that voluntary student unionism would be introduced during 2005 by the Commonwealth Government. The University also assisted the student organisations with commercialisation with a view to enabling self sufficiency.

Following introduction of the Commonwealth Government's protocols for the governance of institutions, the University Council established a Governance Committee that is ensuring compliance on behalf of the governing body.

## Financial and Resource Management

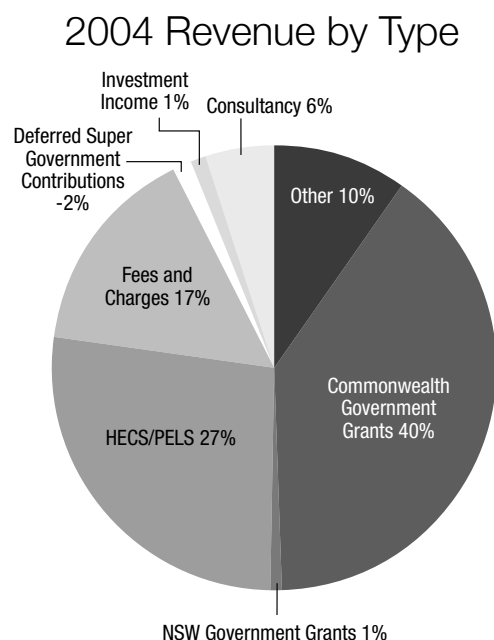
Southern Cross University and its controlled entities (the Economic Entity) comprises the following:

- Southern Cross University
- Norsesearch Limited
- Southern Cross Human Resource Development Pty Limited
- Australian Plant DNA Bank Limited.

The Financial Statements (Section 2 of the Annual Report) include the audited financial statements for the Economic Entity and each of the controlled entities.

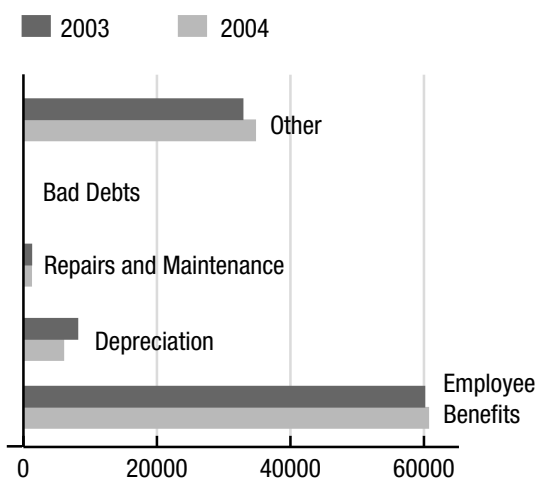
Southern Cross University and its controlled entities reported a consolidated net operating loss of \$5.864 million for the year ending 31 December 2004 (2003 operating loss of \$2.709 million). The University reported a net operating loss of \$5.710 million (2003 operating loss of \$3.851 million). The operating loss in 2004 is primarily due to the change in timing of the first payment of Commonwealth funding in 2005, and the impact of depreciation expense, which was \$6.9 million in 2004.

Consolidated revenue from ordinary activities was \$97.167 million, reflecting a small decrease on 2003. The decrease on 2003 is due to the impact of unfunded superannuation and the timing of Commonwealth grants. Superannuation deferred government contributions was \$3.8 million lower than 2003, due to movements in the superannuation liability. Commonwealth government funding remains an important revenue stream, representing 40% of revenue. Student fees and charges were in line with 2003 and comprise 17% of total revenue from ordinary activities.



Consolidated expenses from ordinary activities were consistent between 2003 and 2004. The table following provides an analysis of expenditure by type and demonstrates the significance of salary costs. Other expenditure increases were due to increased contributions to Co-operative Research Centres and other strategic initiatives such as the Australian Centre for Complimentary Medicine Education and Research (ACCMER).

## 2003-2004 Operating Expenses



### Investment performance

In 2004, Southern Cross University invested in Interest Bearing Deposits and on-call bank deposits with various financial institutions including Suncorp-Metway, BankWest, Bank of Queensland and Illawarra Mutual Building Society. In 2004 the average return on investment for Southern Cross University was 5.54 percent, which was slightly below the Tcorp Cash Hourglass Facility return of 5.56 percent.

### Payment of Accounts

Due to timely payment of accounts, no interest was incurred during 2004.

### Southern Cross University Budget 2005 Statement of Financial Performance

The 2005 budgeted operating result is a deficit of \$3 million. Actual 2004 revenues were significantly higher than budget 2004 due to increased research contract revenue, reflecting the impact of Southern Cross University's participation in a number of Co-operative Research Centres, and increased other revenue. Actual 2004 expenditure was significantly higher than budget 2004 due to the impact of research projects as discussed above.

## 2004 - 2005 Budget

	Actual 2004 \$'000	Budget 2004 \$'000	Budget 2005 \$'000
<b>Revenue from Ordinary Activities</b>			
Commonwealth Government financial assistance	39,363	34,881	39,400
State Government financial assistance	841	0	0
Higher Education Contribution Scheme	24,485	24,500	25,790
PELS	1,323	0	0
Fees & charges	16,101	17,549	19,666
Superannuation (deferred government contributions)	-1,661	0	
Investment Income	1,123	1,169	1,354
Royalties, Trademarks & Licences	26	0	
Consultancy and contract research	5,815	771	858
Other revenue	9,362	7,024	7,639
Internal Transfers		0	0
Total revenue from ordinary activities	96,778	85,895	94,707
Share of net result of associates and joint ventures accounted for using the equity method	389	0	0
<b>Total revenue</b>	<b>97,167</b>	<b>85,895</b>	<b>94,707</b>
<b>Expenses from Ordinary Activities</b>			
Employee benefits	60,805	57,878	63,639
Depreciation and amortisation	6,854	7,700	7,457
Repairs & Maintenance	1,103	958	961
Bad & doubtful debts	121	0	0
Borrowing Cost Expense	0	0	0
Other	34,148	23,359	25,650
Internal Transfers			
<b>Total expenses from ordinary activities</b>	<b>103,031</b>	<b>89,895</b>	<b>97,707</b>
<b>Operating Result from Ordinary Activities</b>	<b>(5,864)</b>	<b>(4,000)</b>	<b>(3,000)</b>

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## Human Resource Services

### Workplace Reform

The University's current Enterprise Agreement nominally expired on 30 June 2003. Despite negotiations having commenced in April of that year, 2004 passed without completion of a replacement enterprise agreement. Progress throughout the year was patchy with little common ground between the bargaining teams. No bargaining meetings were held from April to September.

In May 2004 the Vice-Chancellor authorised an administrative salary increase to staff of 3 percent, to be effective from 1 July 2004. In the latter part of May a two-hour industrial work stoppage was held and incorporated a protest and demonstration at the University Council meeting.



*Female employees continued to make up the majority of participants in the University's training and development programs.*

Discussions recommenced after the University's new Vice-Chancellor took up the position in late August and a series of bargaining meetings were held between October and the end of November. In light of the lack of progress during that period, and to ensure staff were not disadvantaged, the Vice-Chancellor authorised a salary increase of 3 percent effective from 17 December, 2004.

The University implemented a new Code of Conduct in 2004 and new policies covering performance management and recruitment and appointment were approved. Other significant policy development work involved amendment to the following policies: Outside Work, Special Studies and Internal Release, Employee Relocation Assistance, Study Time, Financial Assistance for Study, Appointment of Personal Chairs and Staff Grievance Procedure.

### Benchmarking

In 2004, the University participated in an Australian Universities Human Resource Benchmarking Program for the first time.

Data for the period 2001 to 2003 was sourced from 27 Australian universities and benchmarks were recorded in the areas of staff numbers, turnover, sick leave, recruitment rates, human resource staffing, promotion, and occupational health and safety incidence rates and lost time. The University also took part in the Australasian University Safety Association Benchmarking Program based specifically on occupational health and safety management systems.

### Australian Indigenous Employment

Responsibility for Australian Indigenous employment at the University was located within Human Resource Services in 2004. A Human Resource Officer (Indigenous Employment) position was filled in September and a review of the University's Indigenous Employment Strategy for the period 1995-2000 commenced. The revised strategy will aim to recruit Indigenous staff in proportion to the distribution of Indigenous people in the local community. The University will also endeavour to ensure the minimum target level for Indigenous employment is not below the national Indigenous population percentage of 2.4 percent.

### Staff Development

Deployment of the University's Management Development Strategy commenced in 2004. A set of core management skills was identified and are being used to design and deliver management development programs in 2005.

Training and development programs were conducted for 647 participants during 2004. The average investment in training increased by 30 percent from 4.5 hours per person in 2003 to 5.9 hours per person in 2004. Female employees continued to make up the majority of training participants, reflecting a trend during the past five years.

### Organisational Change

In 2004 the Vice-Chancellor commissioned an external review of the way the University organises the administrative functions and activities usually undertaken by general staff. Most of the work of the review was completed by the end of 2004. A report and recommendations relating to a better organisation of administrative functions was scheduled for early 2005.

### Senior Appointments

The University Council appointed a new Vice-Chancellor in 2004 following the resignation of the previous Vice-Chancellor.

Other notable appointments included an Associate Professor in the Division of Business at Coffs Harbour campus and Executive Officers in the Divisions of Arts and Business.

### Recruitment

In 2004 the number of advertised job vacancies decreased by approximately 14 percent from the previous year. The University advertised a total of 105 job vacancies in 2004, made up of 69 general staff positions and 36 academic positions.

**Occupational Health and Safety**

The fourth and final audit in the Workcover Premium Discount Scheme was successfully completed in November 2004 and resulted in the University receiving the maximum discount on its Workers Compensation premium over the three years of the Scheme from 2002 to 2004.

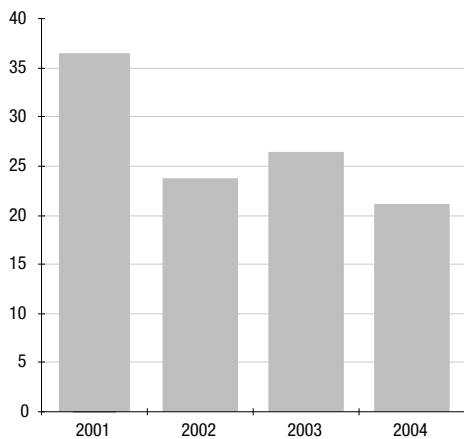
The Occupational Health and Safety (OH&S) training activities for the year covered the following topics:

- OH&S risk management for supervisors and managers
- Radiation safety
- Fire Warden training
- Manual handling
- Ergonomics.

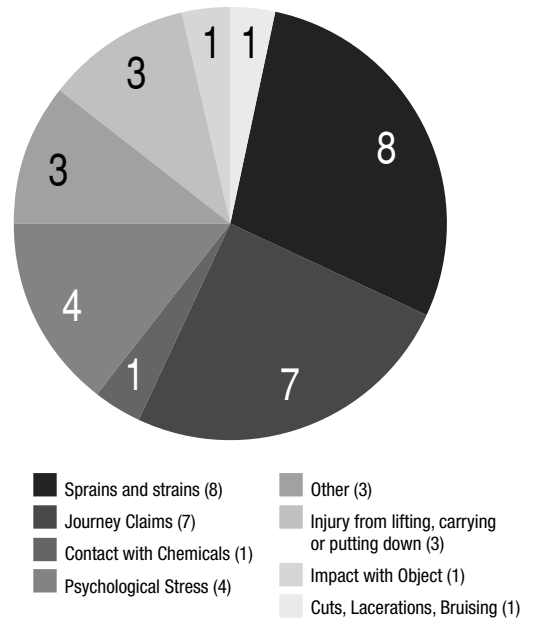
Safe Work Procedures were completed for most work units and are accessible on the Human Resource Services section of the University’s website. In 2004 the University transferred its method of recording accidents, incidents and hazards into a single, comprehensive reporting system. During 2004, 121 reports were received. A total of 21 workers compensation claims (excluding journey claims) were lodged compared with 27 claims in 2003.

The following graphs demonstrate a comparison of workers compensation claims between 2001 and 2004, and total number of workers compensation claims by injury type in 2004.

**Number of Workers Compensation Claims, 2004**



**Number of Workers Compensation Claims by Injury Type, 2004**



**Information Technology & Telecommunications Services**

The University’s Information Technology & Telecommunication Services embarked on a number of projects during 2004 to upgrade infrastructure and improve access to information services.

The Network Sustainability Project was established to ensure the University’s computer network and communication infrastructure was able to meet evolving business requirements. The project to date has delivered a network design addressing single points of failure within the network and providing Quality of Service (QoS) to the edge of the network to support services such as desktop video conferencing. The developments also enable the University to exploit ‘Voice over IP’ (Internet Protocol) technologies. Significant maintenance was performed to the Lismore campus fibre backbone and cabling refurbishment was undertaken in the Data Centre control room to accommodate the new network. Communication switches within buildings at the Lismore campus have been rolled out providing further capacity where needed. The core of the network will be upgraded during the second half of 2005, preparing the University to be reconnected to AARNet service, providing high-speed access (1 Gbit per second) to the Internet and between campuses.



*The University's computer network and communications infrastructure were upgraded to improve access and meet business needs.*

Tweed Gold Coast Campus was the first of the University's campuses to receive a modem bank upgrade late in 2004 as part of a project to improve equity of the Remote Access Services across all campuses.

A project to deliver integrated web-based email and calendaring to students and staff via a web browser commenced in 2004. The project takes advantage of a licensing agreement negotiated by the Council of University Directors of Information Technology (CAUDIT) with SUN Microsystems.

Major upgrades to lecture theatres and teaching spaces took place late in 2004 in preparation for the semester one teaching period and to accommodate additional student places allocated to the University. The upgrades have seen a number of smaller teaching spaces fitted out with additional audio-visual equipment accommodating smaller lectures and tutorials and therefore relieving timetable pressures and demand on larger lecture theatres.

In 2003 The University identified the need for a Management Information System and initiated a project to integrate reporting from the University's corporate information systems. In 2004, phase one of the project was implemented, involving initial design and development of the data warehouse and enabling the first of the data sets to be automatically populated overnight from corporate information systems. The focus of reporting to date has been student related.

## **Student Services**

In 2004 Student Services was significantly impacted by the passage of the HESA (Higher Education Support Act (2003)). The legislation represents the most significant change to the regulatory and student funding arrangements since the introduction of HECS in 1989 and required significant changes to business processes and systems.

DEST provided positive feedback in relation to the University's readiness assessments. The main risk factors related to the short time available to configure, test, and implement system changes. There was a high level of collaboration between the six Student One sites and Technology One (Student System vendor) and significant progress was made towards implementation of required system changes.

Other major initiatives for 2004:

- Student equity and disability functions of the University transferred to Student Services
- New timetabling system implemented from second semester
- Established and implemented the new Commonwealth Learning Scholarship scheme
- The University was awarded 83 scholarships specifically targeting equity group students
- \$23,000 worth of dental equipment purchased to upgrade the existing dental service.
- Launched new University website
- Introduced a new University-wide fee-setting process in accordance with new HESA, requirements ensuring that University fee-setting and publishing was transparent
- Significantly expanded mid-year entry and associated support services to reinforce the University's position as a market leader
- Student Support team worked towards Royal Australian College of General Practitioner accreditation culminating in an audit of the Medical Practice.

## Freedom of Information

Under the Freedom of Information Act 1989 (NSW) ("the Act") the University is required to include in its Annual Report information on the processing of Freedom of Information ("FOI") requests received by the University. Procedures are in place to enable anyone wishing to obtain information to do so and the emphasis is on the facilitation of access to documentation wherever possible. The tables below represent a summary of FOI statistics for 2004:

### Number of new FOI requests:

Information relating to numbers of new requests received, those processed and those completed from the previous period:

FOI requests	Personal	Other	Total
A1 New (incl. transferred in)	2	3	5
A2 Brought forward	0	0	0
A3 Total to be processed	0	0	0
A4 Completed	4	0	4
A5 Transferred out	0	0	0
A6 Withdrawn	0	0	0
A7 Total processed	5	0	5
A8 Unfinished (carried forward)	1	0	1

### Results of FOI requests

Relates to Completed Requests (A4):

Result of FOI requests	Personal	Other
B1 Granted in full	0	1
B2 Granted in part	0	1
B3 Refused	1	1
B4 Deferred	0	0
B5 Completed	1	3

### Ministerial Certificates Issued

	Personal	Other
C1 Ministerial Certificates issued	0	0

### Formal consultations

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

	Personal	Other
D1 Number of requests requiring formal consultation(s)	0	0

### Amendment of personal records

Number of requests for amendment processed during the period:

Result of amended request	Total
E1 Result of amendment – agreed	0
E2 Result of amendment – refused	0
E3 Total	0

### Notation of personal records

Number of requests for notation processed during the period:

Result of amended request	Issued	Total
F3 Number of requests for notation	0	0

### FOI requests granted in part or refused

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

Basis of disallowing or restricting access	Personal	Other
G1 Section 19 [application incomplete, wrongly directed]	0	0
G2 Section 22 [deposit not paid]	0	0
G3 Section 25(1)(a1) [diversion of resources]	0	0
G4 Section 25(1)(a) [Exempt]	0	2
G5 Section 25(1)(b),(c),(d) [Otherwise available]	0	0
G6 Section 28(1)(b) [documents not held]	1	0
G7 Section 24(2) [deemed refused, over 21 days]	0	0
G8 Section 31(4) [released to medical practitioner]	0	0
G9 Totals	1	2

### Costs and Fees

Costs and fees of requests processed during the period (refer A4, A5 and A6):

Assessed costs	FOI fees received
H1 All completed requests	\$60.00

### Discounts allowed

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

Type of discount allowed	Personal	Other
I1 Public interest	0	0
I2 Financial hardship – Pensioner/Child	2	0
I3 Financial hardship – Non profit organisation	0	0
I4 Totals	2	0

## Days to process

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

Elapsed time	Personal	Other
J1 0 – 21 days	2	2
J2 22 – 35 days	0	0
J3 Over 35 days	0	0
J4 Totals	2	2

## Processing time

Number of completed request (A4) by hours taken to process:

Processing hours	Personal	Other
K1 0 – 10 hours	2	2
K2 11 – 20 hours	0	0
K3 21 – 40 hours	0	0
K4 Over 40 hours	0	0
K5 Totals	2	2

## Reviews and appeals

Number finalised during the period:

	Personal	Other
L1 Number of internal reviews finalised	0	0
L2 Number of Ombudsman reviews finalised	0	0
L3 Number of District Court appeals finalised	0	0

## Details of internal review results

In relation to internal reviews finalised during the period:

Bases of internal review	Personal		Other	
Grounds on which Internal Review Requested	*Upheld	*Varied	*Upheld	*Varied
L4 Access refused	0	0	0	0
L5 Deferred	0	0	0	0
L6 Exempt	0	0	0	0
L7 Unreasonable charges	0	0	0	0
L8 Charge unreasonably incurred	0	0	0	0
L9 Amendment refused	0	0	0	0
L10 Totals	0	0	0	0

*\*relates to whether or not the original agency decision was upheld or varied by the internal review*

Access to documents is generally granted at times on the basis of informal administrative processes.

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

## Legislative Changes

Under Section 33-15 of the Higher Education Support Act 2003 of the Commonwealth (HESA), higher education providers are required to meet the requirements of the Commonwealth's National Governance Protocols for higher education providers to qualify for increased Commonwealth funding.

The University Amendment Act 2004 amended the Southern Cross University Act 1993 to enable the University to meet the requirements of the National Governance Protocols for higher education providers of the Commonwealth, HESA and for other purposes.

## Privacy Management Plan

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

The University's Privacy Management Plan (the plan) was developed by the University in 2001 and sets out the policies, procedures and practices to ensure compliance by the University with the requirements of the Act.

The plan provides details on how the policies and procedures in relation to privacy and the protection of personal information are to be disseminated throughout the University. The plan also provides details of the procedures adopted by the University to deal with applications for internal review of complaints regarding privacy matters.

The University has complied with the Act and the Health Records and Information Privacy Act in 2004 by:

- Adding privacy notices to electronic and hardcopy forms used to collect personal information and health information
- Developing privacy statements for the University's websites
- Continuing the awareness on privacy related matters and the Act
- Widely disseminating copies of the plan;
- Providing timely and accurate advice to members of the University community on privacy related matters.

## Insurance

In 2004 the University effected the following forms of insurance cover:

- Industrial Special Risk (Property)
- General & Products Liability (including Casual Hirers)
- Professional Indemnity
- Directors & Officers
- Motor Vehicle
- Corporate Travel
- Marine Hull
- Medical Malpractice
- Clinical Trials.



During 2004, world insurance markets stabilised and with better quality information being provided to prospective underwriters and additional self-insurance of its risks, the University's overall premium costs were reduced by approximately 7.4 percent.

To enable Unimutual to avoid the traditional end-of-year rush for renewal the renewal date for most policies was brought forward from January 1 to November 1. This had the added benefit of providing time for relevant University staff to gather information for the renewal while not under the work pressure they would normally experience during November and December.

Problem areas of insurance, in terms of both costs and scope of cover, remain Medical Malpractice and Clinical Trials but considerable work continued to be done with staff exposed to these areas of risk, and additional management strategies have been introduced to further control them. Medical Malpractice premiums, in particular, remain difficult to contain at an acceptable level.

Risk management issues and the structure of the insurance portfolio continued to be priority areas of the overall management activities of the University during 2004.

## Risk Management

The approach to risk management at Southern Cross University is based on the Australian/New Zealand Standard for Risk Management (AS/NZS 4360) which is widely regarded as defining world's best practice.

The University aims to establish a strategy, structure and process to effectively identify and manage its exposure to risk in a timely fashion and to an appropriate level.

A strategy has been developed to raise awareness of 'risk' and 'risk management' throughout the University and to coordinate, assist and guide key personnel in developing and preparing their Risk Management Plans. The strategy encompasses the strategic, structural and operational components of effective risk management.

More than 310 University staff have participated in Risk Management workshops covering the risk management process and its application to the University.

The University Council's Risk Management Committee ensures the effective governance of the issue, including the oversight of the University's risk management policy and procedures which were adopted by Council during 2004.

The key strategic risks faced by the University have been identified and analysed and a comprehensive Risk Management Plan, including action plans relating to the treatment of these risks, is well advanced. Consultation with all areas of the University, including the University Council, has taken place and is on-going in relation to this.

The major risks faced by the University have been identified as:

- Declining demand for programs
- Excessive rates of attrition
- Failure to respond to commercial opportunities
- Major failure of IT systems
- Breach of copyright.

The University's database software was assessed to ensure its capacity to store information and administer identified risks, and to monitor action plans for every risk.

## Equity & Diversity

### Ethnic Affairs Priorities Statement

The University complies with the Ethnic Affairs Priority Statement (EAPS), as required by the NSW Community Relations Commission. The following provides a summary of University activities in 2004 that demonstrate compliance with the Government's Ethnic Affairs Priority Standards Framework under the relevant sections of Planning and Evaluation; Program Service and Delivery; Staffing; and Communication.

#### 1. Planning and Evaluation

*Objective* Incorporate cultural diversity into University plans.

*Outcome* Cultural Diversity has been incorporated into the Equity and Access Plan for the University, 2002 – 2005. Objective 1.1 of the plan is to 'develop a culture of knowledge and respect for equity and cultural diversity'.

*Plan for 2005* Continue to implement strategies to ensure ongoing training and education in cultural diversity for University staff.

#### 2. Program Service and Delivery

*Objective* Ensure that Curriculum is inclusive and considerate of cultural diversity.

*Outcome* New Academic staff provided with information on inclusive curricula.

Cultural diversity resources made available to all staff through the Equity website.

Council established a Key Performance Indicator relating improved quality of learning and teaching for students from non-English speaking backgrounds.

*Objective* Provide access to language resources of staff

*Outcome* A telephone list of staff languages is updated annually and available on the University Intranet.

*Plan for 2005* Develop a program of activities that promote learning about cultural diversity through planned intercultural encounters between Australian culture and other cultures.

### 3. Staffing

- Objective* Provide ongoing training and education in cultural diversity to university staff.
- Outcome* All newspaper advertisements ensure compliance by incorporating a phrase that demonstrated commitment to equity, cultural diversity and a safe workplace.
- All staff who participated on staff selection interviews were required to have attended training relating to the principles of merit selection and the value of a culturally diverse workplace.
- Objective* Ensure staffing profile is analysed and reported annually.
- Outcome* A report was made to the University Executive on the staff profile of people from culturally diverse backgrounds.
- Plan for 2005* The University will continue to promote a culture that is supportive of diversity in order to attract and retain staff who are from culturally and linguistically diverse backgrounds.
- Objective* Continue to promote a positive culture that is free of discrimination and harassment.
- Outcome* The University provides online anti discrimination training for staff via the Intranet.
- Plan for 2005* Monitor and evaluation the effectiveness of the University's training in anti-discrimination.

### 4. Communication

- Objective* Communicate the University's objective to develop a culture of knowledge and respect for equity and cultural diversity.
- Outcome* The Equity and Access Committee played an important role in communicating its diversity initiatives through its members, who represent all areas of the University.
- The University promoted international and annual events and other initiatives supporting cultural understanding through its website and using other promotional tools.
- A project exploring the experiences of SCU students from a diverse range of backgrounds was launched as part of the University's tenth anniversary celebrations.
- An interactive website was made available for students to express their views.
- Plan for 2005* Continue to build on successes in diversity initiatives and achievements and publicise these within the University.

### Equal Employment Opportunity

The University continued to maintain numbers of Indigenous Australian staff that are well above the benchmarks of other NSW universities, representing six percent of general staff and three percent of academic staff at the University in 2004.

The representation of academic staff from Non-English Speaking (NES) backgrounds increased from 8 percent to 10 percent during 2004, with statistics indicating that most NES staff were female.

Women comprised 64 percent of general staff and 44 percent of academic staff, while women also held 29 percent of management positions within the University. There was an increase in external recruitment of general staff, with the number of women externally recruited almost double that of the previous year.

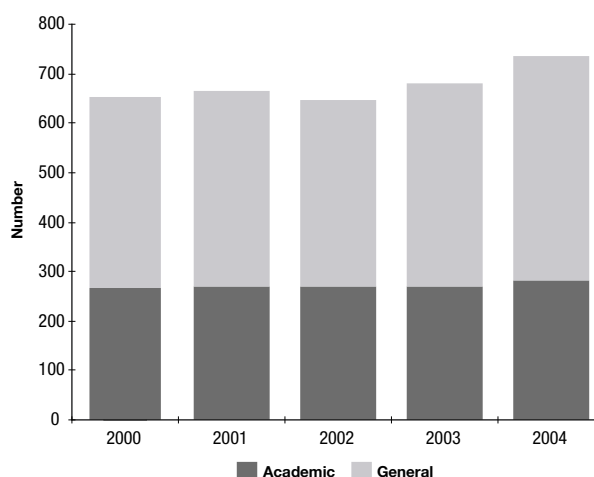
Promotion rounds for academic staff were monitored and specific training and mentoring support provided to women considering application for promotion. The University's Teaching and Learning Centre compiled an information package titled 'Developing a Teaching Portfolio' and assisted individual women academics in developing their portfolios.

Women academics continued to be under-represented in some organisational units. Through its 'Women in Technology' program, the University's School of Multimedia and Information Technology continued its efforts to recruit women academics and increase the number of female post-graduate students.

The University developed a Management Development Strategy, which aims to establish a network of University women for leadership and management. Through implementation of the strategy, the University provides support to women interested in developing their leadership and management capabilities and prospects. In 2004, six percent of general staff and six percent of academic staff reported disabilities.

Equal Employment Opportunity training is available online for all staff.

Academic and General Staff (Persons)  
2000 – 2004



## Number and Full Time Equivalence (FTE) of Staff 2000 – 2004

Staff	Persons					FTE				
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004
Academic Staff										
Full-time	244	248	246	238	250	244	248	246	238	250
Fractional	22	21	23	33	31	14	13	16	22	19
Subtotal	266	269	269	271	281	258	261	262	260	269
General Staff										
Full-time	322	335	310	329	357	322	335	310	329	357
Fractional	65	62	67	79	99	41	38	42	49	62
Subtotal	387	397	377	408	456	363	373	352	378	419
All Staff										
Full-time	566	583	556	567	607	566	583	556	567	607
Fractional	87	83	90	112	130	54	51	58	71	81
<b>TOTAL</b>	<b>653</b>	<b>666</b>	<b>646</b>	<b>679</b>	<b>737</b>	<b>620</b>	<b>634</b>	<b>614</b>	<b>638</b>	<b>688</b>

## Full Time and Fractional Full Time Staff (persons) by Gender and Level 1995 – 2004

	Above Senior Lecturer		Senior Lecturer		Lecturer		Below Lecturer		Academic Subtotal			General			TOTAL		
	F	M	F	M	F	M	F	M	F	M	Total	F	M	Total	F	M	Total
1995	8	32	14	32	31	77	23	18	76	159	235	176	115	291	252	274	526
1996	7	38	19	33	35	79	27	23	88	173	261	202	134	336	290	307	597
1997	5	38	19	38	41	75	31	20	96	171	267	221	146	367	317	317	634
1998	7	44	18	51	45	60	37	25	107	180	287	239	143	382	346	323	669
1999	7	37	21	46	37	63	30	20	95	166	261	241	140	381	336	306	642
2000	8	35	20	45	38	60	40	20	106	160	266	247	140	387	353	300	653
2001	9	36	17	45	50	57	31	24	107	162	269	240	157	397	347	319	666
2002	9	40	16	43	50	49	40	22	115	154	269	230	147	377	345	301	646
2003	10	41	19	40	50	55	35	21	114	157	271	254	154	408	368	311	679
2004	11	39	20	43	56	49	37	26	124	157	281	290	166	456	414	323	737

## Full Time and Fractional Full Time Staff (FTE) by Gender and Level 1995 – 2004

	Above Senior Lecturer		Senior Lecturer		Lecturer		Below Lecturer		Academic Subtotal			General			TOTAL		
	F	M	F	M	F	M	F	M	F	M	Total	F	M	Total	F	M	Total
1995	8	31	14	32	30	77	22	17	74	157	231	164	110	275	238	268	506
1996	7	36	19	32	33	78	23	21	82	168	250	190	129	319	271	297	569
1997	4	37	18	38	38	73	29	18	90	166	256	205	141	347	295	307	602
1998	7	43	18	51	43	59	34	24	102	177	278	222	138	360	323	315	638
1999	7	36	21	46	35	63	28	19	91	164	254	222	137	359	313	300	614
2000	8	35	20	45	36	59	35	19	99	159	258	227	136	363	326	295	620
2001	9	36	17	45	47	57	28	23	101	160	261	220	153	373	321	313	634
2002	9	40	16	43	47	49	37	22	109	154	262	208	144	352	317	298	614
2003	10	41	19	40	46	53	32	19	106	154	260	229	150	378	335	303	638
2004	11	39	20	43	51	48	33	24	115	154	269	258	161	419	373	316	688

## Facilities

### Waste and Energy Management

Demonstrating its commitment to sustainable environmental resource management, the University purchased two electric cars in 2004 to replace its standard maintenance vehicles. The environmentally friendly vehicles, worth just over \$30,000 each, are estimated to reduce carbon dioxide emissions by about 16 tonnes per annum, and save more than \$7,000 a year in fuel costs.



*Vice-Chancellor Paul Clark with one of the new electric vehicles purchased by the University to reduce carbon dioxide emissions and save fuel.*

The University's waste minimisation program with regard to recyclable paper continued to expand with more than 150 tonnes of paper collected and recycled in 2004. A waste audit was conducted which indicated that additional material could be recycled with the potential to further reduce waste to landfill by 20 percent. Aluminium, glass and plastic containers were collected and forwarded to a local recycling station, and toner cartridges were recycled where possible.

In an effort to reduce water usage by approximately 50 percent, the University commenced replacing its single flush toilet cisterns with modern dual flush cisterns.

Both the energy management power factor correction units and transformer high voltage switch gear at the University were maintained to ensure optimum performance, energy reduction levels and cost savings, while an ongoing lighting upgrade saw a number of inefficient lights replaced with modern, energy-efficient fittings.

### Major Works

At Coffs Harbour, planning commenced to improve staff accommodation and provide more space for the increasing number of students scheduled to arrive at the campus from 2005. Specific plans were undertaken to accommodate growth in the number of nursing students.

At Tweed Gold Coast, plans were developed for construction of an additional building to meet general growth and newly allocated student loads, with completion scheduled for 2006.

At Lismore, preliminary discussions were held with Local Government Departments regarding construction of a Regional Repository on university owned land. The building would meet statutory requirements and would also act as a secondary records storage facility. The proposed facility would provide a valuable shared resource and strengthen strategic community alliances, providing a space for the community to conduct research of relevance to the region.

It is expected that a funding application will be submitted under the Sustainable Regions Program.

### Residential Services

The University Residential Services department is responsible for the cost-effective management of three collegiate residences at Lismore campus – Orion, Magellan and Sirius – as well as the Coffs Harbour Residential College, Invercauld Conference Centre, Goodman Plaza and the off-campus accommodation services at Lismore, Coffs Harbour and the Gold Coast-Tweed Heads campuses.

During 2004 the residential colleges continued to provide educationally oriented accommodation in a supportive, caring and well-administered environment to students from all parts of Australia and overseas. The colleges strive to create a pluralistic living environment that embraces ethnic diversity and respects global humanity. They have been established to support the academic goals of students through Study Centres and to fulfil the educational objectives of the University by consistently offering a robust campus-life experience to its residents.

In 2004 the colleges operated at their maximum capacity and provided a robust range of social, cultural and sporting activities to their residents. The students were well supported by highly trained and informed residential staff and social activities of the colleges were conducted through the mutual support and combined energy of residential staff and elected student representatives.

Residents of Magellan College in Lismore, and members of Coffs Harbour Residential College have full access to personal emails and to the educational Internet from their individual bedrooms. The two Lismore colleges provide their own fully operational Study Centres.

The demand for on-campus accommodation in 2004 remained high, with 606 applications for accommodation lodged for Lismore and 179 applications lodged for Coffs Harbour. Students not able to be accommodated in colleges were assisted to acquire off-campus housing.

Meanwhile, the University's Invercauld Conference Centre continued to provide a popular conference, meetings and in-service training facility for the local community as well as the University.

# Continuous improvement



*During 2004 the University reviewed and designed a Student Academic Integrity Policy.*

## **Quality Assurance**

Southern Cross University is strongly committed to the pursuit of continuous improvement. The University has a Quality Assurance and Improvement Plan as part of its strategic planning framework.

The University's Academic Board has principal responsibility for the establishment and review of policies and procedures for quality assurance in the area of learning and teaching, and was itself externally reviewed in 2004.

In support of its commitment to quality in learning, teaching, and curriculum design and development, the University has a Learning, Teaching and Curriculum Management Policy and Plan. During 2004, the University reviewed and designed a Student Academic Integrity Policy and associated procedures. It also developed a comprehensive policy on flexible learning and completed reviews on the following programs:

- Bachelor of Contemporary Music
- Bachelor of Visual Arts
- Bachelor of Business
- Bachelor of Accounting
- Bachelor of Management
- Bachelor of Accounting/Bachelor of Information Technology
- Bachelor of Business/Bachelor of Arts
- Bachelor of Business/Bachelor of Laws
- Bachelor of Social Science
- Bachelor of Business Administration

- Bachelor of Management and Professional Studies
- Bachelor of Human Services
- Bachelor of Social Science/Bachelor of Laws
- Bachelor of Human Services/Bachelor of Health Science in Nursing.

The University's Teaching and Learning Centre continued to play an important role in enhancing the quality of academic practice. In 2004, it inaugurated a Graduate Certificate in Higher Education, and the University offered six scholarship places for academic staff of the University. The University also made available seeding grants to promote research in excellence in learning and teaching.

## **Student Feedback**

The University has several ways to collect and analyse student and graduate feedback, including participation in a nationally benchmarked Graduate Destinations Survey and Course Experience Questionnaire. In 2004, all of the results of the Course Experience Questionnaire compared favourably with the national averages. The scales relate to good teaching, clear goals and standards, appropriate workload, appropriate assessment, generic skills and overall satisfaction. On each of these scales, the University scored equal to or higher than the national averages.

At the University level, a survey of the first-year experience was conducted in 2004. The results indicated high levels of satisfaction, and highlighted areas for improvement.

The University has had a well-developed set of instruments for student feedback on units and teaching, and in 2004 these

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were adapted to form a mandatory online Student Experience in Units and Teaching Survey. The response rates have encouraged the University to continue and develop the online unit surveys.

The Library conducted a nationally benchmarked client satisfaction survey in 2004. The survey response rate was triple that of the survey conducted in 2002, with the outcomes demonstrating a significant improvement in performance – rating the library as an exceptional performer.

The University also has a Complaints Management Framework, which provides for a nominated officer in each of the University's major areas, and specifies timelines for all levels of response. In 2004, 32 complaints and enquiries were forwarded to the Student Ombud. Of these, seven were investigated and formally reported to the Vice-Chancellor.

In addition to the surveys, the University conducted an investigation into factors affecting student retention. Students were encouraged to participate, and their views of the draft report were sought.

Academic Board received thirteen appeals against results or exclusion in 2004, with the following outcomes reported:

- Original decision upheld in four cases
- Outcome negotiated between student and relevant academic in four cases
- Two appeals fully or partially upheld and academic records changed
- Two appeals withdrawn or abandoned
- One appeal found to have no grounds.

## **Performance Reporting**

Each year the University produces performance reports to assist in identifying trends, initiating continuous self-improvement activities and assessing performance against its strategic priorities. By measuring success against its aims and objectives, the University is better able to allocate resources and prioritise activities.

As part of this performance reporting, the University prepares an annual General Report Card that documents its performance against key performance indicators, which are aligned to the following strategic areas:

- Strategic Planning and Management
- Learning, Teaching and Curriculum
- Research and Research Training
- Regional and Community Engagement
- Equity, Access and Participation
- Internationalisation
- Student Services
- Human Resource Services.

The General Report Card and other detailed reports relating to students, courses and staffing are available on the University website at <http://www.scu.edu.au/admin/acqua/statistics/statistics.html>

## **Benchmarking**

The University has a benchmarking framework, encompassing external and internal comparators. During 2004, the University conducted a major management benchmarking exercise with the Association of Commonwealth Universities in the areas of Regional and Community Engagement, multi-campus management and commercialisation.

The report was disseminated throughout the University, and has formed the basis for elements of an internal strategic review and organisational change being enacted in 2005.

The University also produces Course Performance Reports, which incorporate internal and external benchmarks. These are available to course co-ordinators and academic managers annually for their consideration.

# Southern Cross University Financial Report

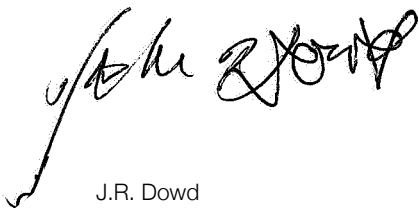
FOR THE YEAR ENDED 31 DECEMBER 2004



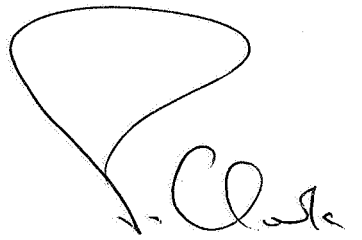
## Statement by Members of the Council

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

1. The attached is a general purpose financial report and presents a true and fair view of the University's and Consolidated Entity's financial position as at 31 December 2004 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date;
2. The financial reports have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2000 and the Commonwealth Guidelines for the Preparation of Annual Financial Reports for the 2004 Reporting Period by Australian Higher Education Providers;
3. The financial reports have been prepared in accordance with Australian Accounting Standards, Consensus views of the Urgent Issues Group and other mandatory professional reporting requirements;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate;
5. At the time of this certificate there are reasonable grounds to believe that the University and Consolidated Entity will be able to pay their debts as and when they become due and payable;
6. The amount of Commonwealth financial assistance expended during the reporting period was for the purposes for which it was provided.



J.R. Dowd  
Chancellor



P. Clark  
Vice-Chancellor

8th April 2005





GPO BOX 12  
SYDNEY NSW 2001

## INDEPENDENT AUDIT REPORT

### SOUTHERN CROSS UNIVERSITY

To Members of the New South Wales Parliament

#### Audit Opinion

In my opinion, the financial report of the Southern Cross University:

- (a) presents fairly the Southern Cross University's and the consolidated entity's financial position as at 31 December 2004 and their financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with:
  - (i) section 41B of the *Public Finance and Audit Act 1983* (the Act), and
  - (ii) the Financial Statement Guidelines for Australian Higher Education Providers for the 2004 Reporting Period issued by the Australian Government Department of Education, Science and Training.

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

#### The Council's Role

The financial report is the responsibility of the Council. It consists of the statements of financial position, the statements of financial performance, the statements of cash flows and the accompanying notes for the Southern Cross University and the consolidated entity. The consolidated entity comprises the Southern Cross University and the entities controlled at the year's end, or during the financial year.

#### The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

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

- evaluated the accounting policies and significant accounting estimates used by the Council in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

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

My opinion does *not* provide assurance:

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

#### **Audit Independence**

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

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

A handwritten signature in black ink, reading "M T Spriggins". The signature is written in a cursive style with a large initial "M".

M T Spriggins CA  
Director, Financial Audit Services

SYDNEY  
12 April 2005

## Statement of Financial Performance for the year ended 31 December 2004

	Notes	Consolidated		University	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Revenue from Ordinary Activities</b>					
Commonwealth Government financial assistance					
Commonwealth Government grants	2	39,363	40,054	39,363	40,054
Higher Education Contribution Scheme					
Student Contributions		3,397	3,302	3,397	3,302
Commonwealth payments	2	21,088	21,231	21,088	21,231
Commonwealth loan programmes	2	1,323	775	1,323	775
State and Local Government financial assistance	3	841	918	841	918
Superannuation- deferred government contributions	15	(1,661)	2,152	(1,661)	2,152
Fees & charges	4	16,101	16,174	15,347	14,727
Investment Income	5	1,123	784	991	684
Royalties, trademarks & licences	6	26	40	26	40
Consultancy and contract research	7	5,815	4,063	5,280	3,364
Other revenue	8	9,362	9,797	7,662	7,190
Share of net result of associates and joint ventures accounted for using the equity method	21	389	413	329	353
<b>Total revenue from ordinary activities</b>		<b>97,167</b>	<b>99,703</b>	<b>93,986</b>	<b>94,790</b>
<b>Expenses from Ordinary Activities</b>					
Employee benefits & on-costs	9	60,805	60,140	59,229	58,644
Depreciation and amortisation	10	6,854	7,817	6,756	7,739
Repairs and maintenance	11	1,103	1,097	1,103	1,097
Borrowing costs	12	-	-	-	-
Bad and doubtful debts	13	121	146	121	642
Other expenses	14	34,107	33,208	32,487	30,519
<b>Total expenses from ordinary activities</b>		<b>102,990</b>	<b>102,408</b>	<b>99,696</b>	<b>98,641</b>
<b>Operating result from ordinary activities before related income tax expense</b>		<b>(5,823)</b>	<b>(2,705)</b>	<b>(5,710)</b>	<b>(3,851)</b>
Income tax expense	17	(19)	(1)	-	-
<b>Operating result from ordinary activities after related income tax expense</b>		<b>(5,842)</b>	<b>(2,706)</b>	<b>(5,710)</b>	<b>(3,851)</b>
Loss on extraordinary item after related income tax		-	-	-	-
<b>Net operating result</b>		<b>(5,842)</b>	<b>(2,706)</b>	<b>(5,710)</b>	<b>(3,851)</b>
Net operating result attributable to outside equity interest		(22)	(3)	-	-
<b>Net operating result attributable to parent entity</b>		<b>(5,864)</b>	<b>(2,709)</b>	<b>(5,710)</b>	<b>(3,851)</b>
Net increase in asset revaluation reserve	29(a)	19,185	-	19,185	-
Adjustment resulting from change in accounting policy required by a change in an accounting standard		-	-	-	-
<b>Total revenues, expenses and valuation adjustments attributable to the parent entity recognised directly in equity</b>		<b>19,185</b>	<b>-</b>	<b>19,185</b>	<b>-</b>
<b>Total changes in equity attributable to the parent entity other than those resulting from transactions with owners as owners</b>		<b>13,321</b>	<b>(2,709)</b>	<b>13,475</b>	<b>(3,851)</b>

## Statement of Financial Position as at 31 December 2004

	Notes	Consolidated		University	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Current assets</b>					
Cash assets	18	17,254	17,765	15,123	15,165
Receivables	19	4,300	5,919	4,518	5,544
Inventories	20	73	150	-	76
Other financial assets	22	-	-	-	-
Other non-financial assets	24	1,235	722	1,196	696
<b>Total current assets</b>		<b>22,862</b>	<b>24,556</b>	<b>20,837</b>	<b>21,481</b>
<b>Non-current assets</b>					
Receivables	19	14,323	16,016	14,323	16,016
Inventories	20	-	-	-	-
Investments accounted for using equity method	37	6,787	7,248	546	1,067
Other financial assets	22	410	501	410	501
Property, plant and equipment	23	167,735	152,274	167,416	152,096
Intangible assets		-	-	-	-
Other non-financial assets	24	-	-	-	-
<b>Total non-current assets</b>		<b>189,255</b>	<b>176,039</b>	<b>182,695</b>	<b>169,680</b>
<b>Total assets</b>		<b>212,117</b>	<b>200,595</b>	<b>203,532</b>	<b>191,161</b>
<b>Current liabilities</b>					
Payables	25	4,247	4,184	4,045	3,506
Interest bearing liabilities	26	-	-	-	-
Provisions	27	4,386	3,656	4,285	3,603
Other	28	2,801	4,641	2,266	3,801
<b>Total current liabilities</b>		<b>11,434</b>	<b>12,481</b>	<b>10,596</b>	<b>10,910</b>
<b>Non-current liabilities</b>					
Payables	25	709	808	709	808
Interest bearing liabilities	26	-	7	-	-
Provisions	27	21,211	21,876	21,140	21,831
Other	28	-	-	-	-
<b>Total non-current liabilities</b>		<b>21,920</b>	<b>22,691</b>	<b>21,849</b>	<b>22,639</b>
<b>Total liabilities</b>		<b>33,354</b>	<b>35,172</b>	<b>32,445</b>	<b>33,549</b>
<b>Net assets</b>		<b>178,763</b>	<b>165,423</b>	<b>171,087</b>	<b>157,612</b>
<b>Equity</b>					
Parent equity interest					
Statutory Funds		-	-	-	-
Reserves	29	84,308	65,123	84,308	65,123
Retained Surplus	29	94,433	100,297	86,779	92,489
<b>Total parent equity interest</b>		<b>178,741</b>	<b>165,420</b>	<b>171,087</b>	<b>157,612</b>
Outside equity interest in controlled entities	30	22	3	-	-
<b>Total equity</b>		<b>178,763</b>	<b>165,423</b>	<b>171,087</b>	<b>157,612</b>

## Statement of Cash Flows for the year ended 31 December 2004

	Notes	Consolidated		University	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Cash Flows from Operating Activities</b>					
Commonwealth Government					
Teaching and learning		31,607	32,004	31,607	32,004
HECS and other loan programmes		20,623	22,003	20,623	22,003
Scholarships		960	593	960	593
DEST research		4,167	4,373	4,167	4,373
ARC grant - Discovery		466	196	466	196
ARC grant - Linkages		1,283	895	1,283	895
Other Commonwealth		878	1,695	878	1,720
State Government		944	918	944	918
HECS - Student payments		3,397	3,302	3,397	3,302
Receipts from student fees and customers		14,245	14,181	13,418	12,560
Dividends received					
Interest received		1,115	749	991	650
Joint venture partnership distributions received		850	550	850	550
Student Accommodation		2,137	1,955	2,137	1,955
Other operating receipts		15,136	9,409	11,387	5,825
Payments to employees		(47,124)	(45,267)	(47,124)	(44,032)
Salary related costs		(11,971)	(10,847)	(10,454)	(10,608)
Borrowing Costs					
Payments to suppliers		(35,949)	(31,448)	(32,538)	(28,492)
Income taxes paid		(5)	(1)	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	39	2,759	5,260	2,992	4,412
<b>Cash flows from investing activities</b>					
Proceeds from sale of plant & equipment	16	2,825	3,032	2,792	3,007
Proceeds from sale of investments	16	3	-	3	-
Payments for property, plant and equipment		(6,088)	(6,300)	(5,829)	(6,263)
<b>Net cash inflow/(outflow) from investing activities</b>		(3,260)	(3,268)	(3,034)	(3,256)
<b>Cash Flows from financing activities</b>					
Dividends paid by controlled entities to outside equity interests		(3)	-	-	-
Repayment of Directors Loans		(7)	-	-	-
Repayment of borrowings		-	-	-	-
<b>Net cash inflow/(outflow) from financing activities</b>		(10)	-	-	-
<b>Net increase/ (decrease) in cash held</b>		(511)	1,992	(42)	1,156
<b>Cash at beginning of reporting period</b>		17,765	15,773	15,165	14,009
<b>Cash at end of the year</b>	18	17,254	17,765	15,123	15,165

## Notes to the Financial Statements for the financial year ended 31 December 2004

Note	Contents
1.	Summary of significant accounting policies
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3.	State and Local Government financial assistance
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7.	Consultancy and contract research
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15.	Significant Revenues and Expenses
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## Notes to the Financial Statements for the financial year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Framework

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the Department of Education, Science and Training, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2000 and other State/Commonwealth legislative requirements.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

All amounts are rounded to the nearest thousand dollars and are expressed in Australian Currency.

#### Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

#### a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Southern Cross University as at 31 December 2004 and the results of all controlled entities for the year then ended. The effects of all transactions between entities in the consolidated entity have been eliminated in full. All controlled entities are audited by the Audit Office of New South Wales.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report. Details of controlled entities are contained in Note 30.

#### b) Significant revenues & expenses

In accordance with AASB 1018, Statement of Financial Performance, where an item of revenue or expense from ordinary activities is of such a size, nature or incidence, that its disclosure is relevant in explaining the financial performance of the entity, its nature and amount have been disclosed separately in the notes.

#### c) Revenue recognition

##### Financial Assistance

Financial Assistance received is recognised as revenue in the period in which the funds are received.

##### Services

Revenue from sales of services is recognised in the period in which the service is provided.

##### Interest

Interest revenue is recognised as it accrues.

##### Dividends

Revenue from dividends and distributions from controlled entities are recognised by the parent entity when the right to receive a dividend has been established.

##### Asset Sales

The gross proceeds of asset sales not originally purchased for the intention of resale are included as revenue at the date of the sale.

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### d) Student associations

The financial activities of student associations related to the functioning of the University or providing services to the student body have not been consolidated with or included in the financial statements of the institution as they are not considered to be controlled entities.

#### e) Basis of valuation of non-current assets

##### Land, Buildings and Infrastructure

The basis of valuation of land, buildings and infrastructure is fair value and these are revalued with sufficient regularity to ensure their carrying amounts do not differ materially from fair value at reporting date.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net profit or loss, the increment is recognised immediately as revenue in net profit or loss.

Revaluation decrements are recognised immediately as expenses in net profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

##### Revaluation of Physical Non-Current Assets

The 2004 revaluations of buildings and infrastructure were based on independent assessments by a member of the Australian Property Institute. The Higher Education Provider (HEP's) valuations are a directors' valuation based on cost which is deemed to be a surrogate of fair value at reporting date. Freehold land was revalued by reference to notices of value from the New South Wales Valuer General.

The 2003 values for land, buildings and infrastructure were based on the 2002 independent valuation prepared by a member of the Australian Property Institute.

The independent valuations have been prepared in accordance with the guidelines issued by the New South Wales Treasury and AASB 1041 Revaluation of non-current assets.

The recoverable amount test has not been applied, as the University is a not-for-profit entity whose service potential is not related to the ability to generate net cash inflows.

##### Plant and Equipment

Plant and equipment are measured at cost which is a surrogate for fair value for short lived assets. Plant, equipment and vehicles with an acquisition cost of \$5,000 or greater are capitalised and are recognised in the Statement of Financial Position at cost (being purchase price plus incidental costs directly attributable to the acquisition). Individual items of plant and equipment costing less than \$5,000 are treated as an expense in the year of acquisition.

##### Library Collection

The library book collection is measured at fair value. The University has a rare book collection, which has been capitalised but has not been depreciated due to the unique nature of the collection.



Notes to the Financial Statements  
for the financial year ended 31 December 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Depreciation of non-current assets

Buildings, Infrastructure, Plant and Equipment are depreciated over their estimated economic useful lives to the consolidated entity using the straight-line method.

The annual rates for depreciation are:

	%p.a.
Buildings	2.5-20
Infrastructure	2.5-10

Plant & Equipment

Research equipment	33.3
Vehicles	15
Computer Equipment	33.3
Medical, audio visual equipment	15
Boats and associated	25
General equipment	10
Library General Collection	20

Revalued non-current assets are depreciated on a straight-line basis reflecting remaining useful life.

g) Cash assets

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions.

h) Inventories

Stocks have been valued at lower of cost or net realisable value, on a first in first out basis (FIFO).

A stocktake of all stores is conducted in December of each year, and valuations in the accounts are adjusted accordingly.

i) Receivables

Receivables are recognised and carried at the original invoice amount less a provision for any doubtful debts.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A year end review of outstanding debtors was performed and a provision for doubtful debts has been raised for those debts where some doubt as to collection exists.

j) Other financial assets

Other Financial Assets includes investments in listed entities that are not controlled by the University.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

k) Payables

Accounts payable represent goods and services provided to the consolidated entity prior to 31 December 2004. The accounts are usually settled on the creditors trading terms.

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### l) Employee benefits

The provision for annual leave represents the amount which Southern Cross University has a present obligation to pay resulting from employees' services provided up to balance date. The provision has been calculated on remuneration rates that are expected when the obligation is settled and includes related on-costs.

The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to year end.

Liabilities for employee benefits which are not expected to be settled within 12 months (excluding annual leave) are discounted using rates attaching to national government securities at year end, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee benefits, consideration has been given to future increases in wage and salary rates, and the consolidated entity's experience with staff departures. Related on-costs also have been included in the liability.

#### m) Superannuation

The Actuary, William Mercer Ltd has completed the assessment of the gross superannuation liabilities for the defined benefits scheme administered by the SAS Trustee Corporation for the year ended 31 December 2004. These schemes include the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS).

The 2004 assessment of SASS, SANCS and SSS is based on the full requirements of AAS25 "Financial Reporting by Superannuation Plans".

The details of the actuarial assessment at 31 December 2004 are disclosed in note 27.2.

Contributions are made by the university to employee superannuation funds and are expensed when incurred.

The University has recognised its unfunded superannuation liability as a receivable from the Commonwealth Government in accordance with UIG Abstract 51 Recovery of Unfunded Superannuation of Universities. The liability relates to past service by University employees covered by the State Superannuation Schemes and is likely to be recovered.

The University has recognised the net movement of unfunded past service costs for State Superannuation Schemes as revenue (Deferred Government Contributions) with a corresponding amount recorded as an expense (Deferred employee benefits).

#### n) Leased assets

The University currently has no finance leases. All leases are operating leases where the consolidated entity does not assume the risks and benefits of ownership. Lease payments for operating leases are charged as an expense in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability. Lease payments reduce the liability.

#### o) Joint venture operations

The proportionate interests in the assets, liabilities and expenses of joint venture operations have been incorporated in the financial statements under the appropriate headings. Details of joint venture operations are set out in Note 37.

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### p) Joint venture entities

Under the equity method, the consolidated entity's share of profits or losses of the joint venture entity are recognised as revenue in the statement of financial performance.

Interests in joint venture entities which are partnerships are accounted for using the equity method in both the University and Consolidated Entity's financial statements.

Interests in joint ventures which are not partnerships are accounted for using the cost method in the University financial statements and the equity method in the Consolidated Entity's financial statements.

Further information is disclosed in Note 37.

#### q) Research and development costs

Research and development costs are expensed in the year in which they are incurred.

#### r) Financial instruments

In accordance with AASB 1033 "Presentation and Disclosure of Financial Instruments" information is disclosed in Note 31, in respect of the credit risk and interest rate risk of financial instruments. All such amounts are carried in the accounts at net fair value unless otherwise stated. The specific accounting policy of each class of such financial instrument is stated hereunder.

Class of instruments recorded at cost comprises:

- cash
- receivables
- other financial assets
- payables
- interest bearing liabilities
- other liabilities

Classes of instruments recorded at market value comprise certain investments in shares.

All financial instruments including revenue, expenses or other cash flows arising from instruments are recognised on an accrual accounting basis.

#### s) Related party transactions

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

#### t) Goods and services tax

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

Receivables and payables in the statement of financial position and commitments are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables.

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

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### u) Income tax

Southern Cross University, Norsesearch Limited and Australian Plant DNA Bank Limited are exempt from the payment of income tax, and accordingly, no provision for income tax liability or future income tax benefit has been included in the consolidated financial report.

The controlled entity Southern Cross Human Resource Development Pty Ltd is subject to income tax, and a provision for income tax has been made in respect of its profit for 2004.

#### v) Comparative figures

Where necessary, 2003 comparative figures have been reclassified for purposes of consistency in presentation.

#### w) Financial effects of changes to Commonwealth payment arrangements for 2005 grant year

##### Background

Payment to universities in respect of programmes under the *Higher Education Funding Act 1988* (HEFA) are made on the second and last Thursdays of each month. In the recent past, the first payment in respect of a grant year (equalling 8% of the total recurrent funding for that year) had been made at the end of December of the previous year.

Funding for most programs under HEFA ends on 31 December 2004 while most new programmes under the *Higher Education Support Act 2003* (HESA) commence on 1 January 2005. Continuing the current practice of making the first payment in December 2004 for the 2005 grant year would mean that Commonwealth payments would be made in respect of programmes that are yet to commence and that these payments are treated by majority of universities as revenue for 2004. This has considerable accountability implications for the Australian Government Department of Education, Science and Training (DEST) in administering and accounting for the programme payments.

HEPs (even those within the same State) do not treat the early payment uniformly and the payment is treated in at least three different ways – as revenue when it is received, as an advance (a liability), and part as revenue and the other as liability. Such varied treatment creates a lack of transparency and distorts both the Commonwealth funding and the HEPs' financial year results.

DEST has announced changes to payment arrangements whereby all recurrent payments in respect of a grant year will be made in that year. For the 2005 grant year, the first payment will be made in January 2005 instead of December 2004.

The changes to payment arrangements will mean, that from 2005 reporting period, the financial statements of all higher education providers will reflect the Commonwealth financial assistance in respect of a grant year.

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### w) Financial effects of changes to Commonwealth payment arrangements for 2005 grant year (cont'd)

##### Financial Effects for 2004

Changes to payment arrangements will mean that those HEPs that reported the whole or part of the 8% first payment in respect of the 2004 grant year as revenue in 2003 will have the effect of understating the Commonwealth funding for the 2004 grant year in their 2004 Statement of Financial Performance.

To identify the impact of the arrangement, grants provided for 2004 activities but recognised as 2003 revenue should be adjusted by incorporating the amount received in December 2003 as revenue for the 2004 reporting period. The effect of this is shown below:

	\$'000
2004 Revenue from Operating Activities (per Statement of Financial Performance)	97,167
Add Grants Received in 2003 for 2004 Activities:	
Commonwealth Government financial assistance	2,949
HECS – Commonwealth payments	–
Commonwealth loan programmes	–
Total Restated 2004 Revenue from Operating Activities	100,116
Restated 2004 Operating Result	(2,893)
Reported 2004 Operating Result	(5,842)
Financial Effect on 2004 Operating Result	2,949

The Commonwealth will use the restated figures in all DEST publications, including the Finance 2004 publication, to ensure consistent treatment across all HEPs.

#### x) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the year ending 31 December 2005.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained surplus as at 1 January 2004.

The consolidated entity has established a project team to manage the transition to Australian equivalents to IFRS, including the training of staff and system and internal control changes necessary to gather all the required financial information. The project team is chaired by the Director of Finance and reports to the Audit Committee. The project team has prepared a detailed timetable for managing the transition and is currently on schedule. To date the project team has analysed most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including the elective exemptions under Accounting Standard AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards". Some of these choices are still being analysed to determine the most appropriate accounting policy for the consolidated entity.

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### x) International Financial Reporting Standards (IFRS) (cont'd)

Major changes identified to date that will be required to the consolidated entity's existing accounting policies include the following (references to new AASB standards below are to the Australian equivalents to IFRS issued in July 2004):

##### *(i) State Superannuation Schemes*

The NSW Government Actuary determines the deferred liabilities in respect of the State Superannuation Schemes. The liability calculated under IFRS will be different to that calculated in accordance with current accounting standards because of different measurement requirements. The opening balance sheet will need to reflect adjustments to the discount rate used to calculate the unfunded superannuation liability or surplus resulting from the adoption of AASB 119.

##### *(ii) Non-current Investments*

Under the pending AASB 139 "Financial Instruments: Recognition and Measurement", financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognized either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

##### *(iii) Income Tax*

Currently the consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent timing differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

The above should not be regarded as a complete list of all changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to Australian equivalents to IFRS on the consolidated entity's financial position and reported results.

## Notes to the Financial Statements for the year ended 31 December 2004

	Notes	Consolidated		University	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>2 COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE</b>					
(including HECS and other Commonwealth loan programmes)					
<b>(a) DEST - Teaching &amp; Learning</b>	40.1				
Operating Grant*		31,165	32,155	31,165	32,155
Teaching Hospitals		-	-	-	-
Capital Development Pool		-	-	-	-
<b>Total DEST - Teaching and Learning</b>		<b>31,165</b>	<b>32,155</b>	<b>31,165</b>	<b>32,155</b>
<b>(b) HECS &amp; other Commonwealth loan programmes</b>	40.2				
HECS - Commonwealth payments		21,088	21,231	21,088	21,231
PELS		1,323	775	1,323	775
BOTPLS		-	-	-	-
<b>Total HECS and other Commonwealth loan programmes</b>		<b>22,411</b>	<b>22,006</b>	<b>22,411</b>	<b>22,006</b>
<b>(c) Scholarships</b>	40.3				
Australian Postgraduate Awards		575	499	575	499
International Postgraduate Research Scholarships		127	94	127	94
Commonwealth Education Costs Scholarships		74	-	74	-
Commonwealth Accommodation Scholarships		184	-	184	-
<b>Total scholarships</b>		<b>960</b>	<b>593</b>	<b>960</b>	<b>593</b>
<b>(d) DEST - Research</b>	40.4				
Institutional Grants Scheme		1,200	1,248	1,200	1,248
Research Training Scheme		2,553	2,598	2,553	2,598
Systemic Infrastructure Initiative		-	-	-	-
Research Infrastructure - Block Grants		414	434	414	434
Regional Protection Grants		-	93	-	93
<b>Total DEST - Research</b>		<b>4,167</b>	<b>4,373</b>	<b>4,167</b>	<b>4,373</b>
<b>(e) Other DEST</b>					
Higher Education Innovation Programme		250	-	250	-
Equity programme		184	249	184	249
<b>Total Other DEST</b>		<b>434</b>	<b>249</b>	<b>434</b>	<b>249</b>
<b>Total DEST</b>		<b>59,137</b>	<b>59,376</b>	<b>59,137</b>	<b>59,376</b>
<b>(f) Australian Research Council</b>	40.5				
<b>(f) (i) Discovery</b>	40.5(i)				
Project		466	191	466	191
Fellowships		-	-	-	-
Federation Fellowships		-	-	-	-
Indigenous Researchers Development		-	16	-	16
<b>Total discovery</b>		<b>466</b>	<b>207</b>	<b>466</b>	<b>207</b>
<b>(f) (ii) Linkages</b>	40.5(ii)				
Special Research Initiatives		-	-	-	-
Infrastructure		289	-	289	-
International		-	-	-	-
Learned Academies		-	-	-	-
Projects		994	960	994	960
Centres		-	-	-	-
<b>Total linkages</b>		<b>1,283</b>	<b>960</b>	<b>1,283</b>	<b>960</b>
<b>(g) Other Commonwealth Government financial assistance</b>					
Department Employment Science and Training (ATAS)		176	115	176	115
Regional Universities Network		-	-	-	-
Other		712	1,033	712	1,033
Revenue received in this period		888	1,148	888	1,148
<i>Add:</i>					
Grants unexpended in the prior year brought forward		-	369	-	369
<b>Total other Commonwealth Government financial assistance</b>		<b>888</b>	<b>1,517</b>	<b>888</b>	<b>1,517</b>
<b>Total Commonwealth Government financial assistance</b>		<b>61,774</b>	<b>62,060</b>	<b>61,774</b>	<b>62,060</b>

\* Operating grant includes Superannuation Programme and Workplace Reform Programme

## Notes to the Financial Statements for the year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>2 COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (cont)</b> (including HECS and other Commonwealth loan programmes)				
<b>Reconciliation</b>				
Commonwealth Government Grants (a + c + d + e + f + g)	39,363	40,054	39,363	40,054
HECS - Commonwealth payments	21,088	21,231	21,088	21,231
Commonwealth loan programmes (PELS + BOTPLS)	1,323	775	1,323	775
<b>Total Commonwealth Government financial assistance</b>	<b>61,774</b>	<b>62,060</b>	<b>61,774</b>	<b>62,060</b>
<b>3 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE</b>				
New South Wales State and local Government	709	811	709	811
Queensland Government	50	95	50	95
Western Australian Government	-	2	-	2
Victorian Government	-	2	-	2
Tasmanian Government	15	2	15	2
South Australian Government	3	3	3	3
Northern Territory Government	64	3	64	3
Revenue received this period	841	918	841	918
<i>Add:</i>				
Grants unexpended in prior year brought forward	-	-	-	-
Total income available	841	918	841	918
<i>Less:</i>				
Unexpended funds carried forward to following year	-	-	-	-
	841	918	841	918
Other State Government Financial Assistance	-	-	-	-
<b>Total State and Local Government Financial Assistance</b>	<b>841</b>	<b>918</b>	<b>841</b>	<b>918</b>
<b>4 FEES AND CHARGES</b>				
<b>Course Fees and charges</b>				
Fee-paying overseas students	9,145	8,654	9,145	8,023
Continuing education	767	590	13	27
Fee-paying domestic postgraduate students	3,256	3,464	3,256	3,464
Fee-paying domestic undergraduate students	78	288	78	144
Fee-paying domestic non-award students	468	943	468	834
Other domestic course fees and charges				
Total course fees and charges	13,714	13,939	12,960	12,492
<b>Other fees and charges</b>				
Student Accommodation	2,137	1,955	2,137	1,955
Other fees and charges	250	280	250	280
Total other fees and charges	2,387	2,235	2,387	2,235
<b>Total fees and charges</b>	<b>16,101</b>	<b>16,174</b>	<b>15,347</b>	<b>14,727</b>



Notes to the Financial Statements  
for the year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>5 INVESTMENT INCOME</b>				
Interest Income	1,123	784	991	684
Dividends	-	-	-	-
Profit from sale of Investment in Associates	-	-	-	-
<b>Total Investment Income</b>	<b>1,123</b>	<b>784</b>	<b>991</b>	<b>684</b>
<b>Restricted investment income</b>				
Total restricted investment income	-	-	-	-
<b>Unrestricted Investment Income</b>				
Interest Income	1,123	784	991	684
Dividends	-	-	-	-
Profit from sale of Investment in Associates	-	-	-	-
Total unrestricted investment income	1,123	784	991	684
<b>Total Investment Income</b>	<b>1,123</b>	<b>784</b>	<b>991</b>	<b>684</b>
<b>6 ROYALTIES, TRADEMARKS &amp; LICENSES</b>				
Royalties, trademarks & licences	26	40	26	40
<b>Total royalties, trademarks and licences</b>	<b>26</b>	<b>40</b>	<b>26</b>	<b>40</b>
<b>7 CONSULTANCY AND CONTRACT RESEARCH</b>				
Consultancy and contract research	5,815	4,063	5,280	3,364
<b>Total consultancy and contract research</b>	<b>5,815</b>	<b>4,063</b>	<b>5,280</b>	<b>3,364</b>
<b>8 OTHER REVENUE</b>				
Donations & Bequests	323	9	323	9
Scholarships and prizes	43	48	43	48
Non-government grants	-	-	-	-
Proceeds from sale of assets	2,828	3,032	2,795	3,007
Sale of goods	351	447	350	444
Other revenue	5,817	6,261	4,151	3,682
<b>Total other revenue</b>	<b>9,362</b>	<b>9,797</b>	<b>7,662</b>	<b>7,190</b>

## Notes to the Financial Statements for the year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>9 EMPLOYEE BENEFITS &amp; ON COSTS</b>				
<b>Academic</b>				
Salaries	24,715	22,990	24,684	22,932
Contributions to superannuation and pension schemes				
Emerging cost	824	928	824	928
Funded	2,706	2,463	2,706	2,456
Provisions for future emerging costs	-	-	-	-
Payroll tax	1,793	1,691	1,791	1,687
Worker's compensation	309	403	309	402
Long service leave expense	788	938	788	938
Annual leave	(49)	55	(49)	55
Other	278	217	275	217
<b>Total academic</b>	<b>31,364</b>	<b>29,685</b>	<b>31,328</b>	<b>29,615</b>
<b>Non-academic</b>				
Salaries	23,664	22,173	22,440	20,990
Contributions to superannuation and pension schemes				
Emerging cost	492	571	492	571
Funded	3,512	2,362	3,372	2,238
Provisions for future emerging costs	-	-	-	-
Payroll tax	1,705	1,608	1,630	1,526
Worker's compensation	298	395	280	378
Long service leave expense	886	792	863	775
Annual leave	224	122	208	130
Other	321	280	277	269
<b>Total non-academic</b>	<b>31,102</b>	<b>28,303</b>	<b>29,562</b>	<b>26,877</b>
<b>Total academic &amp; non-academic employee benefits &amp; oncosts</b>	<b>62,466</b>	<b>57,988</b>	<b>60,890</b>	<b>56,492</b>
<b>Deferred employee benefits for superannuation</b>	<b>(1,661)</b>	<b>2,152</b>	<b>(1,661)</b>	<b>2,152</b>
<b>Total employee benefits &amp; on costs</b>	<b>60,805</b>	<b>60,140</b>	<b>59,229</b>	<b>58,644</b>
<b>10 DEPRECIATION AND AMORTISATION</b>				
<b>Depreciation</b>				
Buildings, Leasehold Improvements & Infrastructure	4,384	4,355	4,384	4,355
Plant and equipment	1,644	1,821	1,546	1,744
Library Collection	826	1,641	826	1,640
<b>Total depreciation and amortisation</b>	<b>6,854</b>	<b>7,817</b>	<b>6,756</b>	<b>7,739</b>
<b>11 REPAIRS AND MAINTENANCE</b>				
Buildings and grounds	1,103	1,097	1,103	1,097
<b>Total repairs and maintenance</b>	<b>1,103</b>	<b>1,097</b>	<b>1,103</b>	<b>1,097</b>
<b>12 BORROWING COSTS</b>				
Interest Paid	-	-	-	-
<b>Total borrowing costs expensed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13 BAD AND DOUBTFUL DEBTS</b>				
Bad and doubtful debts	121	146	121	642
<b>Total bad and doubtful debts</b>	<b>121</b>	<b>146</b>	<b>121</b>	<b>642</b>

## Notes to the Financial Statements for the year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>14 OTHER EXPENSES</b>				
Scholarships, grants & prizes	2,991	2,279	2,991	2,279
Non-capitalised equipment	2,163	1,935	2,115	1,884
Equipment maintenance, rental & hire charges	437	413	368	372
Advertising, marketing and promotional expenses	1,464	1,147	1,441	1,125
Audit fees, bank charges, legal costs, insurance & taxes	1,459	1,600	1,400	1,448
Printing and stationary	1,002	979	1,974	2,083
Postage, freight & courier	794	773	763	739
Property and facility costs	2,761	2,721	2,530	2,391
Software purchases, licences consultancy	1,177	927	1,172	909
Books, serials & subscriptions	1,187	1,375	1,179	1,370
Telecommunications	1,125	1,397	1,108	1,374
Travel and staff development	4,257	3,798	3,898	3,338
Operating lease rental expenses	1,282	1,077	572	431
Carrying amount of assets sold	2,954	3,063	2,923	3,063
Write-down of non-current investments to recoverable amount	691	42	691	42
Fees Paid	5,829	5,002	4,830	4,276
Other expenses	2,534	4,680	2,532	3,395
<b>Total other expenses</b>	<b>34,107</b>	<b>33,208</b>	<b>32,487</b>	<b>30,519</b>
<b>15 SIGNIFICANT REVENUES &amp; EXPENSES</b>				
The following revenues and expenses are relevant in explaining the financial performance of the consolidated accounts				
<i>Revenue</i>				
Superannuation - Deferred Government Contributions	(1,661)	2,152	(1,661)	2,152
<i>Expenses</i>				
Superannuation - Deferred Employee benefits	(1,661)	2,152	(1,661)	2,152
The net increase in unfunded past service costs for State Superannuation Schemes is included in the statement of financial performance as revenue with a corresponding amount included as expense. Further information on superannuation is provided in Note 27.				
<b>16 SALE OF ASSETS</b>				
<b>Proceeds from sale of assets</b>				
Receivables	-	-	-	-
Investments	3	-	3	-
Property, plant & equipment	2,825	3,032	2,792	3,007
Intangibles	-	-	-	-
<b>Total proceeds from sale of assets</b>	<b>2,828</b>	<b>3,032</b>	<b>2,795</b>	<b>3,007</b>
<b>Carrying amount of assets sold</b>				
Receivables	-	-	-	-
Investments	-	-	-	-
Property, plant & equipment	2,954	3,063	2,923	3,063
Intangibles	-	-	-	-
<b>Total carrying amount of assets sold</b>	<b>2,954</b>	<b>3,063</b>	<b>2,923</b>	<b>3,063</b>
<b>Net gain or loss on sale of assets</b>	<b>(126)</b>	<b>(31)</b>	<b>(128)</b>	<b>(56)</b>

## Notes to the Financial Statements for the year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>17 INCOME TAX EXPENSE</b>				
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:				
Profit from ordinary activities before income tax expense	(5,823)	(2,705)	(5,710)	(3,851)
Income tax expense calculated at 30%	(1,747)	(812)	(1,713)	(1,155)
Permanent differences:				
Tax exempt income	1,766	814	1,713	1,155
Overprovision	-	(1)	-	-
Income tax expense relating to ordinary activities	19	1	-	-
<b>18 CASH ASSETS</b>				
Cash at bank	725	1,928	465	1,238
Petty Cash	15	15	14	14
Bank interest bearing deposits	16,514	15,822	14,644	13,913
<b>Total cash assets</b>	17,254	17,765	15,123	15,165
The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:				
Balances as above	17,254	17,765	15,123	15,165
Balance per statement of cash flows	17,254	17,765	15,123	15,165
<b>19 RECEIVABLES</b>				
<b>Current</b>				
Student debtors	1,444	1,803	1,444	1,803
Other debtors	2,988	4,099	2,510	3,610
Less: Provision for doubtful debts	(309)	(605)	(307)	(601)
	4,123	5,297	3,647	4,812
Deferred government contribution for superannuation	-	-	-	-
Receivable from Student Associations	29	-	29	-
DET - CHEC Coffs Harbour	-	44	-	44
Coffs Harbour Technology Park Limited	16	-	16	-
National Australia Bank Term Deposit - Tweed Land purchase	59	63	59	63
Puragrain Pty Ltd	50	50	50	50
Norsearch Ltd/SCU	-	-	694	110
DEST - overenrolment	23	465	23	465
<b>Total current receivables</b>	4,300	5,919	4,518	5,544
<b>Non-current</b>				
Receivable from Student Associations	29	18	29	18
Deferred government contribution for superannuation	13,796	15,456	13,796	15,456
Coffs Harbour Technology Park Limited	-	16	-	16
Tweed Heads Land	498	526	498	526
<b>Total non-current receivables</b>	14,323	16,016	14,323	16,016
<b>Total receivables</b>	18,623	21,935	18,841	21,560

## Notes to the Financial Statements for the year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>20 INVENTORIES</b>				
<b>Current</b>				
At cost	73	150	-	76
At net realisable value	-	-	-	-
<b>Total current inventories</b>	<b>73</b>	<b>150</b>	<b>-</b>	<b>76</b>
<b>Non-Current</b>				
Total non-current inventories	-	-	-	-
<b>Total inventories</b>	<b>73</b>	<b>150</b>	<b>-</b>	<b>76</b>
<b>21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>				
Shares in associates	-	-	-	-
Interest in joint venture entity	37 389	413	329	353
<b>Total investments accounted for using the equity method</b>	<b>389</b>	<b>413</b>	<b>329</b>	<b>353</b>
<b>22 OTHER FINANCIAL ASSETS</b>				
<b>Current</b>				
Total current other financial assets	-	-	-	-
<b>Non-current</b>				
Investments traded on organised markets				
Shares in other corporations - at market value	410	501	410	501
Other (non-traded) investments				
Shares in other corporations - at cost	-	-	-	-
Total non-current other financial assets	410	501	410	501
<b>Total other financial assets</b>	<b>410</b>	<b>501</b>	<b>410</b>	<b>501</b>
<b>Restricted other financial assets</b>				
Total restricted other financial assets	-	-	-	-
<b>Unrestricted other financial assets</b>				
Shares in other corporations - at market value	410	501	410	501
Total unrestricted other financial assets	410	501	410	501
<b>Total other financial assets</b>	<b>410</b>	<b>501</b>	<b>410</b>	<b>501</b>

Notes to the Financial Statements  
for the year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>23 PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Land and buildings</b>				
Freehold Land				
At Independent valuation	14,561	11,796	14,561	11,796
	<u>14,561</u>	<u>11,796</u>	<u>14,561</u>	<u>11,796</u>
Buildings				
At Independent valuation	129,930	122,579	129,930	122,579
At HEP's valuation	2,711	2,295	2,711	2,295
Less: Accumulated Depreciation	(114)	(3,969)	(114)	(3,969)
	<u>132,527</u>	<u>120,905</u>	<u>132,527</u>	<u>120,905</u>
Buildings under construction				
Construction costs	63	3	63	3
Borrowing costs	-	-	-	-
	<u>63</u>	<u>3</u>	<u>63</u>	<u>3</u>
Leasehold improvements - at cost	176	176	176	176
Less: Accumulated amortisation	(176)	(176)	(176)	(176)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total land and buildings</b>	<u>147,151</u>	<u>132,704</u>	<u>147,151</u>	<u>132,704</u>
<b>Plant and equipment</b>				
Plant and equipment at cost	17,275	16,373	16,333	15,623
Less: Accumulated depreciation	(11,792)	(11,160)	(11,169)	(10,588)
	<u>5,483</u>	<u>5,213</u>	<u>5,164</u>	<u>5,035</u>
<b>Other - Infrastructure and Improvements</b>				
At Independent valuation	11,829	11,280	11,829	11,280
At HEP's valuation	1,526	1,443	1,526	1,443
Less: Accumulated Depreciation	(73)	(386)	(73)	(386)
	<u>13,282</u>	<u>12,337</u>	<u>13,282</u>	<u>12,337</u>
<b>Other - Infrastructure under construction</b>	208	203	208	203
Less: Accumulated depreciation	-	-	-	-
	<u>208</u>	<u>203</u>	<u>208</u>	<u>203</u>
<b>Other - Library Collection and Rare Books</b>	7,539	6,919	7,539	6,919
Less: Accumulated depreciation	(5,928)	(5,102)	(5,928)	(5,102)
	<u>1,611</u>	<u>1,817</u>	<u>1,611</u>	<u>1,817</u>
<b>Total Property, Plant and Equipment</b>	<u>167,735</u>	<u>152,274</u>	<u>167,416</u>	<u>152,096</u>

## Notes to the Financial Statements for the year ended 31 December 2004

### 23 PROPERTY, PLANT AND EQUIPMENT (Cont)

#### Consolidated (\$'000)

	Freehold Land	Buildings	Buildings under Construction	Plant & Equipment	Infrastructure under Construction	Infrastructure and Improvements	Library Collection	Total
Carrying amount at 1 January 2004	11,796	120,905	3	5,213	203	12,337	1,817	152,274
Additions	-	416	63	4,912	5	84	620	6,100
Disposals	-	-	-	(2,955)	-	-	-	(2,955)
Revaluation increments	2,734	15,185	-	-	-	1,266	-	19,185
Depreciation/amortis. expense	-	(3,979)	-	(1,644)	-	(405)	(826)	(6,854)
Transfers	31	-	(3)	(28)	-	-	-	-
Write-offs	-	-	-	(15)	-	-	-	(15)
Carrying amount at 31 December 2004	14,561	132,527	63	5,483	208	13,282	1,611	167,735

#### University (\$'000)

	Land	Buildings	Buildings under Construction	Plant & Equipment	Infrastructure under Construction	Infrastructure and Improvements	Library Collection	Total
Carrying amount at 1 January 2004	11,796	120,905	3	5,035	203	12,337	1,817	152,096
Additions	-	416	63	4,641	5	84	620	5,829
Disposals	-	-	-	(2,923)	-	-	-	(2,923)
Revaluation increments	2,734	15,185	-	-	-	1,266	-	19,185
Depreciation/amortis. expense	-	(3,979)	-	(1,546)	-	(405)	(826)	(6,756)
Transfers	31	-	(3)	(28)	-	-	-	-
Write-offs	-	-	-	(15)	-	-	-	(15)
Carrying amount at 31 December 2004	14,561	132,527	63	5,164	208	13,282	1,611	167,416

#### Assets Supported by Guarantee, Warranties and Indemnities

The following assets included in the statement of financial position have a restriction attached to them.

##### Non-Current Assets

Property, plant and equipment with a carrying amount of \$2,422,698

Receivables with a carrying amount of \$497,868

##### Current Assets

Receivables with a carrying amount of \$59,434

The restriction relates to the purchase of land at Tweed Heads, the conditions of sale and the financial arrangements relating to the settlement of the purchase.

A condition of the sale was that the vendor has first option to purchase the said land should the University choose to dispose of the land within twenty years of the date of purchase.

Furthermore under the conditions of sale should the University retain ownership of the said land on the twentieth anniversary of the due completion of the contract, the contracted balance owing at that date shall be withdrawn from the joint bank account holding the settlement proceeds and paid to the University.

Interest from the joint bank account holding the balance of the proceeds from settlement is receivable by the University and is recognised as accrued.

## Notes to the Financial Statements for the financial year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>24 OTHER NON-FINANCIAL ASSETS</b>				
<b>Current</b>				
Future Income Tax Benefit	-	-	-	-
Prepayments	1,235	722	1,196	696
<b>Total current other non-financial assets</b>	<b>1,235</b>	<b>722</b>	<b>1,196</b>	<b>696</b>
<b>Non-current</b>				
Deferred tax asset	-	-	-	-
<b>Total non-current other non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other non-financial assets</b>	<b>1,235</b>	<b>722</b>	<b>1,196</b>	<b>696</b>
<b>25 PAYABLES</b>				
<b>Current</b>				
Payables and accrued expenses	4,247	4,184	4,045	3,506
<b>Total current payables</b>	<b>4,247</b>	<b>4,184</b>	<b>4,045</b>	<b>3,506</b>
<b>Non-current</b>				
Students assistance fund - Commonwealth Government	310	313	310	313
Funds held in trust	399	495	399	495
<b>Total non-current payables</b>	<b>709</b>	<b>808</b>	<b>709</b>	<b>808</b>
<b>Total payables</b>	<b>4,956</b>	<b>4,992</b>	<b>4,754</b>	<b>4,314</b>
Included in the "Funds held in trust" is an amount of \$315,165 which is held on behalf of the parties involved in the Coffs Harbour Education Campus (CHEC)				
<b>26 INTEREST BEARING LIABILITIES</b>				
<b>Total current secured interest bearing liabilities</b>				
	-	-	-	-
<b>Total current unsecured interest bearing liabilities</b>				
	-	-	-	-
<b>Non-current</b>				
<b>Total non-current secured interest bearing liabilities</b>				
	-	-	-	-
Directors Loans made by outside entity directors of Southern Cross Human Resource Development Pty.Ltd.	-	7	-	-
<b>Total non-current unsecured interest bearing liabilities</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>



## Notes to the Financial Statements for the financial year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>27 PROVISIONS</b>				
<b>27.1</b>				
<b>Current</b>				
Deferred income tax	15	1	-	-
Employee benefits				
Annual Leave	3,482	2,786	3,405	2,734
Long Service Leave	889	869	880	869
Deferred benefits for superannuation	-	-	-	-
Total current provisions	<u>4,386</u>	<u>3,656</u>	<u>4,285</u>	<u>3,603</u>
<b>Non-current</b>				
Employee benefits				
Annual Leave	-	-	-	-
Long Service Leave	7,415	6,420	7,344	6,375
Deferred benefits for superannuation	13,796	15,456	13,796	15,456
Total non-current provisions	<u>21,211</u>	<u>21,876</u>	<u>21,140</u>	<u>21,831</u>
<b>Total provisions</b>	<u>25,597</u>	<u>25,532</u>	<u>25,425</u>	<u>25,434</u>
Aggregate Employee Benefit liability	<u>25,873</u>	<u>26,165</u>	<u>25,696</u>	<u>25,989</u>
Aggregate Employee Benefit asset	<u>29</u>	<u>159</u>	<u>29</u>	<u>156</u>

The aggregate employee benefit indicates amounts for accrued salaries and wages, annual leave, long service leave and superannuation accrued at year end.

### 27.2 State Superannuation Schemes

The NSW Government Actuary has determined the following deferred liabilities in respect of the State Superannuation Funds. The date of Assessment was 31 December, 2004.

N.S.W. State Superannuation Scheme				
Liability	29,972	28,794	29,972	28,794
Less : Equity	16,779	14,376	16,779	14,376
Liability net of equity	<u>13,193</u>	<u>14,418</u>	<u>13,193</u>	<u>14,418</u>
State Authorities Superannuation Scheme				
Liability	6,625	5,963	6,625	5,963
Less : Equity	6,247	4,823	6,247	4,823
Liability net of equity	<u>378</u>	<u>1,140</u>	<u>378</u>	<u>1,140</u>
State Authorities Non-Contributory Superannuation Scheme				
Liability	2,680	2,463	2,680	2,463
Less : Equity	2,456	2,565	2,456	2,565
Liability net of equity	<u>224</u>	<u>(102)</u>	<u>224</u>	<u>(102)</u>
Total Provision for Superannuation	<u>13,795</u>	<u>15,456</u>	<u>13,795</u>	<u>15,456</u>

The net increase in unfunded past service costs for State superannuation schemes is included in the statement of financial performance as revenue with a corresponding amount included as expense.

### 27.3 Basis of calculations

In arriving at the assessments, the NSW Government Actuary adopted the following assumptions:

	2004/05 + %	2005/06 + %
Rate of investment return	7.0	7.0
Rate of salary increase	4.0	4.0
Rate of increase in CPI	2.5	2.5

## Notes to the Financial Statements for the financial year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>27 PROVISIONS (Cont)</b>				
<b>27.4 Unisuper</b>				
The University also contributes to the Unisuper (formerly Superannuation for Australian Universities (SSAU)) for academic staff appointed since 1 March, 1988 and all other staff from 1 July 1991. Towers Perrin completed the latest actuarial assessment as at 31 December 2002. The University has not recognised an asset for the difference between the accrued benefits and the net market value of the plan's assets.				
Net Market Value of Unisuper Assets	30,576	23,254	30,576	23,254
Accrued Benefits	27,166	22,050	27,166	22,050
Excess of Assets over Accrued Benefits	3,410	1,204	3,410	1,204
<b>28 OTHER LIABILITIES</b>				
<b>Current</b>				
Income in Advance - Commonwealth financial assistance	383	2,019	383	2,019
Student fees & other income in advance	2,418	2,622	1,883	1,782
Total current other liabilities	2,801	4,641	2,266	3,801
<b>Total other liabilities</b>	2,801	4,641	2,266	3,801
<b>29 RESERVES AND RETAINED SURPLUS</b>				
<b>(a) Reserves</b>				
Asset revaluation reserve				
Land	7,216	4,482	7,216	4,482
Infrastructure	6,438	5,172	6,438	5,172
Buildings	70,654	55,469	70,654	55,469
<b>Total Reserves</b>	84,308	65,123	84,308	65,123
<b>Movements</b>				
Asset Revaluation Reserve				
Balance 1 January	65,123	65,123	65,123	65,123
Increment on revaluation of freehold land, buildings and infrastructure at the end of the year	19,185	-	19,185	-
Balance 31 December	84,308	65,123	84,308	65,123
<b>(b) Retained Surplus</b>				
Retained Surplus at the beginning of year	100,297	103,006	92,489	96,340
Net Operating Result attributable to parent entity	(5,864)	(2,709)	(5,710)	(3,851)
Retained surplus at the end of the year	94,433	100,297	86,779	92,489

The consolidated entity via Southern Cross Human Resource Development Pty Ltd have resolved to establish from retained earnings a Research and Development Reserve to provide funds for future research and development such as post-graduate scholarships. The balance of this restricted equity and corresponding restricted asset is \$8,994.

### (c) Nature and purpose of reserves

The Asset Revaluation reserve records revaluations of non-current assets.

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**30 INVESTMENTS IN CONTROLLED ENTITIES**

Name of entity	Principal activities	Country of incorporation	Class of shares	Ownership interest	
				2004 %	2003 %
Norsearch Limited	Consultancy, research, enterprise and education development	Australia	Limited by Guarantee	100	100
Cellulose Valley Technology Park Ltd*	Development of the Cellulose Valley Technology Park	Australia	Limited by Guarantee	100	100
Southern Cross Human Resource Development Pty Ltd	Registered Training Organisation	Australia	Ordinary	50	50
Australian Plant DNA Bank Limited	Maintaining the bank of Australian native plant DNA and research and development.	Australia	Limited by Guarantee	100	n/a

Name of entity	Net Equity		Total revenue		Operating result		Contribution to operating result	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Norsearch Limited	1,353	1,596	5,232	6,220	(243)	1,061	(243)	1,061
Cellulose Valley Technology Park Ltd*	-	42	12	520	(42)	18	(42)	18
Southern Cross Human Resource Development Pty Ltd	53	11	79	15	45	5	22	3
Australian Plant DNA Bank Limited	43	-	50	-	43	-	43	-

\* Cellulose Valley Technology Park Ltd ceased trading on 20th December 2004.

	Consolidated	
	2004 \$'000	2003 \$'000
<b>Outside equity interests in controlled entities</b>		
Interest in:		
Share capital	-	-
Retained surplus	22	3
Reserves	-	-
<b>Total outside equity interests in controlled entities</b>	<u>22</u>	<u>3</u>

**31 FINANCIAL INSTRUMENTS**

31.1 The following is the University's accounting policies and terms and conditions for each class of financial asset, financial liability and equity instruments:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
<b>Financial Assets</b>			
Cash assets	18	All instruments are recorded at cost.	Interest is paid on maturity.
Receivables	1(i) & 19	All are carried in the accounts at net fair value unless otherwise stated.	Normal business trading terms are payment in 30 days.
Other Financial Assets	22	All are carried in the accounts at net fair value unless otherwise stated.	Normal business trading terms are payment in 30 days.
<b>Financial Liabilities</b>			
Payables	25	All are carried in the accounts at net fair value unless otherwise stated.	Normal business trading terms apply to the payment of Suppliers accounts.
Other liabilities	28		
Interest Bearing Liabilities	26		

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**31 FINANCIAL INSTRUMENTS (cont)**

31.2 The following table details the consolidated entity's exposure to interest rate risk as at 31 December 2004:

2004	Notes	Variable Interest Rate \$	Fixed Interest Rate Maturity			Non-interest Bearing \$'000	Total \$'000
			< than 1 year \$'000	1 to 5 Years \$'000	> 5 years \$'000		
<b>Financial Assets</b>							
Cash	18	725	16,514	-	-	15	17,254
Receivables	19	-	4,300	14,323	-	-	18,623
Other financial assets - investments	22	-	-	-	-	410	410
		<b>725</b>	<b>20,814</b>	<b>14,323</b>	<b>-</b>	<b>425</b>	<b>36,287</b>
Weighted average interest rate		<b>5.54%</b>					
<b>Financial Liabilities</b>							
Payables	25	-	4,247	709	-	-	4,956
Other liabilities	28	-	2,801	-	-	-	2,801
Interest bearing liabilities	26	-	-	-	-	-	-
			<b>7,048</b>	<b>709</b>	<b>-</b>	<b>-</b>	<b>7,757</b>
Weighted average interest rate		<b>n/a</b>					
Net financial assets		<b>725</b>	<b>13,766</b>	<b>13,614</b>	<b>-</b>	<b>425</b>	<b>28,530</b>

The following table details the consolidated entity's exposure to interest rate risk as at 31 December 2003:

2003	Notes	Variable Interest Rate \$	Fixed Interest Rate Maturity			Non-interest Bearing \$'000	Total \$'000
			< than 1 year \$'000	1 to 5 Years \$'000	> 5 years \$'000		
<b>Financial Assets</b>							
Cash	18	1,928	15,822	-	-	15	17,765
Receivables	19	-	5,919	16,016	-	-	21,935
Other financial assets - investments	22	-	-	-	-	501	501
		<b>1,928</b>	<b>21,741</b>	<b>16,016</b>	<b>-</b>	<b>516</b>	<b>40,201</b>
Weighted average interest rate		<b>4.93%</b>					
<b>Financial Liabilities</b>							
Payables	25	-	4,184	808	-	-	4,992
Other liabilities	28	-	4,641	-	-	-	4,641
Interest bearing liabilities	26	-	-	7	-	-	7
			<b>8,825</b>	<b>815</b>	<b>-</b>	<b>-</b>	<b>9,640</b>
Weighted average interest rate		<b>n/a</b>					
Net financial assets		<b>1,928</b>	<b>12,916</b>	<b>15,201</b>	<b>-</b>	<b>516</b>	<b>30,561</b>

31.3 The carrying amounts and net fair values of financial assets and liabilities at year end are:

Net Fair Value	Carrying Amount		Net Fair Value	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Financial Assets	36,287	40,201	36,287	40,201
	<b>36,287</b>	<b>40,201</b>	<b>36,287</b>	<b>40,201</b>
Financial Liabilities	7,757	9,640	7,757	9,640
	<b>7,757</b>	<b>9,640</b>	<b>7,757</b>	<b>9,640</b>

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 32 RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

#### 32.1 Responsible Persons

##### a) Names of Responsible Persons

Members of the University Council during 31 December 2004 were:

The Honourable Justice John Robert Arthur Dowd  
 Mary Elizabeth Rummery  
 Professor John Anthony Rickard (resigned July 2004)  
 Professor Paul Clark (appointed August 2004)  
 Associate Professor Roger Bronks  
 The Honourable Peter Breen  
 The Honourable Neville Newell  
 Neil Duncan Black  
 Warren Albert Grimshaw  
 Irene Caroline Harrington  
 Judith Madeline Reid  
 Trevor Stanley Wilson  
 John Reynolds (resigned February 2004)  
 Kevin McGregor (appointed July 2004 resigned November 2004)  
 David Vincent Cody  
 Elizabeth Anne Trevan  
 Sharon Parry  
 Associate Professor Stephan Schnierer (resigned September 2004)  
 Michael Whelen (appointed September 2004)  
 Robyn Louise Anderson (resigned September 2004)  
 Cai Jing (resigned April 2004)  
 Toni Ledgerwood (appointed September 2004)  
 Soenke Bierman (appointed May 2004 resigned September 2004)  
 Neville Neal (appointed September 2004)

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

b) Remuneration of Responsible Person's	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Aggregate Remuneration of Responsible person's (\$000)	-	-	-	-

Members of Council who are also employees of Southern Cross University received remuneration in the normal course of their duties.

During the year Southern Cross University paid Directors and Officers Liability Insurance in respect of Members of Council. The insurance contract providing this cover does not allow Southern Cross University to disclose either the extent of the cover or the premium paid.

##### c) Retirement and Superannuation Benefits of Responsible Persons

No retirement benefits were received by responsible persons except for members of Council who are also employees of Southern Cross University, who have received superannuation benefits in the course of their normal duties.

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**32 RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS (cont)**

**32.2 Executive Officers**

**a) Names of Executive Officers**

Professor John Anthony Rickard (resigned July 2004)  
Professor Paul Clark (appointed August 2004)  
Professor Peter Baverstock  
Professor Angela Delves (resigned February 2005)  
Professor Jenny Graham  
Professor Zby Klich  
Professor Lawson Savery  
Professor Paul Thom  
Malcolm Marshall

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

**b) Executive Officers Remuneration**

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Aggregate Remuneration of Executive (\$000)	1,802	1,776	1,802	1,776
<b>Remuneration of executive officers</b>	No.	No.	No.	No.
\$120,000 to \$129,999	1	-	1	-
\$170,000 to \$179,999	-	1	-	1
\$180,000 to \$189,999	-	2	-	2
\$190,000 to \$199,999	5	2	5	2
\$200,000 to \$209,999	1	2	1	2
\$210,000 to \$219,999	1	-	1	-
\$270,000 to \$279,999	1	-	1	-
\$430,000 to \$439,999	-	1	-	1

## Notes to the Financial Statements for the financial year ended 31 December 2004

	Consolidated		University	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
<b>33 REMUNERATION OF AUDITORS</b>				
<b>Fees paid to The Audit Office of New South Wales</b>				
Audit and review of the financial report	129	134	105	116
<b>Total remuneration for audit services</b>	<u>129</u>	<u>134</u>	<u>105</u>	<u>116</u>

### 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The University currently has a number of legal matters outstanding none of which are expected to result in material claims against the University.

i) Consequent upon the HIH group being placed in provisional liquidation on 16 March 2001 the University may have an exposure to the non-settlement of claims arising from unreported incidences. At this time the extent of any potential exposure cannot be estimated.

ii) Southern Cross University has provided a letter of comfort to the National Australia Bank in relation to a loan held by Southern Cross University Union Ltd to the extent of \$260,000. The letter of comfort extends to 30 June, 2005.

	Consolidated		University	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
<b>35 COMMITMENTS FOR EXPENDITURE</b>				
<b>Capital Commitments</b>				
Building Works				
Within 12 months	386	-	386	-
Twelve months or longer and not longer than five years	-	-	-	-
Longer than 5 years	-	-	-	-
	<u>386</u>	<u>-</u>	<u>386</u>	<u>-</u>
Plant and equipment				
Within 12 months	-	1,087	-	1,087
Twelve months or longer and not longer than five years	-	-	-	-
Longer than 5 years	-	-	-	-
	<u>-</u>	<u>1,087</u>	<u>-</u>	<u>1,087</u>
Joint Ventures				
Within 12 months	-	-	-	-
Twelve months or longer and not longer than five years	-	-	-	-
Longer than 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Consolidated entity's share of associates' capital expenditure commitment				
Within 12 months	-	-	-	-
Twelve months or longer and not longer than five years	-	-	-	-
Longer than 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total capital commitments</b>	<u>386</u>	<u>1,087</u>	<u>386</u>	<u>1,087</u>

Notes to the Financial Statements  
for the financial year ended 31 December 2004

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>35 COMMITMENTS FOR EXPENDITURE (cont)</b>				
<b>Lease Commitments</b>				
Non-cancellable operating leases contracted for but not capitalised in the financial statements				
University Centres and other facility leases :				
Payable not later than 1 year	34	-	34	-
Payable later than 1 year and within 2 years	-	-	-	-
Equipment hire				
Payable not later than 1 year	1,198	628	829	339
Payable later than 1 year and within 5 years	2,700	1,210	2,124	330
Payable later than 5 years	-	-	-	-
<b>Total lease commitments</b>	<b>3,932</b>	<b>1,838</b>	<b>2,987</b>	<b>669</b>
<b>Other Expenditure Commitments</b>				
Joint Venture Commitments				
Payable not later than 1 year	1,073	1,183	1,073	1,183
Payable later than 1 year and within 5 years	4,290	4,290	4,290	4,290
Payable later than 5 years	666	1,738	666	174
Purchase orders placed with suppliers as at 31 December for goods and services (other than inventories) receivable within twelve months of year end (inclusive of GST)				
	2,166	1,765	2,025	1,566
<b>Total other expenditure commitments</b>	<b>8,195</b>	<b>8,976</b>	<b>8,054</b>	<b>7,213</b>

**36 DISAGGREGATION INFORMATION**

Geographical (Consolidated)	Revenue		Results		Assets	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Australia	95,143	98,335	(6,094)	(2,913)	212,117	200,595
Asia	1,689	1,046	142	108	-	-
Other	335	322	88	96	-	-
Unallocated	-	-	-	-	-	-
	<b>97,167</b>	<b>99,703</b>	<b>(5,864)</b>	<b>(2,709)</b>	<b>212,117</b>	<b>200,595</b>



Notes to the Financial Statements  
for the financial year ended 31 December 2004

**37 INTERESTS IN JOINT VENTURES**

**Joint venture operations**

Name of Entity	Principal Activity	Output Interest	
		2004 %	2003 %
Coffs Harbour Education Campus (CHEC)	A joint educational precinct	38	38
Australian Centre for Complimentary Medicine Education and Research (ACCMER)	Research, teaching and training in the field of complimentary medicine	50	50
Co-operative Research Centre for Sugar Industry Innovation through Biotechnology	Research and development in molecular biology and chemical engineering of sugarcane Commenced operation on 1 July 2004	10	10
Co-operative Research Centre for Sustainable Production Forestry	Research, training and promotion of commercial applications in sustainable production forestry	5	5

The consolidated entity's interest in assets employed in the above joint venture operations are included in the consolidated statement of financial position as part of property, plant and equipment.

	2004 \$'000	2003 \$'000
<b>Current assets</b>		
Receivables	-	-
Inventories	-	-
Total current assets	-	-
<b>Non-current assets</b>		
Land and Buildings	24,599	24,557
Less: Accumulated depreciation	-	(615)
Plant and equipment	16	16
Less: Accumulated depreciation	(15)	(14)
Total non-current assets	24,600	23,944
<b>Share of assets employed in joint venture</b>	<b>24,600</b>	<b>23,944</b>

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**Joint venture entities**

Name of Entity	Principal Activity	Output Interest	
		2004 %	2003 %
Australasian Institute of Hotel Management	Professional development services for participants in the hotel industry	50	50
National Marine Science Centre Pty Limited	Marine science research and education	50	50
CHEC English Language Centre	Provide language training packages	50	50
Coffs Harbour Technology Park Limited*	Real estate development	33	33
CRC for Sustainable Tourism*	Research and development to improve the sustainability of the tourism industry in Australia. Commenced operations on 1 July 2003.	5	5
Puragrain Pty Limited*	Create, develop and exploit intellectual property connected with the growing and processing of grain products	50	50
Grain Foods CRC Limited*	Research and development in grain foods Commenced operation in July 2003	28	10

\*The reporting date of the entity is 30 June and the amounts disclosed below have been adjusted to report on a 31 December basis.

	Consolidated		University	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Retained surplus attributable to the entities</b>				
at the beginning of the year	6,949	6,723	768	604
at the end of the year	6,488	6,949	247	768
<b>Asset revaluation reserve attributable to the entities</b>				
at the beginning of the year	-	-	-	-
at the end of the year	-	-	-	-
<b>Movement in carrying amount of investment in entities</b>				
Carrying amount at the beginning of the year	7,248	7,385	1,067	1,264
Share of surplus from ordinary activities before related income tax	389	413	329	353
Distributions received	(850)	(550)	(850)	(550)
New capital invested	600	-	600	-
less Provision for Diminution in value	(600)	-	(600)	-
<b>Carrying amount at the end of the year</b>	<b>6,787</b>	<b>7,248</b>	<b>546</b>	<b>1,067</b>
<b>Share of entities assets and liabilities</b>				
Current Assets	2,249	2,138	1,811	1,898
Non-current assets	6,076	6,184	68	62
Total assets				
Current Liabilities	1,532	1,069	1,333	893
Non-current liabilities	6	5	-	-
Total liabilities				
<b>Net Assets</b>	<b>6,787</b>	<b>7,248</b>	<b>546</b>	<b>1,067</b>

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 37 INTERESTS IN JOINT VENTURES (cont)

	Consolidated		University	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
<b>Share of entities revenues, expenses and results</b>				
Revenues	4,517	2,579	1,587	1,512
Expenses	4,128	2,166	1,258	1,159
<b>Surplus from ordinary activities before related income tax</b>	<b>389</b>	<b>413</b>	<b>329</b>	<b>353</b>

#### Contingent Liabilities and Capital Commitments

The consolidated entity's share of the contingent liabilities, capital commitments and other expenditure commitments of joint venture entities are disclosed in notes 34 and 35 respectively.

#### Joint Venture Partnerships

Information relating to the joint venture partnerships, presented in accordance with the accounting policy described in note 1(p), is set out below

##### Australian Institute of Hotel Management

Retained surplus attributable to the entity				
at the beginning of the year	736	1,025	736	1,025
at the end of the year	194	736	194	736
<b>Movement in carrying amount of investment in entity</b>				
Carrying amount at the beginning of the year	836	1,025	836	1,025
Share of surplus from ordinary activities before related income tax	309	360	309	360
Distributions received	(850)	(550)	(850)	(550)
Carrying amount at the end of the year	<b>295</b>	<b>835</b>	<b>295</b>	<b>835</b>

##### CHEC English Language Centre

Retained surplus attributable to the entity				
at the beginning of the year	32	56	32	56
at the end of the year	53	32	53	32
<b>Movement in carrying amount of investment in entity</b>				
Carrying amount at the beginning of the year	49	56	49	56
Share of surplus from ordinary activities before related income tax	21	(7)	21	(7)
Distributions received	-	-	-	-
Carrying amount at the end of the year	<b>70</b>	<b>49</b>	<b>70</b>	<b>49</b>

### 38 SUBSEQUENT EVENTS

There were no events subsequent to year end that would have a material financial effect on the accounts as presented.

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**39 RECONCILIATION OF OPERATING RESULT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Notes	Consolidated		University	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Operating result from ordinary activities after related income tax		(5,842)	(2,706)	(5,710)	(3,851)
Write-down investments to recoverable amount		91	-	91	-
Depreciation and amortisation		6,854	7,859	6,756	7,781
Plant and equipment adjustment		(11)	-	-	-
Increase/(decrease) in provision for Superannuation		(1,661)	2,152	(1,661)	2,152
Increase/(decrease) in provision for employee benefits		1,711	2,204	1,651	2,201
(Increase)/decrease in inventories		77	(2)	77	(32)
(Increase)/decrease in other assets		(513)	(271)	(500)	278
Decrease in other liabilities		(1,840)	(1,082)	(1,535)	(168)
Decrease in work in progress		-	-	-	-
Decrease in provision for income tax		14	-	-	-
Increase/(decrease) in deferred taxes payable		-	-	-	-
(Net gain)/loss on sale of non-current assets		126	31	128	56
Gain/(loss) on sale of Investments in Joint Ventures		-	-	-	-
(Increase)/decrease in joint venture investments		461	137	521	196
(Increase)/decrease in receivables		3,328	(3,664)	2,733	(3,677)
Increase/(decrease) in payables		(36)	602	441	(524)
(Increase)/decrease in unrealised gain on investments		-	-	-	-
Increase/(decrease) in provision for diminution share value		-	-	-	-
(Increase)/decrease in other financial assets		-	-	-	-
Net cash inflow/ (outflow) from operating activities		2,759	5,260	2,992	4,412

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**40 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE**

**40.1 DEST - Teaching and Learning**

**Parent Entity (University) ONLY**

	Operating Grant*		Teaching Hospitals		Capital Development Pool		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)	31,607	32,004	-	-	-	-	31,607	32,004
Net accrual adjustments	(442)	151	-	-	-	-	(442)	151
<b>Revenue for the period</b>	<b>31,165</b>	<b>32,155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,165</b>	<b>32,155</b>
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
<b>Total revenue including accrued revenue</b>	<b>31,165</b>	<b>32,155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,165</b>	<b>32,155</b>
Less expenses including accrued expenses	(31,165)	(32,155)	-	-	-	-	(31,165)	(32,155)
<b>Surplus/(deficit) for reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,155)</b>

\* Including workplace reform program and superannuation contributions

**40.2 HECS and other Commonwealth Programmes**

**Parent Entity (University) ONLY**

	HECS		PELS		BOTPLS		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)	19,300	21,228	1,323	775	-	-	20,623	22,003
Net accrual adjustments	1,788	3	-	-	-	-	1,788	3
<b>Revenue for the period</b>	<b>21,088</b>	<b>21,231</b>	<b>1,323</b>	<b>775</b>	<b>-</b>	<b>-</b>	<b>22,411</b>	<b>22,006</b>
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
<b>Total revenue including accrued revenue</b>	<b>21,088</b>	<b>21,231</b>	<b>1,323</b>	<b>775</b>	<b>-</b>	<b>-</b>	<b>22,411</b>	<b>22,006</b>
Less expenses including accrued expenses	(21,088)	(21,231)	(1,323)	(775)	-	-	(22,411)	(22,006)
<b>Surplus/(deficit) for reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)

Net accrual adjustments  
**Revenue for the period**

Surplus/(deficit) from the previous year  
**Total revenue including accrued revenue**

Less expenses including accrued expenses  
**Surplus/(deficit) for reporting period**

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**40 ACQUITTAL OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (Cont)**

**40.3 Scholarships**

	Australian Postgraduate Awards Pre 2002		Australian Postgraduate Awards Post 2002		Parent Entity (University) ONLY International Postgraduate Res. Scholarships		Parent Entity (University) ONLY Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)	74	188	501	311	127	94	74	-	184	-	960	593
Net accrual adjustments	74	188	501	311	127	94	74	-	184	-	960	593
<b>Revenue for the period</b>	-	-	36	46	6	6	-	-	-	-	42	52
Surplus/(deficit) from the previous year	74	188	537	357	133	100	74	-	184	-	1,002	645
<b>Total revenue including accrued revenue</b>	(101)	(188)	(471)	(321)	(78)	(94)	(76)	-	(144)	-	(870)	(603)
Less expenses including accrued expenses	(27)	-	66	36	55	6	(2)	-	40	-	132	42
<b>Surplus/(deficit) for reporting period</b>												

Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)

Net accrual adjustments

**Revenue for the period**

Surplus/(deficit) from the previous year

**Total revenue including accrued revenue**

Less expenses including accrued expenses

**Surplus/(deficit) for reporting period**

**40.4 DEST Research**

	Institutional Grants Scheme		Research Training Scheme		Parent Entity (University) ONLY Research Infrastructure Block		Regional Protection Grants		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)	1,200	1,248	2,553	2,598	414	434	-	93	4,167	4,373
Net accrual adjustments	1,200	1,248	2,553	2,598	414	434	-	93	4,167	4,373
<b>Revenue for the period</b>	-	-	-	-	43	92	-	57	43	149
Surplus/(deficit) from the previous year	1,200	1,248	2,553	2,598	457	526	-	150	4,210	4,522
<b>Total revenue including accrued revenue</b>	(1,200)	(1,248)	(2,553)	(2,598)	(348)	(483)	-	(150)	(4,101)	(4,479)
Less expenses including accrued expenses	-	-	-	-	109	43	-	-	109	43
<b>Surplus/(deficit) for reporting period</b>										

Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)

Net accrual adjustments

**Revenue for the period**

Surplus/(deficit) from the previous year

**Total revenue including accrued revenue**

Less expenses including accrued expenses

**Surplus/(deficit) for reporting period**

Notes to the Financial Statements  
for the financial year ended 31 December 2004

**40 ACQUISITION OF COMMONWEALTH GOVERNMENT FINANCIAL ASSISTANCE (Cont)**

**40.5 Australian Research Council Grants  
(i) Discovery**

Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)

Net accrual adjustments  
**Revenue for the period**

Surplus/(deficit) from the previous year

**Total revenue including accrued revenue**

Less expenses including accrued expenses

**Surplus/(deficit) for reporting period**

**Parent Entity (University) ONLY**

**Indigenous Research**

	Projects		Development		Total	
	2004	2003	2004	2003	2004	2003
\$						
	466	181	-	15	466	196
	-	10	-	1	-	11
	466	191	-	16	466	207
	29	(5)	19	20	48	15
	495	186	19	36	514	222
	(167)	(157)	-	(17)	(167)	(174)
	328	29	19	19	347	48

**Parent Entity (University) ONLY**

**Infrastructure**

	Projects		Infrastructure		Total	
	2004	2003	2004	2003	2004	2003
\$						
	994	895	289	-	1,283	895
	-	65	-	-	-	65
	994	960	289	-	1,283	960
	(5)	210	-	-	(5)	210
	989	1,170	289	-	1,278	1,170
	(1,394)	(1,175)	(289)	-	(1,683)	(1,175)
	(405)	(5)	-	-	(405)	(5)

**(ii) Linkages**

Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programmes)

Net accrual adjustments  
**Revenue for the period**

Surplus/(deficit) from the previous year

**Total revenue including accrued revenue**

Less expenses including accrued expenses

**Surplus/(deficit) for reporting period**





# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University

FINANCIAL REPORT FOR THE YEAR ENDED  
31 DECEMBER 2004





GPO BOX 12  
SYDNEY NSW 2001

## INDEPENDENT AUDIT REPORT

### Norsearch Limited

To Members of the New South Wales Parliament and Members of Norsearch Limited.

#### Audit Opinion

In my opinion, the financial report of Norsearch Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Norsearch Limited's and consolidated entity's financial position as at 31 December 2004 and financial performance for the year ended on that date, and
  - (ii) complying with Accounting Standards in Australia, and the *Corporations Regulations 2001*,
- (b) other mandatory financial reporting requirements in Australia, and
- (c) section 41B of the *Public Finance and Audit Act 1983*.

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

#### The Directors' Role

The financial report is the responsibility of the company's directors. It consists of the statements of financial position, the statements of financial performance, the statements of cash flows, the accompanying notes and the directors' declaration for the Norsearch Limited and the consolidated entity. The consolidated entity comprises the Norsearch Limited and the entities controlled at the year's end, or during the financial year.

#### The Auditor's Role and the Audit Scope

As required by the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament and the members of Norsearch Limited that the financial report is free of *material* misstatement.

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

- evaluated the accounting policies and significant accounting estimates used by the directors in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

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

My opinion does *not* provide assurance:

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

#### **Audit Independence**

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. The *Public Finance and Audit Act 1983* further promotes independence by:

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



M Spriggins  
Director, Financial Audit Services

SYDNEY  
12 April 2005

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Annual Report

### MEMBERS

Angela Delves

BSc(Hons), DipEd(Bath), PhD(Hull)

Jean Griffiths

BA(Qld), Grad Dip Counselling, (BCAE), MNA(UNSW)

Malcolm H. Marshall

BA(CCAE), MBA(CQU), CPA, FTIA

Lionel E. Phelps

AM, BA, MEd, DUNIV(NE), DUNIV(SC)

### OFFICERS OF THE COMPANY

*Company Secretary*

Kenneth G. Hudson

DipTech(Comm)NSWITAssocDip  
Small BusMgt(NRCAE), CPA, FTIA

### REGISTERED OFFICE

c/- Southern Cross University

Military Road,

EAST LISMORE NSW 2480

Ph: (02) 66203188

Fax:(02) 66228763

### AUDITORS

The Audit Office of NSW

P.O. Box 12,

SYDNEY NSW 2001

### SOLICITORS

Maxwell & Co.

P.O. Box 755,

LISMORE NSW 2480

### DIRECTORS

Angela Delves

BSc(Hons), DipEd(Bath), PhD(Hull)

Jean Griffiths

BA(Qld) Grad Dip Counselling, (BCAE), MNA(UNSW)

Malcolm H. Marshall

BA(CCAE), MBA(CQU), CPA, FTIA

Lionel E. Phelps

AM, BA, MEd, DUNIV(NE), DUNIV(SC)

# Norsearch Limited and Controlled Entity

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## Statement of Objectives

1. To enhance the stature and reputation of Southern Cross University, its courses and graduates, consistent with the education objectives of the University.
2. To enhance the quality of education by providing University personnel with opportunities for experience in commercial fields.
3. To provide an environment for Southern Cross University staff which fosters creativity, thereby improving and maintaining internal productivity.
4. To develop and maintain the University's position as principal provider of information-based services in the Northern Rivers Region of New South Wales. Information will be provided through research and development, consultancy, analysis, training courses, continuing education and skills development.
5. To generate revenue to support development of the Southern Cross University mission.
6. To compete on a fair and commercial basis in the market place.

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Directors' Declaration

In accordance with a resolution of the Directors of Norsesearch Limited and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The attached is a general purpose financial report and presents a true and fair view of the Company's and Economic Entity's financial position as at 31 December 2004 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date;
2. The financial report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2000, the Corporations Act 2001 and the Corporations Regulations 2001;
3. The financial report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate; and,
5. There are reasonable grounds to believe that the Company and Economic Entity will be able to pay their debts as and when they become due and payable.

Signed this 6th day of April, 2005 in accordance with a resolution of the Directors, made pursuant to S295(5) of the Corporations Act 2001.

On behalf of the Directors.

A handwritten signature in black ink, appearing to read "M Marshall", written over a horizontal line.

Director

A handwritten signature in black ink, appearing to read "D Sharp", written over a horizontal line.

Director

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Directors' Report

The Directors submit the statutory report in respect of the results of the Company and its controlled entity for the financial year ended 31 December 2004, and the state of the Company's affairs as at that date.

1. The Directors in office during or since the end of the financial year are:

<b>Name</b>	<b>Qualifications</b>	<b>Experience</b>
Angela C. Delves	BSc(Hons),DipEd(Bath),Phd(Hull)	Pro-Vice-chancellor and Vice President of Southern Cross University and a Director since 2000.
Malcolm H. Marshall	BA(CCAE),MBA(CQU),CPA,FTIA	Executive Director and Vice President of Corporate Services Southern Cross University and a Director since 1991.
Lionel E. Phelps	AM,BA,MEd,DUNIV(NE),DUNIV(SC)	Former Chancellor of Southern Cross University and Director since 1989.
Jean Griffith	BA(Qld),Grad Dip Counselling, (BCAE),MNA(UNSW)	Senior Lecturer at Southern Cross University and a Director since 1996.
John A. Rickard (resigned 2/9/04)	BSc,PhD(Lond),CMath,FANZAM,FAIM	Vice-chancellor and President of Central Queensland University
John H. Maxwell (resigned 17/11/04)	BA,LIB (Syd),MTax(UNSW),FTIA	Solicitor and former CAE Chairman.

2. The principal activities of the economic entity during the financial year were:
  - a) consultancy and research;
  - b) continuing education, skills development and training courses;
  - c) development of education modules and units for professional development, university and continuing education;
  - d) university enterprise activities, including the Printery; and
  - e) conference services.
3. The consolidated loss of the economic entity after providing for income tax and eliminating outside equity interests amounted to \$216,319 (prior year profit \$1,063,508) after providing \$ 97,971 (prior year \$77,513) for depreciation.
4. During the financial year there were no significant changes in the state of affairs of the Company.
5. The Company is a non-profit organisation and claims exemption from the payment of income tax under Div 50-5 & 50-65 of the Income Tax Assessment Act 1997.
6. The economic entity does not issue shares or debentures. Dividends declared and paid by the controlled entity totalled \$6,814 declared 28 May 2004 (prior year \$1,604) in the financial year.
7. No matter or circumstance has arisen since the end of the financial year and at the date of this report, that has significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in financial years subsequent to 31 December, 2004.
8. Likely developments in the operations of the Company and the controlled entity and the expected results of those operations have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company and the controlled entity.

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Directors' Report

9. No Director has, during and since the end of the financial year, received or become entitled to receive a benefit by reason of a contract made by the Company or related corporation with the Director or with a firm of which the Director is a member, or with an entity in which the Director has a substantial financial interest.
10. The economic entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

11. Directors meeting attendances:

	No. Eligible to Attend	Number Attended
John A. Rickard (resigned 2/9/04)	3	0
Jean Griffiths	3	3
Malcolm H. Marshall	3	2
John H. Maxwell (resigned 17/11/04)	3	3
Lionel E. Phelps	3	2
Angela Delves	3	3

12. During or since the financial year, no director of the company has received or become entitled to receive a benefit, because of a contract that:
- (a) the director; or
  - (b) a firm of which the director is a member; or
  - (c) an entity in which the director has a substantial financial interest; has made with the company, an entity controlled by the company or a related body corporate, other than:
    - (i) a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the company, and
    - (ii) the fixed salary of a full time employee of the company, controlled entity or related body corporate.

During or since the financial year the parent entity has insured all of the Directors previously listed against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. Similar insurances were paid for by the company to cover directors of the controlled entity, Southern Cross Human Resource Development Pty Ltd in accordance with the purchase agreement of the 50% shareholding of that entity. The premium paid was \$3,507.

13. No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of Directors made pursuant to S298(2) of the Corporations Act 2001.

On behalf of the Directors.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

Dates this  day of April, 2005



# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Statement of Financial Performance for the year ended 31 December 2004

	Notes	Economic Entity		Norsearch Ltd	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>Revenue from Ordinary Activities</b>					
Consultancy Income	4	534,538	698,667	456,788	683,607
Tuition and Course Fees		754,158	1,363,999	754,158	1,363,999
Printery Income		1,431,546	1,596,374	1,431,546	1,596,374
Sales of Modules		1,389	3,433	1,389	3,433
Sponsorship and Promotion		37,257	161,253	37,257	161,253
Interest		119,638	79,828	118,740	79,828
Scientific Testing		981,958	677,246	981,958	677,246
Proceeds from sale of assets	7	32,727	25,200	32,727	25,200
Conference Fees		1,010,818	1,363,200	1,010,818	1,363,200
All Other		406,224	264,644	406,224	265,681
<b>Total revenue from ordinary activities</b>		<b>5,310,253</b>	<b>6,233,844</b>	<b>5,231,605</b>	<b>6,219,821</b>
<b>Expenses from Ordinary Activities</b>					
Employee Benefits	5.1	1,576,419	1,495,544	1,576,419	1,495,544
Consultancy Fees	5.2	1,023,361	747,990	1,023,361	747,990
Minor Equipment		50,871	54,960	47,857	53,292
Depreciation on Plant & Equipment		97,971	77,513	97,971	77,513
Travel, Accommodation and Hospitality		361,521	481,256	361,521	481,256
Finance Costs		17,332	22,072	16,746	21,573
Borrowing Cost Expense		-	470	-	-
Company Fees & Legals		4,444	4,067	4,244	4,067
Audit Fees	9	22,000	17,500	20,000	16,000
Income Related Costs		1,127,994	988,147	1,127,994	988,147
Equipment Leasing Costs		729,762	653,363	729,762	653,363
Miscellaneous Charges		473,207	623,323	469,218	620,251
<b>Total expenses from ordinary activities</b>		<b>5,484,882</b>	<b>5,166,205</b>	<b>5,475,093</b>	<b>5,158,996</b>
<b>Profit/(Loss) from Ordinary Activities before Income Tax Expense</b>		<b>(174,629)</b>	<b>1,067,639</b>	<b>(243,488)</b>	<b>1,060,825</b>
Income Tax Expense relating to Ordinary Activities	8	(19,242)	(1,449)	-	-
<b>Profit/(Loss) from Ordinary Activities after related income tax expense</b>		<b>(193,871)</b>	<b>1,066,190</b>	<b>(243,488)</b>	<b>1,060,825</b>
<b>Net Profit/(Loss)</b>		<b>(193,871)</b>	<b>1,066,190</b>	<b>(243,488)</b>	<b>1,060,825</b>
Net Profit/(Loss) attributable to outside equity interests	26	22,449	2,682	-	-
<b>Net Profit/(Loss) attributable to members of the parent entity</b>		<b>(216,320)</b>	<b>1,063,508</b>	<b>(243,488)</b>	<b>1,060,825</b>
<b>Total Revenue, Expense and Valuation Adjustments attributed to members of the Parent Entity Recognised Directly in Equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners</b>		<b>(216,320)</b>	<b>1,063,508</b>	<b>(243,488)</b>	<b>1,060,825</b>

The accompanying notes form part of these financial statements.

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Statement of Financial Position as at 31 December 2004

	Notes	Economic Entity		Norsearch Ltd	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>Current Assets</b>					
Cash Assets	10	2,081,089	2,027,963	2,006,793	2,001,474
Receivables	11	480,898	485,181	480,602	483,437
Inventories	12	72,644	74,630	72,644	74,630
Other	14	39,641	26,615	39,641	25,290
<b>Total Current Assets</b>		<b>2,674,272</b>	<b>2,614,389</b>	<b>2,599,680</b>	<b>2,584,831</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	16	319,064	178,381	319,064	178,381
Deferred tax assets	15	-	450	-	-
Other financial assets	13	-	-	20,000	20,000
<b>Total Non-Current Assets</b>		<b>319,064</b>	<b>178,831</b>	<b>339,064</b>	<b>198,381</b>
<b>Total Assets</b>		<b>2,993,336</b>	<b>2,793,220</b>	<b>2,938,744</b>	<b>2,783,212</b>
<b>Current Liabilities</b>					
Payables	17	894,506	260,285	892,306	249,491
Provisions	19	86,186	52,599	86,186	52,599
Other Liabilities	18	535,899	839,591	535,899	839,591
Current Tax Liabilities	20	15,030	1,479	-	-
<b>Total Current Liabilities</b>		<b>1,531,621</b>	<b>1,153,954</b>	<b>1,514,391</b>	<b>1,141,681</b>
<b>Non-Current Liabilities</b>					
Provisions	19	71,175	44,865	71,175	44,865
Interest bearing liabilities	21	-	6,583	-	-
<b>Total Non-Current Liabilities</b>		<b>71,175</b>	<b>51,448</b>	<b>71,175</b>	<b>44,865</b>
<b>Total Liabilities</b>		<b>1,602,796</b>	<b>1,205,402</b>	<b>1,585,566</b>	<b>1,186,546</b>
<b>Net Assets</b>		<b>1,390,540</b>	<b>1,587,818</b>	<b>1,353,178</b>	<b>1,596,666</b>
<b>Equity</b>					
Outside equity interest	26	21,824	2,782	-	-
Retained Profits	22	1,368,716	1,585,036	1,353,178	1,596,666
<b>Total Equity</b>		<b>1,390,540</b>	<b>1,587,818</b>	<b>1,353,178</b>	<b>1,596,666</b>

The accompanying notes form part of these financial statements.

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Statement of Cash Flows for the year ended 31 December 2004

	Notes	Economic Entity		Norsearch Ltd	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>Cash Flows from Operating Activities</b>					
<i>Inflows :</i>					
Tuition Fees & Charges		827,296	1,543,217	754,158	1,523,257
Interest Received		112,084	78,597	111,186	78,597
Other operating receipts		4,239,512	3,584,370	4,241,368	3,580,392
<i>Outflows :</i>					
Income tax paid		(5,241)	(1,143)	-	-
Salaries and Wages		(1,516,522)	(1,492,420)	(1,516,522)	(1,492,420)
Other operating payments		(3,367,599)	(2,860,039)	(3,358,457)	(2,850,884)
<b>Net cash provided by operating activities</b>	28	289,530	852,582	231,733	838,942
<b>Cash Flows from Investing Activities</b>					
<i>Inflows :</i>					
Proceeds from asset sales		32,727	25,200	32,727	25,200
<i>Outflows :</i>					
Plant and equipment		(259,141)	(63,332)	(259,141)	(63,332)
<b>Net cash provided by/(used in) investing activities</b>		(226,414)	(38,132)	(226,414)	(38,132)
<b>Cash Flows from Financing Activities</b>					
<i>Outflows :</i>					
Directors Loans		(6,583)	-	-	-
Payment of Dividends		(3,407)	-	-	-
<b>Net cash provided by/(used in) financing activities</b>		(9,990)	-	-	-
<b>Net increase (decrease) in cash held</b>		53,126	814,450	5,319	800,810
<b>Cash at beginning of reporting period</b>		2,027,963	1,213,513	2,001,474	1,200,664
<b>Cash at end of reporting period</b>	10	2,081,089	2,027,963	2,006,793	2,001,474

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

### 1. COMPANY LIMITED BY GUARANTEE

- (a) The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 31 December 2004 the number of members was 4 (2003: 6).

The Company was incorporated on 11 July, 1986 and commenced trading on 1 January 1987. The Company can make donations and gifts to Southern Cross University from time to time as well as other organisations and bodies which may be related to the work of Southern Cross University. In the event of winding up or dissolution of the Company any property shall be given to some other institution or institutions, which may include Southern Cross University.

#### *Company Details:*

The Registered office of the company is:

Military Road,  
EAST LISMORE NSW 2480

The Company is domiciled and incorporated in Australia.

- (b) In 2000 the company acquired a 50% holding in Southern Cross Human Resource Development Pty. Ltd a Registered Training Organisation (RTO). Through this entity potential students can apply to have their industry skills and training recognised as prior learning for entry to courses at various educational institutions.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, and authoritative pronouncements of the Australian Accounting Standards Board, the Public Finance and Audit Act 1983, Public Finance and Audit Regulations 2000, Urgent Issues Group Consensus Views and the Corporations Act 2001. The financial report has also been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

Comparative information is reclassified where appropriate to enhance comparability.

Set out below is a summary of the significant accounting policies adopted by the Company in the preparation of the accounts.

#### a) Plant & Equipment

Plant and equipment are measured at fair value.

Plant, equipment and vehicles with an acquisition cost of \$5,000 or greater are capitalised and are recognised in the Statement of Financial Position at cost (being the purchase price plus incidental costs directly attributable to the acquisition). Individual items of plant and equipment costing less than \$5,000 are treated as an expense in the year of acquisition.

## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

### Depreciation

Plant and Equipment are depreciated over their estimated useful lives using the straight line method. The expected useful lives to the economic entity are as follows;

Class of Fixed Asset	Depreciation Rate
Vehicles	15%
Computer Equipment	33.3%
General Equipment	10%

### Revaluation of Physical Non-Current Assets

In accordance with AASB 1041 Revaluation of Non-Current Assets the carrying amount of plant and equipment is reviewed annually by directors.

The recoverable amount test has not been applied as Norsearch is a not-for-profit entity whose service potential is not related to the ability to generate net cash flows.

### b) Income Tax

The Parent Company is exempt from the payment of income tax, and accordingly, no provision for income tax liability or future income tax benefit has been included in the accounts. The controlled entity Southern Cross Human Resource Development Pty. Ltd. is subject to income tax.

The economic entity adopts the liability method of tax-affect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences. Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

### d) Professional Development Centres

Professional Development Centres are primarily academic based involved in the preparation of training modules for the purposes of University education, professional enhancement and continuing education.

The Centre for Professional Development in Club Management is a partnership between the University, TAFE NSW, and the Club Management Institute of Australia.

The World Purchasing Research Institute is a partnership between the University and the Singapore Institute of Purchasing and Materials Management.

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

The Centre for Professional Development in International Tourism is a joint venture between the University and The Institute of Fashion and Technology, Chandigarh and Silpakorn University Thailand.

As Norsearch Ltd. is the managing agent for these partnerships the surplus balances are not included in the operating result or retained profit at year end. Surplus fund balances are shown as Centre for Professional Development in the Company's accounts.

### e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits. Contributions are made by the economic entity to employee superannuation and are charged as expenses when incurred.

Where a liability exists for Long Service Leave or Superannuation for staff seconded from Southern Cross University, such a liability has been provided for in the accounts of the University. Changes in such liability since the date of secondment have been charged to Norsearch Ltd. by the University as a salary oncost and have been taken to account in the Statement of Financial Performance.

#### Unisuper

The Company contributes to the Unisuper (formally Superannuation for Australian Universities (SSAU)) for academic and general staff. Towers Perrin completed the latest actuarial assessment as at 30th June 2004 and the amounts provided include the economic entity plus the parent entity assessment amounts.

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Net Market Value of Unisuper Assets	30,576	23,254	30,576	23,254
Accrued Benefits	<u>27,166</u>	<u>22,050</u>	<u>27,166</u>	<u>22,050</u>
Excess of Assets over Accrued Benefits	3,410	1,204	3,410	1,204

The parent entity has not recognised an asset for the difference between the accrued benefits and the net market value of the plan's assets.

### f) Revenue Recognition

#### *Sales revenue*

Sales revenue comprises operating revenue earned (net of returns, discounts and allowances) from the provision of services to entities outside the consolidated entity. Sales revenue is recognised when the goods are provided, or when the fee in respect of services provided is receivable.

#### *Interest Income*

Interest income is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

#### *Asset Sales*

The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed, as revenue after deducting the carrying amount of the asset sold from the gross proceeds on disposal, net of GST.

## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

### g) Principles of Consolidation

The economic entity comprises the financial report of Norsearch Ltd. and of its controlled entity, Southern Cross Human Resource Development Pty.Ltd.

A controlled entity is any entity controlled by Norsearch Ltd. Control exists where Norsearch Ltd has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Norsearch Ltd. to achieve the objectives of Norsearch Ltd. Details of the controlled entity are contained in Note 26.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

### h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of the goods and services tax (GST), except:

1. Where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
2. For receivables and payables which is inclusive of GST. The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.
3. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to, the ATO are classified as operating cash flows.

### i) Investments

Non-current investments are measured on the cost basis. The carrying amount of the non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for the other non-listed investments.

The expected net cash flows from investing have not been discounted to their net present value in determining the recoverable amounts.

### j) Cash Assets

For the purpose of the statement of cash flows, cash includes cash on hand and cash at call deposits with banks or financial institutions.

### k) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for the financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity's management, along with its auditors, is assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established by the Parent Entity to advise and manage the economic entity's transition to IFRS.

## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

The Directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

*- Non-current Investments*

Under the pending AASB 139 Financial Instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognized either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

*- Income Tax*

Currently the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent timing differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the AASB 112, the entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

### 3. GENERAL

- a) The Company is administered by staff either:
  - i) Seconded from Southern Cross University (these secondments are reviewable at two year intervals, seconded staff are employed under conditions that prevail for staff of the University).
  - ii) Employed on a contractual basis directly with Norsearch Ltd.
- b) The Company has entered into management agreements with Southern Cross University to cover administration fees charged by the Company.
- c) The Company operates from premises owned by Southern Cross University at no charge.
- d) Norsearch Ltd. in its role of representing the commercial arm of Southern Cross University manages certain assets owned by the University and generates income from these assets.
- e) Research and Consulting work is primarily carried out by academic staff employed by the University, or staff employed directly by the Company for the term of the consultancy or project. Academic staff are entitled to undertake external consultancy work as a percentage of normal working hours in accordance with Department of Education, Science and Training, and University policy.



# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to the Financial Statements for the financial year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>4 CONSULTANCY INCOME</b>				
Consultancy and contract research	534,538	698,667	456,788	683,607
	<u>534,538</u>	<u>698,667</u>	<u>456,788</u>	<u>683,607</u>

## 5 EXPENSES FROM ORDINARY ACTIVITIES

### 5.1 EMPLOYEE BENEFITS

#### Academic

Salaries	31,022	58,516	31,022	58,516
Superannuation	2,792	7,045	2,792	7,045
Payroll tax	2,029	4,300	2,029	4,300
Workers' compensation	500	905	500	905
Long service leave expense	-	-	-	-
Annual leave	-	-	-	-
Maternity leave	-	-	-	-
Leave loading	-	-	-	-
<b>Total Academic</b>	<u>36,343</u>	<u>70,766</u>	<u>36,343</u>	<u>70,766</u>

#### Non-academic

Salaries	1,232,512	1,182,584	1,232,512	1,182,584
Superannuation	156,168	123,485	156,168	123,485
Payroll tax	78,792	81,691	78,792	81,691
Workers' compensation	17,484	17,190	17,484	17,190
Long service leave expense	23,040	16,757	23,040	16,757
Annual leave	15,743	(8,676)	15,743	(8,676)
Maternity leave	8,525	4,482	8,525	4,482
Leave loading	7,812	7,265	7,812	7,265
<b>Total Non-academic</b>	<u>1,540,076</u>	<u>1,424,778</u>	<u>1,540,076</u>	<u>1,424,778</u>
	<u>1,576,419</u>	<u>1,495,544</u>	<u>1,576,419</u>	<u>1,495,544</u>

### 5.2 CONSULTANCY FEES

The Company as part of its normal activities engages consultants to provide services not available within its own resources.

	1,023,361	747,990	1,023,361	747,990
	<u>1,023,361</u>	<u>747,990</u>	<u>1,023,361</u>	<u>747,990</u>

## 6 SIGNIFICANT REVENUES AND EXPENSES

Following a review of projects that had been operating over a number of prior financial years, it was determined that a number no longer had financial obligations to outside partners, and that the net excess of revenue over expenses of these projects should be included as revenue in 2003.

	-	741,406	-	741,406
		<u>741,406</u>		<u>741,406</u>

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>7 SALE OF ASSETS</b>				
<i>Proceeds from Sale</i>				
Plant & equipment	32,727	25,200	32,727	25,200
<i>Carrying amount of Assets Sold</i>				
Plant & equipment	31,798	-	31,798	-
Net Profit on disposal of assets	<u>929</u>	<u>25,200</u>	<u>929</u>	<u>25,200</u>

### 8 INCOME TAX EXPENSE

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Profit from ordinary activities before income tax expense	(174,629)	1,067,639	(243,488)	1,060,825
Income tax expense calculated at 30%	(52,389)	320,292	(73,046)	318,248
Permanent differences:				
Tax exempt income	71,631	(318,248)	73,046	(318,248)
Over provision	-	(595)	-	-
Income tax expense relating to ordinary activities	<u>19,242</u>	<u>1,449</u>	<u>-</u>	<u>-</u>

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years.

	<u>3,737</u>	<u>192</u>	<u>-</u>	<u>-</u>
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### 9 REMUNERATION OF AUDITORS

Auditing the financial report	<u>22,000</u>	<u>17,500</u>	<u>20,000</u>	<u>16,000</u>
	<u>22,000</u>	<u>17,500</u>	<u>20,000</u>	<u>16,000</u>

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to the Financial Statements for the financial year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>10 CASH ASSETS</b>				
Cash at bank	209,789	117,828	135,493	91,339
Petty Cash	1,300	1,300	1,300	1,300
Bank interest bearing deposits	1,870,000	1,908,835	1,870,000	1,908,835
	<u>2,081,089</u>	<u>2,027,963</u>	<u>2,006,793</u>	<u>2,001,474</u>
<b>Reconciliation of Cash</b>				
Cash at end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:				
Cash	2,081,089	2,027,963	2,006,793	2,001,474
<b>Total Cash</b>	<u>2,081,089</u>	<u>2,027,963</u>	<u>2,006,793</u>	<u>2,001,474</u>
<b>11 RECEIVABLES</b>				
<b>Current</b>				
Trade debtors	469,996	483,930	469,700	482,186
Provision for Doubtful Debts	(1,762)	(3,859)	(1,762)	(3,859)
	<u>468,234</u>	<u>480,071</u>	<u>467,938</u>	<u>478,327</u>
Accrued interest income	12,664	5,110	12,664	5,110
<b>Total Current Receivables</b>	<u>480,898</u>	<u>485,181</u>	<u>480,602</u>	<u>483,437</u>
<b>12 INVENTORIES</b>				
<b>Current</b>				
Printery raw materials at cost	72,644	74,630	72,644	74,630
<b>Total Current Inventories</b>	<u>72,644</u>	<u>74,630</u>	<u>72,644</u>	<u>74,630</u>
<b>13 OTHER FINANCIAL ASSETS</b>				
<b>Non-Current</b>				
Shares - unlisted at cost				
Southern Cross Human Resource Development Pty Ltd	-	-	20,000	20,000
	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>14 OTHER ASSETS</b>				
<b>Current</b>				
Prepayments	39,641	26,615	39,641	25,290
	<u>39,641</u>	<u>26,615</u>	<u>39,641</u>	<u>25,290</u>

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>15 TAX ASSETS</b>				
<i>Non-Current</i>				
Future Income Tax Benefit	-	450	-	-
	-	450	-	-
<b>16 PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Plant and equipment</b>				
At Cost	942,303	750,473	942,303	750,473
Accumulated Depreciation	(623,239)	(572,092)	(623,239)	(572,092)
	319,064	178,381	319,064	178,381
<b>16.1 Movement in Carrying Amounts</b>				
<b>Plant and Equipment Reconciliation</b>				
Carrying amount at beginning of year	178,381	217,926	178,381	217,926
Additions	259,141	63,332	259,141	63,332
Disposals	(31,798)	-	(31,798)	-
Other Adjustments	11,311	(25,364)	11,311	(25,364)
Depreciation expense	(97,971)	(77,513)	(97,971)	(77,513)
Carrying amount at end of year	319,064	178,381	319,064	178,381

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to the Financial Statements for the financial year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>17 PAYABLES</b>				
<i>Current</i>				
Payables and accrued expenses	150,818	90,791	148,618	79,997
Southern Cross University- Ultimate parent entity	694,302	110,614	694,302	110,614
Academic Pursuit Funds	49,386	58,880	49,386	58,880
	<u>894,506</u>	<u>260,285</u>	<u>892,306</u>	<u>249,491</u>
<b>18 OTHER LIABILITIES</b>				
<i>Current</i>				
Consultancies and Contracts	9,198	213,665	9,198	213,665
Centre for Professional Development	526,701	625,926	526,701	625,926
	<u>535,899</u>	<u>839,591</u>	<u>535,899</u>	<u>839,591</u>
<b>19 PROVISIONS</b>				
<i>Current</i>				
Provision for Employee Benefits	86,186	52,599	86,186	52,599
	<u>86,186</u>	<u>52,599</u>	<u>86,186</u>	<u>52,599</u>
<i>Non-current</i>				
Provision for Employee Benefits	71,175	44,865	71,175	44,865
	<u>71,175</u>	<u>44,865</u>	<u>71,175</u>	<u>44,865</u>
Total Provisions	<u>157,361</u>	<u>97,464</u>	<u>157,361</u>	<u>97,464</u>
The aggregated employees benefit liability recognised and included in the financial statements is as follows:				
Current (note 19)	86,186	52,599	86,186	52,599
Non-current (note 19)	71,175	44,865	71,175	44,865
Accrued Wages and Salaries	4,676	2,105	4,676	2,105
Aggregated Employee Benefits Liability	<u>162,037</u>	<u>99,569</u>	<u>162,037</u>	<u>99,569</u>
Number of full-time equivalent employees at year end.	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
<b>20 CURRENT TAX LIABILITY</b>				
Provision for Income Tax				
The controlled entity, Southern Cross Human Resource Development Pty.Ltd. is not exempt from income tax. The tax provision is based on the company tax rate for 2004.	15,030	1,479	-	-
	<u>15,030</u>	<u>1,479</u>	<u>-</u>	<u>-</u>

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>21 INTEREST BEARING LIABILITIES</b>				
<b>Non-current</b>				
Directors Loans made by outside entity directors of Southern Cross Human Resource Development Pty.Ltd.	-	6,583	-	-
	-	6,583	-	-

Directors Loan accounts are made up of the following transactions;

- Initial loans of working capital at the start of the company operations

- Interest paid on funds loaned

- Net dividends payable to the relevant shareholders

Loans are repayable at any time with the approval of all Directors.

Accounts are : Mr P Miller \$3,292  
Mr B Griffin \$3,291

### 22 RETAINED PROFITS

Balance at the beginning of year	1,585,036	521,528	1,596,666	535,841
Net Profit	(216,320)	1,063,508	(243,488)	1,060,825
Balance at the end of year	1,368,716	1,585,036	1,353,178	1,596,666

### 23 RELATED PARTY INFORMATION

#### 23.1 Share Transaction of Directors

Directors and director -related entities hold indirectly or beneficially as at the reporting date the following equity interests in the Controlled Entity

Ordinary Shares	-	-	100	100
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#### 23.2 Loans from Directors

Directors Loan accounts are made up of the following transactions:

- Initial loans or working capital at the start of company operations

- Interest paid on funds loaned

- Net dividends payable to the relevant shareholders

Loans are repayable at any time with the approval of all Directors.

Accounts are:

Mr P Miller	-	3,292	-	-
Mr B Griffin	-	3,291	-	-
	-	6,583	-	-

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to the Financial Statements for the financial year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$

### 23 RELATED PARTY INFORMATION (Cont)

#### 23.3 Controlling Entity

Southern Cross University is the controlling entity of Norsearch Ltd. Transactions with the University for services provided are fully re-imbursed by the Company. Southern Cross University provides financial services and administration to the company as part of these services.

Aggregate amounts receivable from, and payable to related parties at balance date are as follows:

#### Current Receivables

Controlled Entity	-	-	-	1,856
	-	-	-	1,856

#### Current Payables

Controlling Entity (Ultimate Parent Entity)	694,302	110,614	694,302	110,614
Controlled Entity	-	-	-	1,300
	694,302	110,614	694,302	111,914

#### 23.4 Related Party Transactions

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

Income from Southern Cross University Printing Fees	1,189,717	1,367,699	1,189,717	1,367,699
Income from Southern Cross University Service Fees	316,090	140,708	316,090	140,708
Expenses from Southern Cross University Service Fees	(695,614)	(391,572)	(695,614)	(391,572)
	810,193	1,116,835	810,193	1,116,835

### 24 COMMITMENTS FOR EXPENDITURE

#### (a) Capital Expenditure Commitments

There were no commitments for capital expenditure as at 31 December 2004.

#### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the Financial Statements. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

#### Printery Equipment Leases

Payable not later than 1 year	369,141	288,885	369,141	288,885
Payable later than 1 year and within 2 years	354,836	288,885	354,836	288,885
Payable later than 2 years and within 5 years	220,704	590,718	220,704	590,718
Payable later than 5 years	-	-	-	-
	944,681	1,168,488	944,681	1,168,488

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$

### 24 COMMITMENTS FOR EXPENDITURE (Cont)

#### (c) Expenditure Commitments

Purchase orders placed with suppliers as at 31 December for goods and services (other than inventories) receivable within twelve months of year end

	140,515	198,521	140,515	198,521
	140,515	198,521	140,515	198,521

All commitments include GST which is expected to be recoverable in the normal course of operations.

### 25 CONTINGENT LIABILITIES

Norsearch Limited currently has no legal matters outstanding which are expected to result in material claims against Norsearch Limited.

### 26 CONTROLLED ENTITIES

	Country of Incorporation	Ownership Interest	
		2004	2003
<b>Ultimate Parent Entity</b> Southern Cross University	Australia		
<b>Parent Entity</b> Norsearch Limited	Australia		
<b>Controlled Entities</b> Southern Cross Human Resource Development Pty. Ltd.	Australia	50%	50%

#### Outside Equity Interests

	Parent Entity (Norsearch Ltd)	
	2004	2003
	\$	\$
Outside equity interests in controlled entities comprises:		
Issued capital	100	100
Retained earnings prior year	2,682	802
Less dividend declared	(3,407)	(802)
Net Profit	22,449	2,682
	21,824	2,782

### 27 SUBSEQUENT EVENTS

There were no events subsequent to the reporting date that would have a material financial effect on the financial report.



# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to the Financial Statements for the financial year ended 31 December 2004

	Economic Entity		Norsearch Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>28 NOTES TO THE STATEMENT OF CASH FLOWS</b>				
<b>Reconciliation of Profit from ordinary activities after related income tax to net cash flow from operating activities</b>				
Profit/(Loss) from ordinary activities after related income tax	(193,871)	1,066,190	(243,488)	1,060,825
Borrowing cost	-	470	-	-
Add: Depreciation	97,971	77,513	97,971	77,513
Add: Plant & Equipment adjustment	(11,311)	25,364	(11,311)	25,364
Less: Profit on disposal of assets	(929)	(25,200)	(929)	(25,200)
(Increase)/Decrease in receivables	5,583	484,595	2,835	483,619
(Increase)/Decrease in other assets	(13,026)	(2,627)	(14,351)	(2,819)
(Increase)/Decrease in inventories	1,986	28,670	1,986	28,670
(Increase)/Decrease in deferred tax assets	450	130	-	-
Increase/(Decrease) in prov. for employee entitlements	59,897	3,937	59,897	3,937
Increase/(Decrease) in payables and other liabilities	329,229	(806,572)	339,123	(812,967)
Increase/(Decrease) in provision for income tax	13,551	112	-	-
<b>Net cash provided by/(used) in operating activities</b>	<b>289,530</b>	<b>852,582</b>	<b>231,733</b>	<b>838,942</b>

# Norsearch Limited and Controlled Entity

ABN 57 003 082 406

A controlled entity of Southern Cross University



## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

### 29 FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either the Company or its counterparty and a financial liability (or equity instrument) of the other party. For the economic entity these include cash at bank, receivables, other financial assets, payables, other liabilities and interest bearing liabilities.

In accordance with AASB 1033 "Presentation and Disclosure of Financial Instruments" information is disclosed below and all such accounts are carried at net fair value unless otherwise stated. The specific accounting policy of each class of such financial instrument is stated below.

The following is the economic entity's accounting policies and terms and conditions for each class of financial asset, financial liability and equity instruments:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
<b>Financial Assets</b>	<b>10</b>		
Interest rate assets are bank financial instruments		All instruments are recorded at cost	Interest is paid on maturity
Receivables	<b>11</b>	All are carried in the accounts at net value unless otherwise stated	Normal business trading terms are payment in 30 days
Other Financial Assets	<b>13</b>	All are recorded in the accounts at cost unless otherwise stated	Non-tradable
<b>Financial Liabilities</b>	<b>17</b> <b>18</b> <b>21</b>	All are carried in the accounts at net fair value unless otherwise stated	Normal business trading terms apply to the payment of suppliers accounts

#### 29.1 INTEREST RATE RISK

Interest rate risk, is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The economic entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at year end are as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total \$	Total \$
	2004 %	2003 %	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
<b>Financial Assets</b>										
Cash	3.63%	4.13%	211,089	119,128	-	-	-	-	211,089	119,128
Receivables			-	-	-	-	480,898	485,181	480,898	485,181
Term Deposits	5.48%	4.93%	1,870,000	1,908,835	-	-	-	-	1,870,000	1,908,835
			2,081,089	2,027,963	-	-	480,898	485,181	2,561,987	2,513,144
<b>Financial Liabilities</b>										
Payables	N/A	N/A	-	-	-	-	894,506	260,285	894,506	260,285
Other Liabilities	N/A	N/A	-	-	-	-	535,899	839,591	535,899	839,591
Int.Bearing Liab.	N/A	7.70%	-	-	-	6,583	-	-	-	6,583
			-	-	-	6,583	1,430,405	1,099,876	1,430,405	1,106,459

## Notes to the Financial Statements for the financial year ended 31 December 2004

### 29 FINANCIAL INSTRUMENTS (Cont)

#### 29.2 CREDIT RISK BY CLASSIFICATION OF COUNTERPARTY

Credit Risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. The economic entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

Credit Risk by Classification	Governments	Banks	Other	Total
	\$	\$	\$	\$
Cash	-	211,089	-	211,089
Receivables	-	-	480,898	480,898
Term Deposits	-	1,870,000	-	1,870,000
	-	2,081,089	480,898	2,561,987

#### 29.3 NET FAIR VALUE

The net fair value of financial assets and liabilities approximates their carrying value.

*End of Audited Accounts*



# Southern Cross Human Resource Development Pty Ltd

ABN 39 086 524 530

A controlled entity of Norsearch Limited

FINANCIAL REPORT FOR  
THE YEAR ENDED 31 DECEMBER 2004





GPO BOX 12  
SYDNEY NSW 2001

## INDEPENDENT AUDIT REPORT

### SOUTHERN CROSS HUMAN RESOURCE DEVELOPMENT PTY LTD

To Members of the New South Wales Parliament and Members of Southern Cross Human Resource Development Pty Ltd.

#### Audit Opinion

In my opinion, the financial report of Southern Cross Human Resource Development Pty Ltd is in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Southern Cross Human Resource Development Pty Ltd financial position as at 31 December 2004 and financial performance for the year ended on that date, and
  - (ii) complying with Accounting Standards in Australia, and the *Corporations Regulations 2001*,
- (b) other mandatory financial reporting requirements in Australia, and
- (c) section 41B of the *Public Finance and Audit Act 1983*.

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

#### The Directors' Role

The financial report is the responsibility of the company's directors. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes, and directors' declaration.

#### The Auditor's Role and the Audit Scope

As required by the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament and the members of the Southern Cross Human Resource Development Pty Ltd that the financial report is free of *material* misstatement.

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

- evaluated the accounting policies and significant accounting estimates used by the directors in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

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

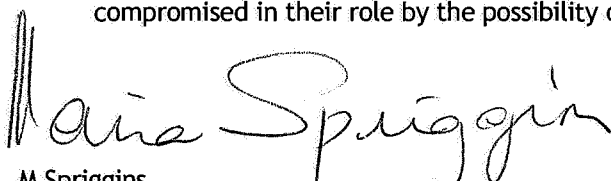
My opinion does *not* provide assurance:

- about the future viability of the company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

### **Audit Independence**

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. The *Public Finance and Audit Act 1983* further promotes independence by:

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



M Spriggins  
Director, Financial Audit Services

SYDNEY  
12 April 2005

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Directors' Report

The directors of the company present their report on the company for the financial year ended 31 December 2004:

### DIRECTORS

The Directors in office during or since the end of the year are:

Peter Miller B Bus (UTS), Mbus(NE)PhD  
Brian Griffin BA, MEd(NE)  
Malcolm Marshall BA(CCAE), MBA(CQU), CPA, FTIA  
Lawson Savery MSc(Aston), PhD(WAust)

The directors have been in office since the start of the financial year unless otherwise stated.

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were operating as a Registered Training Organisation. No significant change in the nature of these activities occurred during the year.

### OPERATING RESULTS

The operating profit for the financial year ended 31 December 2004 was \$44,898 (Prior Year Profit \$5,365) after providing \$19,242 (prior year \$1,449) for income tax.

### REVIEW OF OPERATIONS

Revenue has increased 5 fold from \$15,060 to \$78,648 in 2004 due to contract work won in 2003 performed in 2004.

### DIVIDENDS PAID OR RECOMMENDED

A fully franked dividend of \$34.07 was declared on 28th May 2004 by the Company during the financial year, and totalled \$6814 fully franked.

### SIGNIFICANT CHANGES

No matters or circumstances have arisen since the end of the financial year and at the date of this report, that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### SUBSEQUENT EVENTS

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

### FUTURE DEVELOPMENTS

Likely developments in the operations of the economic entity and the expected results of those operations have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

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



# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Directors' Report

### INFORMATION ON DIRECTORS

Name	Qualifications	Experience
Peter Miller	B Bus (UTS),Mbus(NE)PhD	Senior Lecturer & Course Co-ordinator in the School of Social Sciences at Southern Cross University. Director since 2000.
Brian Griffin	BA,Med(NE)	Retired Lecturer in Workplace learning. Director Since 2000.
Malcolm Marshall	BA(CCAE), MBA(CQU), CPA,FTIA.	Executive Director and Vice-President of Corporate Services at Southern Cross Uni. Director since 2002.
Lawson Savery	MSc(Aston),Phd(WAust)	Dean of the Division of Business at Southern Cross University. Director since 2002.

### MEETINGS OF DIRECTORS

The numbers of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number eligible to Attend	Number Attended
Peter Miller	2	2
Malcolm Marshall	2	2
Lawson Savery	2	2
Brian Griffin	2	2

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

## Directors' Report

### DIRECTORS' BENEFITS

No Director has, during and since the end of the financial year, received or become entitled to receive a benefit by reason of a contract made by the Company or related corporation with the Director or with a firm of which the Director is a member, or with an entity in which the Director has a substantial financial interest.

During or since the financial year the parent entity has insured all of the Directors previously listed against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The premium paid by the parent entity was \$3,507.

### INDEMNIFYING OFFICERS OR AUDITOR

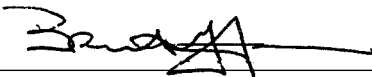
The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or related corporate:

(a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceeding; or

(b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Signed in accordance with a resolution of the directors made pursuant to S298(2) of the Corporations Act 2001.

On behalf of the Directors.



Director



Director

Dated this **5** day of April 2005

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Directors' Declaration

In accordance with a resolution of the Directors of Southern Cross Human Resource Development Pty Ltd and pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The attached is a general purpose financial report and presents a true and fair view of the financial position as at 31 December 2004 and of the performance of Southern Cross Human Resource Development Pty Ltd as at 31 December 2004 for the year then ended;
2. The financial report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2000 and the Corporations Act 2001 and Corporation Regulations 2001.
3. The financial report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and authoritative pronouncements of the Australian Accounting Standards Board.
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and,
5. There are reasonable grounds to believe that the company will be able to pay its debts as and when they fall d□

Signed this **5** day of April 2005 in accordance with a resolution of the Directors, and on behalf of the Directors.

A handwritten signature in black ink, appearing to be "Bridget", written over a horizontal line.

Director

A handwritten signature in black ink, appearing to be "Marshall", written over a horizontal line.

Director

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Statement of Financial Performance for the year ended 31 December 2004

	Notes	2004 \$	2003 \$
<b>Revenue from Ordinary Activities</b>			
Fees received from services		77,750	15,060
Interest Revenue		898	-
<b>Total revenue from ordinary activities</b>		<u>78,648</u>	<u>15,060</u>
<b>Expenses from Ordinary Activities</b>			
Audit Fees	4	2,000	1,500
Commission-Norsesearch Ltd		4,719	904
Computer related expenses		3,014	1,668
Borrowing costs		-	603
Bank fees		586	499
Subscriptions		2,953	2,509
Miscellaneous Charges		1,236	563
<b>Total expenses from ordinary activities</b>		<u>14,508</u>	<u>8,246</u>
<b>Profit from ordinary activities before income tax expense</b>		64,140	6,814
Income tax expense relating to ordinary activities	5	(19,242)	(1,449)
<b>Profit from ordinary activities after related income tax expense</b>		<u>44,898</u>	<u>5,365</u>
<b>Net Profit</b>		<u>44,898</u>	<u>5,365</u>
<b>Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners</b>			
		<u>44,898</u>	<u>5,365</u>
Basic earnings per share (\$)		224.49	26.83
Diluted earnings per share (\$)		224.49	26.83
Dividends per share (\$)		34.07	8.02

The accompanying notes form part of these financial statements.

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Statement of Financial Position as at 31 December 2004

	Notes	2004 \$	2003 \$
<b>Current Assets</b>			
Cash Assets	6	74,296	26,489
Receivables	7	296	4,900
Other	8	-	1,325
<b>Total Current Assets</b>		<u>74,592</u>	<u>32,714</u>
<b>Non-Current Assets</b>			
Deferred tax assets	9	-	450
<b>Total Non-Current Assets</b>		<u>-</u>	<u>450</u>
<b>Total Assets</b>		<u><u>74,592</u></u>	<u><u>33,164</u></u>
<b>Current Liabilities</b>			
Payables	10	6,919	12,094
Current tax liability	11	15,030	1,479
<b>Total Current Liabilities</b>		<u>21,949</u>	<u>13,573</u>
<b>Non-Current Liabilities</b>			
Interest Bearing Liabilities	12	-	8,439
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>8,439</u>
<b>Total Liabilities</b>		<u><u>21,949</u></u>	<u><u>22,012</u></u>
<b>Net Assets</b>		<u><u>52,643</u></u>	<u><u>11,152</u></u>
<b>Equity</b>			
Contributed Equity	23	200	200
Retained Profits	14	52,443	10,952
<b>Total Equity</b>		<u><u>52,643</u></u>	<u><u>11,152</u></u>

The accompanying notes form part of these financial statements.

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Statement of Cash Flows for the year ended 31 December 2004

	Notes	2004 \$	2003 \$
<b>Cash Flow from Operating Activities</b>			
<i>Inflows:</i>			
Receipts from customers		73,138	19,960
Interest received		898	-
Goods & Services Tax		-	903
Income tax refund		-	3,075
<i>Outflows:</i>			
Payments to suppliers		(9,142)	(9,155)
Income Tax Paid		(5,241)	(1,143)
Net cash provided by (used in) operating activities	24	59,653	13,640
<b>Cash Flows from Investing Activities</b>			
Net cash provided by (used in) investing activities		-	-
<b>Cash Flows from Financing Activities</b>			
Payment of Dividends		(3,407)	-
Repayment of borrowings		(8,439)	-
Net cash provided by (used in) financing activities		(11,846)	-
<b>Net increase/(decrease) in cash held</b>		47,807	13,640
<b>Cash assets at beginning of reporting period</b>		26,489	12,849
<b>Cash assets at end of reporting period</b>	6	74,296	26,489

## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2000 and the Corporations Act 2001. The financial report has also been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

#### **Company Details:**

The Registered office and principle place of business of the company is:

Southern Cross Human Resource Development Pty. Ltd.

Rod Treyvaud Building

Southern Cross University Campus

Military Road,

EAST LISMORE NSW 2480

The Company is domiciled and incorporated in Australia.

The following accounting policies are significant in the preparation of the financial report:

#### a) **Income Tax**

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

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

Future income tax benefits are not brought to account unless revaluation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of the realization of the benefit.

An income tax rate of 30% has been used for calculations in the 2004 financial statements.

#### b) **Revenue Recognition**

##### *Sales revenue*

Sales revenue comprises operating revenue earned from the provision of services to entities outside the economic entity. Sales revenue is recognised when the service is provided.

##### *Interest Income*

Interest income is recognised as it accrues.

## Notes to and forming part of the Financial Statements for the year ended 31 December 2004

### c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of the goods and services tax (GST), except:

1. Where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
2. For receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.
3. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to, the ATO are classified as operating cash flows.

### d) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for the financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Company's management are assessing the significance of these changes and preparing for their implementation.

The directors are of the opinion that the key difference in the Company's accounting policies which will arise from the adoption of IFRS is:

#### *Income Tax:*

Currently the Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under AASB 1112 "Income Taxes" the Australian equivalent to IAS 12, the entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.



# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

### 2 GENERAL

The Company is administered by staff either:

- i) Seconded from Norsesearch Ltd (these secondments are reviewable at two year intervals, seconded staff are employed under conditions that prevail for staff of Norsesearch Ltd.).
- ii) Employed on a contractual basis directly with Southern Cross Human Resource Development Pty.Ltd

### 3 DIVIDENDS

A final dividend of \$34.07 (2003:\$8.02) per share franked at the tax rate of 30% (2003: 30%)

2004	2003
\$	\$

### 4 REMUNERATION OF AUDITOR

Auditing the financial report	2,000	1,500
	<u>2,000</u>	<u>1,500</u>

### 5 INCOME TAX EXPENSE

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Profit from ordinary activities before income tax expense	64,140	6,814
Prima facie income tax on profit from ordinary activities	19,242	2,044
Overprovision in prior year	-	(595)

Income tax expense attributable to profit from ordinary activities before income tax	<u>19,242</u>	<u>1,449</u>
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Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years.	<u>3,737</u>	<u>192</u>
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### 6 CASH ASSETS

Cash at bank	74,296	26,489
	<u>74,296</u>	<u>26,489</u>

#### Reconciliation of Cash Assets

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at Bank	74,296	26,489
Total Cash Assets	<u>74,296</u>	<u>26,489</u>

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

<b>7 RECEIVABLES</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<i>Current</i>		
Net Goods & Services Tax Receivable	296	-
Trade Debtors	-	3,600
Amounts receivable from Other Related Parties	-	1,300
	<u>296</u>	<u>4,900</u>
<b>8 OTHER</b>		
<i>Current</i>		
a) Current Tax Assets	-	-
b) Other - Prepayments	-	1,325
<b>9 DEFERRED TAX ASSETS</b>		
<i>Current</i>		
Future Income Tax Benefits	-	450
	<u>-</u>	<u>450</u>
<b>10 PAYABLES</b>		
<i>Current</i>		
Southern Cross University	-	1,650
Payables and accrued expenses	6,919	10,300
Net Goods & Services Tax Payable	-	144
	<u>6,919</u>	<u>12,094</u>
<b>11 CURRENT TAX LIABILITY</b>		
<i>Current</i>		
Provision for Income Tax	15,030	1,479
	<u>15,030</u>	<u>1,479</u>
<b>12 INTEREST BEARING LIABILITIES</b>		
<i>Non-current</i>		
Amounts Payable to Related Parties - Directors	-	6,583
- Norsesearch Ltd	-	1,856
	<u>-</u>	<u>8,439</u>

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

### 13 RESTRICTED ASSETS

Shareholders have resolved to establish from retained earnings a Research and Development Reserve to provide funds for future research and development such as post-graduate scholarships to be undertaken at Southern Cross University.

These funds are provided from Norsesearch Ltd's share of profits, and the fund balance is included in the amount shown as retained earnings.

	2004	2003
	\$	\$
<i>Research &amp; Development Reserve</i>		
Balance at the beginning of year	5,587	4,785
Transfers from retained profits	3,407	802
	-	-
Closing balance of Research & Development Reserve at the end of year.	<u>8,994</u>	<u>5,587</u>

### 14 RETAINED PROFITS

Balance at the beginning of year	10,952	6,389
Net Profit	44,898	5,365
Dividends declared and paid	(6,814)	(1,604)
Restricted Asset (refer to Note 13).	3,407	802
Balance at the end of year	<u>52,443</u>	<u>10,952</u>

### 15 RELATED PARTY INFORMATION

#### 15.1 Share Transactions of Directors

Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Company.

100 Ordinary shares	<u>100</u>	<u>100</u>
---------------------	------------	------------

#### 15.2 Loans from Directors

Directors Loan accounts are made up of the following transactions;

- Initial loans of working capital at the start of company operation
- Interest paid on funds loaned
- Net dividends payable to the relevant shareholders

Loans are repayable at any time with the approval of all Directors.

Accounts are:

Mr Peter Miller	-	3,292
Mr Brian Griffin	-	3,291
	-	<u>6,583</u>

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

### 15 RELATED PARTY INFORMATION (Cont)

#### 15.3 Controlling Entity

Norsearch Limited is the controlling entity of Southern Cross Human Resource Development Pty Ltd. Norsesearch Ltd. holds 100 of the 200, \$1 issued and fully paid up shares. Transactions with Norsesearch Limited for services provided are fully re-imbursed by the Company. Southern Cross University provides financial services and administration to the Company at no cost.

Aggregate amounts receivable from, and payable to related parties at balance date are as follows:

	2004 \$	2003 \$
Current Receivables Controlling Entity	-	1,300
Current Payables Controlling Entity	4,719	1,856

#### 15.4 Related Party Transactions

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

Norsearch Ltd commission	4,719	904
Directors Loan Account Interest @ 7.7%	-	471
Norsearch Ltd. Loan Account Interest @ 7.7%	-	133
Norsearch Ltd Dividends (refer Note 13)	3,407	802
Directors Dividends Paid	3,407	802
	<u>11,533</u>	<u>3,112</u>

### 16 REMUNERATION AND RETIREMENT BENEFITS

The names of Directors who have held office during the financial year are:

Lawson Savery  
Malcolm Marshall  
Brian Griffin  
Peter Miller

#### Directors Remuneration

Income paid or payable to all directors from the company and any related parties

-	-
---	---

Number of Directors whose income was within the following bands:  
\$0 to \$9,999

No.	No.
4	4

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

### 17 COMMITMENTS FOR EXPENDITURE

#### (a) Capital Expenditure Commitments

There were no commitments for capital expenditure as at 31 December 2004.

#### (b) Other Expenditure Commitments

There were no expenditure commitments as at 31 December 2004.

2004	2003
\$	\$

-	-
---	---

### 18 CONTINGENT LIABILITIES

Southern Cross Human Resource Development Pty Ltd currently has no legal matters outstanding which are expected to result in material claims against it.

### 19 ECONOMIC DEPENDENCY

The Company is dependent upon continued funding support from Southern Cross University.

### 20 SEGMENT REPORTING

#### a) Industry Segments

The Company operates within the industry of education, training and consulting.

#### b) Geographic Segments

The Company operates solely within Australia.

### 21 SUBSEQUENT EVENTS

There were no events subsequent to balance date that would have a material financial effect on the financial report as presented.

### 22 PARENT ENTITY

The parent entity is the commercial arm of Southern Cross University, and operates principally in the areas of educational training and consulting.

#### Parent Entity

#### Activity

Norsesearch Limited

Education Services

### 23 CONTRIBUTED EQUITY

2004	2003
\$	\$

200	200
-----	-----

200 (2003: 200) Fully Paid \$1 Ordinary Shares

#### (a) Fully Paid ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

### 24 NOTES TO THE STATEMENT OF CASHFLOWS

	2004	2003
	\$	\$
<b>Reconciliation of profit from ordinary activities after related income tax to net cash flows from operating activities.</b>		
Profit from ordinary activities after related income tax	44,898	5,365
<i>Non-cash flows in profit from ordinary activities</i>		
Commission-Norsearch Ltd	-	904
Borrowing Cost	-	603
<i>Change in assets and liabilities</i>		
(Increase)/Decrease in receivables	4,604	(1,360)
(Increase)/Decrease in other assets	1,325	192
(Increase)/Decrease in current tax asset	-	565
(Increase)/Decrease in deferred tax assets	450	(435)
Increase/(Decrease) in payables	(5,175)	7,694
Increase/(Decrease) in current tax liability	13,551	112
<b>Net cash provided/(used) by operating activities</b>	<b>59,653</b>	<b>13,640</b>

### Non-Cash Financing Activities

Dividends due are credited to the Director and Shareholder loan accounts to conserve cash for Company operations. Interest is paid by the Company on these loan accounts. No interest was charged in 2004. Part of the dividend declared was set aside for Research and Development (see Note 13).

# Southern Cross Human Resource Development Pty. Ltd

ABN 39 086 524 530

A controlled entity of Norsesearch Ltd.



## Notes to the Financial Statements for the year ended 31 December 2004

### 25 FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either the Company or its counterparty and a financial liability (or equity instrument) of the other party. For the Company these include cash at bank and payables.

25.1 The following is the Companies accounting policies and terms and conditions for each class of financial asset, financial liability and equity instruments:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
<b>Financial Assets</b> Interest rate assets are bank financial instruments	6	All instruments are recorded at cost.	Interest is paid on maturity.
Receivables	7	All are carried in the accounts at net fair value unless otherwise stated.	Normal business trading terms are payment in 30 days.
<b>Financial Liabilities</b> Credit risk liabilities represent Creditors and accrued expenses.	10 & 12	All are carried in the accounts at net fair value unless otherwise stated.	Normal business trading terms apply to the payment of Suppliers accounts.
Interest Bearing Liabilities	12	All are carried in the accounts at net fair value unless otherwise stated.	None

25.2 Interest rate risk, is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The company's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the Statement of Financial Position date are as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2004 %	2003 %	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
<b>Financial Assets</b>										
Cash	2.73%	-	74,296	26,489	-	-	-	-	74,296	26,489
Receivables	N/A	-	-	-	-	-	296	4,900	296	4,900
			74,296	26,489	-	-	296	4,900	74,592	31,389
<b>Financial Liabilities</b>										
Payables	N/A	N/A	-	-	-	-	6,919	12,094	6,919	12,094
Interest bearing Liabilities	N/A	7.70%	-	8,439	-	-	-	-	-	8,439
			-	8,439	-	-	6,919	12,094	6,919	20,533

25.3 Credit Risk by classification of counterparty.

Credit Risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. The Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

Credit Risk by Classification	Governments	Banks	Other	Total
	\$	\$	\$	\$
Cash	-	74,296	-	74,296
Receivables	-	-	296	296
	-	74,296	296	74,592

Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

End of Audited Accounts





# Australian Plant DNA Bank Limited

ABN 95 108 486 791

A controlled entity of Southern Cross University

FINANCIAL REPORT FOR  
THE PERIOD 24 MARCH 2004 TO 31 DECEMBER 2004





GPO BOX 12  
SYDNEY NSW 2001

## INDEPENDENT AUDIT REPORT

### Australian Plant DNA Bank Limited

To Members of the New South Wales Parliament and Members of Australian Plant DNA Bank Limited.

#### Audit Opinion

In my opinion, the financial report of Australian Plant DNA Bank Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Australian Plant DNA Bank Limited's financial position as at 31 December 2004 and financial performance for the year ended on that date, and
  - (ii) complying with Accounting Standards in Australia, and the *Corporations Regulations 2001*,
- (b) other mandatory financial reporting requirements in Australia, and
- (c) section 41B of the *Public Finance and Audit Act 1983*.

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

#### The Directors' Role

The financial report is the responsibility of the company's directors. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes, and directors' declaration.

#### The Auditor's Role and the Audit Scope

As required by the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament and the members of the Australian Plant DNA Limited that the financial report is free of *material* misstatement.

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

- evaluated the accounting policies and significant accounting estimates used by the directors in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

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

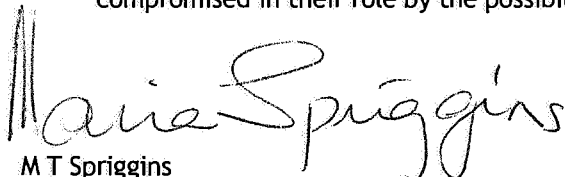
My opinion does *not* provide assurance:

- about the future viability of the company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

#### **Audit Independence**

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. The *Public Finance and Audit Act 1983* further promotes independence by:

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



M T Spriggins  
Director, Financial Audit Services

SYDNEY  
12 April 2005

## Directors' Report

The directors of the company present their report on the company for the period 24 March 2004 to 31 December 2004:

### DIRECTORS

The Directors in office during or since the end of the financial period are:

**Peter Baverstock** BSc(Hons),DSc(Adel), PhD(WAust)

**Robert Henry (CEO)** BSc(Hons)(Qld),MSc(Hons)(Macq), PhD(LaTrobe),DSc(Qld)

**Malcolm Marshall** BA,(CCA), MBA(CQU), CPA, FTIA  
(resigned 11 January 2005)

**John Rickard** BSc(Hons),PhD(Lond) ,FANZAM  
(resigned 10 January 2005)

**Steve Williams** BAppSc(QUT)  
(appointed 30 April 2004)

**Paul Clark** BSc(Hons),PhD,DipTEd(Monash),FAIP,FICA  
(appointed 11 January 2005)

The directors have been in office since the 24th March 2004 unless otherwise indicated.

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were holding and maintaining the DNA of native Australian plants and other species of economic significance and enabling research and development into Australian plant DNA. The company commenced trading in December 2004.

### OPERATING RESULTS

The operating profit for the period 24 March 2004 to 31 December 2004 was \$43,159.

### REVIEW OF OPERATIONS

Income for the period consisted of a donation received from Southern Cross University to perform initial business planning of the operations.

### CHANGES IN STATE OF AFFAIRS

During the period there was no significant change in the state of affairs of the company other than referred to in the financial statements or notes thereto.

### SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in future financial years.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

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

### FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

## Directors' Report

### INFORMATION ON DIRECTORS

<b>Name</b>	<b>Qualifications</b>	<b>Experience</b>
Professor Peter R. Baverstock	BSc(Hons),DSc(Adel), PhD(WAust)	Professor Baverstock is Pro Vice-Chancellor and Vice-President at Southern Cross University. Appointed 24 March 2004.
Professor Robert J. Henry	BSc(Hons)(Qld) MSc(Hons)(Macq), PhD(LaTrobe),DSc(Qld)	Professor Henry is Head of the Centre for Plant Conservation Genetics at Southern Cross University. Appointed 24 March 2004.
Malcolm Marshall	BA(CCAE), MBA(CQU), CPA, FTIA	Malcolm Marshall is the Executive Director and Vice-President of Corporate Services at Southern Cross University. Appointed 24 March 2004. Resigned 11 January 2005
Professor John A. Rickard	BSc(Hons), PhD (Lond), FANZAM	Professor Rickard is Vice-Chancellor and President of Central Queensland University. Appointed 24 March 2004. Resigned 10 January 2005
Steve Williams	BAppSc(QUT)	Steve Williams is the Business Manager within the Graduate Research College at Southern Cross University. Appointed 30 April 2004.
Professor Paul Clark	BSc(Hons),PhD,DipTEd(Monash), FAIP,FIICA	Professor Clark is Vice-Chancellor and President of Southern Cross University. Appointed 11 January 2005.

### MEETINGS OF DIRECTORS

The numbers of meetings of directors held during the period and the number of meetings attended by each director were as follows:

	Number Eligible to Attend	Number Attended
Peter Baverstock	3	3
Robert Henry	3	3
Malcolm Marshall	3	3
John Rickard	3	1
Steve Williams	2	2

## Directors' Report

### DIRECTORS' BENEFITS

During or since the financial period, no director of the company has received or become entitled to receive a benefit, because of a contract that:

- (a) the director; or
- (b) a firm of which the director is a member; or
- (c) an entity in which the director has a substantial financial interest; has made with the company, an entity controlled by the company or related body corporate, other than:
  - (i) a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company, and
  - (ii) the fixed salary of a full time employee of the company, controlled entity or related body corporate.

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

### INDEMNIFICATION OF OFFICERS AND AUDITORS

The company has not, during or since the financial period, in respect of any person who is or has been an officer or auditor of the company or related body corporate:

- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceeding; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

Signed in accordance with a resolution of the directors made pursuant to S298(2) of the Corporations Act 2001.

On behalf of the Directors



Director

Dated this **5** day of April 2005

## Directors' Declaration

In accordance with a resolution of the Directors of AUSTRALIAN PLANT DNA BANK Limited and pursuant to section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state:

1. The attached is a general purpose financial report and presents a true and fair view of the financial position as at 31 December 2004 and the performance for the period 24 March 2004 to 31 December 2004;
2. The financial report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance & Audit Regulation 2000, Corporations Regulations 2001 and the Corporations Act 2001;
3. The financial report has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and,
5. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed this **5** day of April, 2005 in accordance with a resolution of the Directors, made pursuant to S295(5) of the Corporations Act 2001.

On behalf of the Directors



Director



Director

# Australian Plant DNA Bank Limited

ABN 95 108 486 791

A controlled entity of Southern Cross University



## Statement of Financial Performance for the period 24 March 2004 to 31 December 2004

	Notes	2004 \$
<b>Revenue from Ordinary Activities</b>		
Donation		50,000
		<u>-</u>
<b>Total revenue from ordinary activities</b>		50,000
<b>Expenses from Ordinary Activities</b>		
Audit Fees	3	2,000
Domain Name Registration		4,712
Miscellaneous Charges		<u>129</u>
<b>Total expenses from ordinary activities</b>		6,841
<b>Profit from ordinary activities before income tax expense</b>		43,159
Income tax expense relating to Ordinary Activities		-
<b>Profit from ordinary activities after related income tax expense</b>		<u>43,159</u>
<b>Net Profit</b>		<u>43,159</u>
<b>Total Revenue, Expense and Valuation Adjustments attributed to the Parent Entity and Recognised Directly in Equity</b>		<u>-</u>
<b>Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners</b>		<u>43,159</u>



# Australian Plant DNA Bank Limited

ABN 95 108 486 791

A controlled entity of Southern Cross University



## Statement of Financial Position as at 31 December 2004

	Notes	2004 \$
<b>Current Assets</b>		
Cash Assets	4	50,000
Receivables	5	200
<b>Total Current Assets</b>		<u>50,200</u>
<b>Non-Current Assets</b>		
<b>Total Non-Current Assets</b>		<u>-</u>
<b>Total Assets</b>		<u>50,200</u>
<b>Current Liabilities</b>		
Payables	6	7,041
<b>Total Current Liabilities</b>		<u>7,041</u>
<b>Non-Current Liabilities</b>		
<b>Total Non-Current Liabilities</b>		<u>-</u>
<b>Total Liabilities</b>		<u>7,041</u>
<b>Net Assets</b>		<u>43,159</u>
<b>Equity</b>		
Retained Profits	7	43,159
<b>Total Equity</b>		<u>43,159</u>

## Statement of Cash Flows for the period 24 March 2004 to 31 December 2004

	Notes	2004 \$
<b>Cash Flows from Operating Activities</b>		
<i>Inflows :</i>		
Donations received		50,000
<i>Outflows:</i>		
Payments to Suppliers		-
		<hr/>
<b>Net cash provided by operating activities</b>	15	50,000
<b>Net increase in cash held</b>		50,000
<b>Cash at beginning of reporting period</b>		<hr/> -
<b>Cash at end of reporting period</b>	4	<hr/> <hr/> 50,000

## Notes to the Financial Statements for the period 24 March 2004 to 31 December 2004

### **1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Public Finance and Audit Act 1983 Urgent Issues Group Consensus Views, Public Finance and Audit Regulation 2000 and the Corporations Act 2001. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

#### **Company Details:**

The Registered office and principle place of business of the company is:  
Australian Plant DNA Bank Limited  
Centre for Plant Conservation Genetics  
Southern Cross University Campus  
Military Road  
EAST LISMORE NSW 2480

The Company is domiciled and incorporated in Australia.

The following accounting policies are significant in the preparation of the financial report:

#### **a) Income Tax**

The company is wholly owned by Southern Cross University and is exempt from tax under Div 50-5 & 50-65 of the Income Tax Assessment Act 1997.

#### **b) Interest Revenue**

Interest Revenue is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

#### **c) Comparative Information**

The Company was incorporated 24 March 2004 and as a result there is no comparative information.

#### **d) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of the goods and services tax (GST), except:

1. Where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO), it is recognised as part of the cost of acquisition of the asset or as part of an item of expense, or
2. For receivables and payables which are recognised inclusive of GST.  
The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.
3. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### **e) Adoption of Australian Equivalents to International Financial Reporting Standards**

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for the financial years commencing 1 January 2005. This requires the production of accounting data for the future comparative purposes at the beginning of the next financial year. As the company has only commenced trading in 2004 the Directors are of the opinion that there will be no key differences in the Company's accounting policies which will arise from the adoption of IFRS.

# Australian Plant DNA Bank Limited

ABN 95 108 486 791

A controlled entity of Southern Cross University



## Notes to the Financial Statements for the period 24 March 2004 to 31 December 2004

### 2 MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company. At 31 December 2004, the number of members was 1.

	2004
	\$
<b>3 AUDIT FEES</b>	
Auditing the financial report	2,000
	<u>2,000</u>

### 4 CASH ASSETS

Cash at bank	50,000
	<u>50,000</u>

#### Reconciliation of Cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank	50,000
Total Cash	<u>50,000</u>

### 5 RECEIVABLES

#### Current

GST Recoverable	200
	<u>200</u>

### 6 PAYABLES

#### Current

Accounts payable to controlling entity	4,841
Trade Creditors	2,200
	<u>7,041</u>

### 7 RETAINED PROFITS

Balance at the beginning of period	-
Net profit	43,159
Balance at the end of period	<u>43,159</u>

# Australian Plant DNA Bank Limited

ABN 95 108 486 791

A controlled entity of Southern Cross University



## Notes to the Financial Statements for the period 24 March 2004 to 31 December 2004

### 8 RELATED PARTY TRANSACTIONS

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

#### Controlling Entity

Southern Cross University is the controlling entity of Australian Plant DNA Bank Limited. Transactions with Southern Cross University for services provided are fully re-imbursed by the Company as charged. However, financial services and administration assistance are provided by Southern Cross University at no cost.

	2004 \$
Southern Cross University receipt of Donation	50,000
Southern Cross University payment of miscellaneous charges	(4,841)
	<u>45,159</u>

Aggregate amounts receivable from, and payable to related parties at balance date are as follows:

Current Payables	
Controlling Entity	<u>4,841</u>

### 9 DIRECTORS REMUNERATION AND RETIREMENT BENEFITS

#### Directors

The names of Directors who have held office during the financial period are:

Peter Baverstock  
Robert Henry  
Malcolm Marshall  
John Rickard  
Steve Williams

#### Directors Remuneration

Income received or due and receivable by all directors from the company and any related bodies corporate

-

Number of Directors whose income was within the following bands:

No.

\$0 to \$9,999

5

During the period Southern Cross University paid directors' and officers' liability insurance in respect of the university and its wholly owned controlled entities. The amount paid in respect of directors of Australian Plant DNA Bank Limited cannot be reliably determined.

## Notes to the Financial Statements for the period 24 March 2004 to 31 December 2004

### 10 COMMITMENTS FOR EXPENDITURE

#### (a) Capital Expenditure Commitments

There were no commitments for capital expenditure as at 31 December 2004.

#### (b) Other Expenditure Commitments

There were no expenditure commitments contracted as at 31 December 2004.

### 11 CONTINGENT LIABILITIES

Australian Plant DNA Bank Limited currently has no legal matters outstanding which are expected to result in material claims against it.

### 12 ECONOMIC DEPENDENCY

The Company is dependent upon continued funding support from Southern Cross University.

### 13 SEGMENT REPORTING

#### a) Industry Segments

The Company operates within the one industry for holding and maintaining the DNA of native Australian Plants and other species of economic significance.

#### b) Geographic Segments

The Company operates solely within Australia.

### 14 SUBSEQUENT EVENTS

There were no events subsequent to reporting date that would have a material financial effect on the financial report.

### 15 NOTES TO THE STATEMENT OF CASH FLOWS

<b>Reconciliation of profit from ordinary activities after related income tax to net cash flow from operating activities.</b>	<b>2004</b>
	<b>\$</b>
Profit from ordinary activities after income tax	43,159
<i>Add:</i>	
Increase in payables	7,041
<i>Less:</i>	
Increase in receivables	(200)
<b>Net cash provided by operating activities</b>	<b>50,000</b>

## Notes to the Financial Statements for the period 24 March 2004 to 31 December 2004

### 16 FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either the Company or its counterparty and a financial liability (or equity instrument) of the other party. For the Company these include cash at bank and payables.

The following is the Companies accounting policies and terms and conditions for each class of financial asset, financial liability and equity instruments:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
<b>Financial Assets</b> Interest rate assets are bank financial instruments	4	All instruments are recorded at cost.	Interest is paid on maturity.
<b>Financial Liabilities</b> Credit risk liabilities represent Creditors and accrued expenses	6	All are carried in the financial statements at net fair value unless otherwise stated.	Normal business trading terms apply to the payment of Suppliers accounts

16.1 Interest rate risk, is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The company's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the statement of financial position date are as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non-interest Bearing	Total
	2004 %	2004 \$	2004 \$	2004 \$	2004 \$
<b>Financial Assets</b>					
Cash	0	50,000	-	-	50,000
Receivables	N/A	-	-	200	200
		50,000	-	200	50,200
<b>Financial Liabilities</b>					
Payables	N/A	-	-	7,041	7,041
		-	-	-	-
		-	-	7,041	7,041

16.2 Credit Risk by classification of counterparty.

Credit Risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. The Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the statement of financial position.

Credit Risk by Classification	Governments	Banks	Other	Total
	\$	\$	\$	\$
Cash	-	50,000	-	50,000
	-	50,000	-	50,000

End of Audited Accounts