



**Southern Cross
UNIVERSITY**
A new way to think

ANNUAL REPORT 2007 Part A









20 April 2008

The Hon. John Della Bosca
Minister for Education
Parliament House
SYDNEY NSW 2000

Dear Minister

The Council of Southern Cross University is pleased to present the report of proceedings of the University and the audited financial statements for the year ended 31 December 2007.

The report is provided in two parts and the financial statements (Part B) 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 Hon. John Dowd AO QC
Chancellor
Southern Cross University



Professor Paul Clark
Vice-Chancellor
Southern Cross University



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Message from the Vice-Chancellor

RESOLVING the way forward for the future growth and expansion of Southern Cross University was a defining theme of 2007.

For some years, options had been explored for the next phase of the University's development, hampered by the constraints of the existing location at Tweed Heads on the New South Wales–Queensland border. In 2007 the decision was taken to expand the University's strong east coast presence with a new campus at the southern end of the Gold Coast, a region experiencing strong growth yet under-served by the tertiary education sector. Master planning of the new campus commenced in 2007. With the Gold Coast campus anticipated to open in 2009 to complement the University's presence at Lismore, Coffs Harbour, Tweed Heads, and The Hotel School Sydney, a report was commissioned to provide options for developing a whole-of-university approach to becoming a truly multi-campus institution, to further strengthen Southern Cross University for the future.

In 2007 the University's Executive team undertook a review of the institution's strategic objectives and cast forward to the next 10 years in the life of Southern Cross University. The five key strategic objectives were deconstructed and updated in preparation for a workshop of the University Council early in 2008. A new planning cycle was established to improve the timeliness of decision making, to streamline the process and to embed the key objectives into the University's organisational planning.



The implementation of recommendations from the 2006 Academic Program Review continued in 2007, designed to position the University to manage and benefit from changes in demand patterns, and to rationalise and simplify the academic profile so as to be able to respond to new opportunities. Key recommendations included simplifying and harmonising the structure and rules of an undergraduate degree at Southern Cross University.

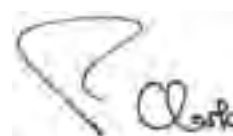
In 2007 the University exceeded its demand targets for Commonwealth-funded places.

It was an active participant in nine Cooperative Research Centres (CRCs) including the CRC Rail. The University received more than \$900,000 from the Australian Research Council for research projects investigating climate change and coastal ecosystems – \$660,000 in the highly competitive Discovery scheme and \$246,000 through the ARC Linkage scheme.

Other important funding allocations in 2007 included \$3.5 million in new funding available under the Capital Development Pool Program. The funding comprised \$1 million in 2009 and \$2.5 million in 2010, to be dedicated to the new Gold Coast campus. It was noted that no university received more than \$3.5 million and only six received this amount in the \$70 million allocated by the Commonwealth, an excellent achievement for Southern Cross University. The University also received \$3 million from the Voluntary Student Unionism Transition Fund for Sporting and Recreational Facilities to build a sports and recreation centre at Coffs Harbour campus, and a leisure centre including aquatic facilities at Lismore campus.

Southern Cross University was advised of a \$2.2 million allocation from the Learning and Teaching Performance Fund, up from \$0.5 million awarded for the first time in 2006. A direct reflection of the quality of the University's teaching and the regard in which it is held, the result augurs well for the expansion to the Southern Gold Coast, as the 2007 result placed Southern Cross University as the better performing university for learning and teaching of any in Queensland.

In 2007 across a range of indicators, Southern Cross University was on a very sound footing and well placed to capitalise on the energy, passion and commitment of its teaching, its research and its support activities.



Professor Paul Clark
Vice-Chancellor



Maximising Access

APPROXIMATELY 14,500 students accessed Southern Cross University courses studying on-campus, by distance education, through collaborating institutions within Australia and offshore.

The University externalised its Preparing for Success program to provide an additional pathway to university study. Offered initially at Lismore campus, in 2007 Learning Assistance developed an online version for distance education students.

In 2007 the University extended the footprint of its feeder region for the STAR Entry Scheme which assists Year 12 students to gain entry to university study. The STAR scheme was extended to include the NSW Central Coast, west to the New South Wales/South Australian border, north to the Darling Downs in Queensland and east to include the Greater Gold Coast.

Teaching was conducted on both a semester and trimester basis, and business, tourism, psychology and law offered summer sessions over the end-of-year holiday break.



Campuses and sites

The Lismore campus, in Military Road, East Lismore housed the majority of the University's academic and research units, administered most distance education courses, and was the base for the University's electronic information services and library, supporting all three campuses. Most essential student facilities and services were available on campus including three colleges providing student accommodation. Planning commenced for a new Leisure Centre including a pool and fitness facilities.

Rapid growth has defined the Tweed Gold Coast campus in Brett St, Tweed Heads on the New South Wales–Queensland border since its establishment in 2002. This informed the decision taken in 2007 to develop a new campus at the southern end of the Gold Coast.

Located midway between Sydney and Brisbane, the Coffs Harbour campus in Hogbin Drive, Coffs Harbour features modern facilities adjacent to world heritage listed rainforest and the Solitary Islands Marine Park. The Coffs Harbour campus continued to experience strong growth in student numbers during 2007, with a 14 per cent increase in students from 2006. Planning also commenced for a new sport and recreation centre, due for completion in 2008.

The National Marine Science Centre, a corporate entity jointly owned by Southern Cross University and the University of New England, hosted



Science in the Bush organised by the Australian Museum which was attended by school students from throughout the Mid North Coast region.

The University offered its award winning Bachelor of Business in Hotel Management through The Hotel School Sydney. The Hotel School Sydney is a unique partnership between Southern Cross University and Mulpha Australia whose portfolio includes the InterContinental Sydney, Hayman Island, Hyatt at Sanctuary Cove, Hilton Airport Melbourne and Bimbadgen Estate in the Hunter Valley NSW. Paid work placement in these locations is a feature of the first year of the course, as is an Internship Program later in the degree. The School is located adjacent to the five star InterContinental Hotel in the heart of Sydney's central business district.

International student enrolments on the University's three main campuses increased 6.1 per cent in 2007 which exceeded the national increase in the higher education sector international onshore enrolments of 5.3 per cent.

Flexible delivery

Southern Cross University scored five stars for entry flexibility in the 2007 *Good Universities Guide*, reflecting its flexible admissions policies that may also take into account work experience, professional qualifications or life experience as well as more traditional qualifications.

In 2007, around half the University's undergraduate courses were offered by distance education or in mixed on-campus/distance education mode. Students could also select to study full-time or part-time.

To support students studying on campus or by distance education, the University continued to offer students an online environment. This portal – MySCU – provided students with access to extensive resources ranging from library search facilities and course timetables to online training and information about student support services. It also offered secure, personal access to online sites relevant to each student's area of study.

Upgrades to the video conference teaching space at Tweed Gold Coast campus were completed in 2007. This contributed to an increase of 25 per cent over 2006 figures in the total number of teaching hours delivered via Video Conference across all three campuses.

Wireless network access was further extended during 2007 to all major lecture, theatres, libraries and popular student meeting places across all campuses.

Statistics demonstrated a clear uptake and growth in the use of the real-time virtual classroom environment, Elluminate, with 351 sessions recorded and 6,473 sessions downloaded for revision during the January–June period. The software was rolled out across all three campuses in 2006, providing state-of-the-art web-based audio technology, enabling teachers to actively engage with students in different locations, and for students to talk to each other and to use learning materials interactively.



The University Library provided an extensive range of online resources, and through its participation with the University Library Australia, access to other university libraries. The Library's website was 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 has developed many online and telephone administration and student support services across each of its campuses. In 2007 students enrolled on the internet, accessed telephone counselling and sought learning support online in areas such as academic research, reading, writing and critical learning. These learning support services were provided through the University's Learning Assistance Unit.



Learning and Teaching

NEW DIRECTIONS is the name that Southern Cross University gave a major renewal and restructure of its undergraduate programs along with system improvements to assist students to manage their time with the University.

Following recommendations from the 2006 Academic Program Review, in 2007 Faculties restructured their undergraduate degrees to:

- Conform to a standard and simpler structure
- Refresh content
- Build synergies across disciplines
- Reduce duplication and
- Increase efficiency.

Significant progress was made in implementing these recommendations in 2007. Alongside this program of reform, the Vice-Chancellor sponsored a number of forums and projects, the outcomes of which will enable ongoing refreshment of the curriculum as well as major developments in providing our students with much greater flexibility in how they undertake their study. Streamlined Academic Board processes and policy refinement greatly assisted these changes.

New courses/course accreditation

Faculty of Business and Law

► *AHRI Accreditation*

The quality of the Faculty's Human Resources teaching was recognised by the industry's peak body, the Australian Human Resources Institute (AHRI), with both the Bachelor of Business (Human Resource Management) and the Bachelor of Business Administration (Human Resource Stream) winning AHRI accreditation.

► *Course review*

A course review was undertaken of the Associate Degree in Law and the Bachelor of Legal and Justice Studies.

► *Master of International Business*

The Master of International Business was re-launched to provide specialist studies in international business management.

► *The MBA expanded*

The Master of Business Administration program was expanded to include two new specialisations, Corporate Sustainability and Supply Chain Management.



Faculty of Arts and Sciences

► *Bachelor of Teaching (Primary)*

This new one year graduate entry course can provide access to registration as a Primary School teacher for students with non-teaching degrees. The course was accredited by the NSW Institute of Teachers.

► *Bachelor of Indigenous Studies (Honours)*

This new course can be either a completion point for tertiary education in Indigenous studies or a pathway for entry into further postgraduate research study.

► *Doctor of Indigenous Philosophies*

The new Doctor of Indigenous Philosophies is a coursework and research program which complements and completes the Indigenous Studies certificate level, undergraduate and Masters programs offered by Gribi College. This program provides a pathway for Masters graduates and supports research into real world Indigenous community issues.

► *Bachelor of Education (Early Childhood)*

This new undergraduate degree enables graduates to work in a variety of early childhood contexts (birth to eight years) in Australia and overseas. Accreditation is pending with the NSW Institute of Teachers. Recognition is also pending with the NSW Department of Community Services.

Learning and Teaching Performance Fund

In 2007 Southern Cross University received an allocation of \$2.2 million from the Learning and Teaching Performance Fund for its strong performance in two of the four discipline groups:

- (1) Science, Computing, Engineering, Architecture and Agriculture, and
- (2) Business, Law and Economics.

A focus on retention

The University continued to target student retention as an area for continual improvement. The Academic Board approved a Student Retention Policy that outlined a whole-of-University approach to improving student retention and supporting students to successfully complete their studies.

This year also saw the expansion of the Student Peer Mentoring Scheme to all courses and campuses across the University as well as to students studying in distance education mode.

Another enhancement this year was the development of an online version of the very popular Preparing for Success Program designed for distance education students.

Overall, the University achieved a 1.4 per cent improvement in student retention in 2007 following the two per cent gain in 2006.

Staff achievements

University staff were successful in receiving citations from the Carrick Institute for outstanding contributions to student learning. Stephen Rowe from the School of Commerce and Management was recognised in this way for pioneering online teaching approaches which have transformed student learning and created institutional change.

A team from the Library led by the Librarian, Des Stewart, and including Judy Hibberd, Di Clarke, Craig Littler and Tim Pedrazzini won a citation for the provision of innovative library and information services that are integrated into the curriculum and delivered through undergraduate teaching programs.

Quality assurance

The University adopted a Quality Policy, incorporating a Quality Framework, and formed a Quality Committee as part of its approach to continuous improvement in 2007. The Quality Committee is an advisory committee to the Deputy Vice-Chancellor on the University's application of its Quality Policy and associated processes. Planning for the University's quality audit by the Australian Universities Quality Agency (AUQA) in 2008 was coordinated by an Audit Steering Group. The Southern Cross University Performance Portfolio was prepared following extensive consultation with students and staff and was submitted to AUQA in December. This Portfolio will inform the auditors and be the basis for the audit in March/ April 2008.

Performance reporting

Tools for monitoring course performance were further developed in 2007, firstly integrated into the University Management Information System (MIS), then enhanced to enable greater diagnostic functionality.

The Course Performance Reports contain internally benchmarked results data for first preference ratios, attrition, graduate outcomes and Course Experience Questionnaire (CEQ) results.

The enhancements included the development of Faculty Course Summary Reports and Faculty Unit Summary reports that have performance indicators and measures, providing information about the sustainability, viability and perceived quality of courses and units. These reports were provided to Executive Deans for comment, and then to the Vice-Chancellor and Deputy Vice-Chancellor for monitoring and review.



Performance against the Academic Plan was also monitored regularly by Executive.

Consumer response

In addition to its participation in the nationally benchmarked Graduate Destinations Survey and Course Experience Questionnaire, Southern Cross University collected and analysed student and graduate feedback on a regular basis.

The University has a well-developed set of instruments of student feedback on units and teaching, and these form a mandatory online Student Experience in Units and Teaching Survey. Southern Cross University has a 'Closing the Loop' strategy for addressing units outside of agreed performance levels and courses with below agreed performance levels from the CEQ. Reports were prepared for the Vice-Chancellor and Executive and referred to the Teaching and Learning Centre for analysis and feedback to Executive Deans on outcomes. Summary reports on action taken as a result of feedback were placed on the student website, and all students were emailed to inform them of its availability.

A first year student survey was conducted and on-campus international students had the opportunity to provide feedback through entry and exit surveys. The Library also regularly conducted nationally benchmarked client satisfaction surveys.

In 2007 the University, along with 19 other Australian higher education institutions (and five New Zealand universities), participated in the Australasian Survey of Student Engagement (AUSSE): a new survey being developed by ACER (Australian Council for Educational Research).

The AUSSE provided quantitative information on the time and effort students devoted to educationally purposeful activities and on students' perceptions of the quality of other aspects of their university experience. The data from the survey will provide an opportunity to bring together stakeholders from across the University to stimulate new conversations about student engagement.

A survey of employers of Southern Cross University graduates from Bachelor degree courses in Business and Environmental Science was conducted in 2007. Analytical reports were provided to the relevant Schools.

The University has a Complaints Management Framework, providing for a Nominated Officer in each of its major areas, and specifies timelines for all levels of response. There were 40 formal student complaints in 2007, nine enquiries to the Student Ombud, but no investigations were required.



Continuing Development

THE UNIVERSITY'S Strategic Plan, policy documents, research reports and other material relating to the ongoing development of the University can be accessed at www.scu.edu.au/docs.

Research

Southern Cross University drew on regional issues to develop internationally significant research capabilities during 2007. Formal research partnerships existed with other universities, research organisations and industries in Australia and overseas, and the University was an active participant in nine centres in the Cooperative Research Centre program:

- Tourism
- Grain foods
- Contamination assessment and remediation of the environment
- Desert knowledge
- Sugar industry innovation
- Molecular plant breeding
- Forestry
- National plant biosecurity
- Rail.

The University's recognised areas of research strength included:

- Natural plant products
- Environmental science and management
- Tourism research
- Change innovation and organisational development
- Centre for children and young people
- Creative art practices
- Peace and social justice
- Indigenous research
- Action Research: Sport, exercise and related health issues; Health promotion and disease prevention.

Research funding

Research funding has become a significant source of revenue for the University.

Research and Research Training income to Southern Cross University exceeded \$11.2 million in 2007.

The University also had a successful year in securing highly prestigious Australian Research Council (ARC) funding. This included more than \$900,000 from the ARC for research projects investigating climate change and coastal ecosystems.



A total of \$660,000 was awarded to the University through the ARC Discovery scheme for two projects led by Professor Bradley Eyre to investigate nutrient and carbon cycles in coastal ecosystems.

A project led by Dr Richard Bush to assess the impacts of climate change on coastal floodplain wetlands also received funding of \$246,000 through the ARC Linkage scheme.

Research highlights

Whale research – PhD students Trish and Wally Franklin, who are also co-directors of The Oceania Project (Hervey Bay), in a photo-identification study of humpback whales uncovered new evidence of the migratory movement of whales between the Antarctic, the east coast of Australia and the Oceania region, including New Zealand. Two projects have been completed by members of the Southern Cross University Whale Research Centre, in collaboration with a number of other researchers who make up the South Pacific Whale Research Consortium.

Biodiversity – New research by the Grain Foods Co-operative Research Centre (CRC) showing a direct link between climate and genetic diversity in wild barley, provided new evidence of the risks associated with climate change and water availability.

Grain Foods – CRC researchers at the Centre for Plant Conservation Genetics at Southern Cross University and at the Institute of Evolution in Israel also identified associations between genetic diversity and climate in wild populations of barley – the first plant domesticated by humans.

The results of the research were reported in the *Proceedings of the National Academy of Science of the United States of America*, one of the world's leading science journals.

Climate – As carbon trading becomes an increasingly important tool in the fight against global warming, a new online carbon credit calculator, developed by Southern Cross University PhD candidate, Bill Smart, helped landholders and farmers quickly and easily determine the value of timber plantations. This was the first web-based calculator of its kind to provide easily accessible information on the value of timber plantations, planted for environmental purposes or for harvesting.

The carbon calculator was included on the Australian Forest Corporation (AFC) website. The AFC has been accredited by the NSW Government as a carbon abatement certificate provider.



Herb authentication – A Korean Broadcasting Service documentary film crew visited SCU to film the Centre for Phytochemistry's renowned work in the area of quality control and bio-assays of raw plant materials. They were especially interested in the research being done on olive leaf extract because olive leaf tea is about to be launched in Korea, and Southern Cross University is testing a particular olive leaf product for its anti-cancer, anti-inflammatory and anti-oxidant properties.

Olive leaf extract is one of the many hundreds of plants tested at the CPP laboratories.

The Centre is the leading Therapeutic Goods Association (TGA) licensed laboratory in Australia for analysing and verifying raw plant materials and active compounds in herbs.

Wetland rehabilitation – Southern Cross University researchers played a leading role in a \$2.75 million project to manage acid sulphate soils in a large wetland on the outskirts of Cairns in North Queensland.

The researchers were part of the Cooperative Research Centre for Contamination Assessment and Remediation of the Environment (CRC CARE) which is working closely with the Queensland Department of Natural Resources and Water at the East Trinity site.

Acid sulphate soils are capable of leaking toxic materials that destroy fragile environments if not properly managed. Disturbance of the soil can cause catastrophic decline in water quality and aquatic habitats with large fish kills, disease in humans and corrosion of urban infrastructure. It can also leave ground sterile and unusable.

Change of stewardship

Pro Vice-Chancellor and Vice President (Research), Professor Peter Baverstock, who was largely responsible for the development of the University's research identity, retired in early September.

He was replaced by Professor Neal Ryan who will ensure the University's strong commitment to innovative research continues to be relevant to industry both nationally and internationally.

Corporate development

The University's Office of Development and Alumni Relations enjoyed a fruitful year, raising pledges of more than \$1 million in donations and sponsorships and pursuing the establishment of the Southern Cross University Foundation. These results were achieved in a spirit of collaboration across the University and backed by an active and continuing presence in a range of community activities.



The SCU Foundation

The first meeting of the SCU Foundation was hosted by Vice-Chancellor Paul Clark and Director of Development Karen Van Sacker on 19 September 2007. Founding members included Chairman, Marcus Blackmore (Chairman, Blackmores Pty Ltd); Lee Seng Huang (Executive Chairman, Mulpha Australia); Dr Judy Henderson (Chairperson, Northern Rivers Water Catchment Management Authority); and Simon Kalinowski (alumnus and founder of Mandalay Technologies). Recently joining the Board were Ian Oelrichs (founder of Break of Day Sustainable Investments) and Reg Mills (Director, Mills Transport).

Their wealth of experience and expertise will have an enormously positive impact on the life of the University and the communities it serves.

In 2007 the University was the beneficiary of significant philanthropic gifts from Marcus Blackmore (for the Blackmores Herb Garden and Water Catchment Plan), Mulpha Australia (establishing the Mulpha Chair in Hotel and Tourism Asset Management) and the Enterprise and Training Company (growing the research capacity of the Aged Services Learning and Research Collaboration) thanks to the efforts of the Foundation.

The Southern Cross University Foundation planned for the launch of a major fundraising campaign in 2008 to support a range of new initiatives that challenge how people and communities think about the world and their place in it.

Scholarships

In 2007, 60 students were supported through the Vice-Chancellor's and Industry Scholarships Program with 31 new scholarships offered. The Scholarships Program aimed to acknowledge outstanding academic achievement and community involvement, supporting students from all backgrounds to pursue higher education. Since it began in 1995, more than 300 students have benefited from the program through scholarships ranging in value from \$2000 to \$12,600 per year.

Management of the Scholarship Program was transferred to the University's Office of Development and Alumni Relations in July and a position funded by the Vice-Chancellor's Strategic Initiatives Fund to grow the Industry Scholarship Scheme. Rebecca Park, the Community Fundraising Officer, secured seven new scholarships and renewed nine others for total commitments of \$206,000.



The total amount given in 2007 for Vice-Chancellor's and industry scholarships was approximately \$300,000.

The University and donors, Dr Peter and Julianne Bowen, launched a collaboration with the Northern Rivers Community Foundation to establish an endowment fund to provide scholarships in perpetuity for Southern Cross University students from the region. The fund will support disadvantaged students with the first scholarships to be awarded in 2009.

Community fundraising and events

The events program was a grassroots initiative to connect with people in our community who were interested in Southern Cross University and supporting its work. In 2007, the Office of Development and Alumni Relations managed three major events:

- **Michael Kirby Lecture** – the University's first fundraising dinner, sponsored by local legal firm Bourke Love McCartney Young, hosted 350 people including significant members of the regional legal profession, to raise funds for the Law Library.
- **Honorary Doctorate for HH Dalai Lama** – held in Melbourne as part the Dalai Lama's 2007 tour, the Honorary Doctorate was presented in front of some 8000 Victorian high school students and a group of University friends interested in the work of the University's Centre for Peace and Social Justice.
- **Challenging Ideas presents John Brogden on Mental Health** – this community event at the Coffs Harbour Campus marked the establishment of the Rural Mental Health Scholarships Program to expand services to people in regional Australia. Mr Brogden, CEO of Manchester Unity Australia, spoke of his personal experiences with mental health issues. Mr Brogden continues to work with the School of Health and Human Science and the Department of Psychology to raise funds and awareness of the need for more mental health resources in rural communities.

Alumni relations

The Alumni Relations program continued to grow at a measured pace, supported by the University's new relationship database system. A successful Asia tour of Singapore, Hong Kong and Shanghai was undertaken by the Vice-Chancellor and Director of Development to celebrate new graduates and network with alumni living in that region. The University is now working with an outstanding leadership team to establish a South China Alumni Chapter.

Other initiatives to connect with current students as prospective alumni included sponsorship of student-led programs such as *Properganda* newspaper, Orientation Week events and the activities of the Student Representative Councils on the Coffs Harbour and Tweed Gold Coast campuses.



The University thanks its generous donors and sponsors for their support of initiatives that connected the University more effectively with its key stakeholders and supported our students through scholarships.

Amlink Technologies	Koori Mail
ANZ Bank	Lismore City Council
Australian Performing Rights Association	Macquarie Bank
Ballina RSL Club	Mayne Investments
Banana Coast Community Credit Union	MediHerb Pty Ltd
Blackmore Foundation Pty Ltd	Mick Young Scholarships Trust
Bourke Love McCartney Young	Mulpha Australia Pty Ltd
Byron at Byron	Norco
Casino RSM Club	Northern Rivers Community Foundation
Coffs Ex-Services Club	NSW Sport and Recreation
Coffs Harbour City Council	Park Beach Plaza
Combined Rotary Clubs of Lismore	Regional Arts NSW
Dr Peter and Julianne Bowen	Summerland Credit Union
Enterprise & Training Company	Telstra
Environmental Analysis Laboratory	The New Camera House
Far North Coast Law Society	Thomas Noble & Russell
First National Real Estate group	Tweed Heads Bowls Club
George Lewin Foundation	Tweed Shire Council
Innis Foundation	Uniting Care Aged Care
	Xerox Shop – Lismore



Regional engagement

Southern Cross University (SCU) took an active role in the intellectual, economic, environmental, social and cultural development of the region. The University is committed to regional economic prosperity, social and cultural wellbeing and environmental sustainability.

The University contributed regional leadership through socially robust, respectful knowledge sharing. It demonstrated good practice through partnership relationships between university and external entities that:

- Addressed specific community identified need or opportunity
- Involved university learning and/or research objectives
- Required an exchange of knowledge or expertise
- Were jointly planned and implemented
- Defined clear roles and responsibilities for each partner and
- Had a joint strategy for monitoring and evaluating outcomes and benefits.



In 2007, the University's Regional Engagement agenda included the key themes of the Functional Plan through:

- University teaching and learning and research plans
- The Office of Regional Engagement (ORE)
- Partnerships to enhance regional growth
- Staff engagement
- Whole of university campus and location specific strategies.

The University recognises that by working closely with business, regional agencies, communities, individuals and government at all levels, it can make a meaningful contribution to the thinking, planning and management required for regional change and growth. In 2006 it consolidated relationships with local government by signing Memorandums of Understanding (MOUs) with Lismore City Council, Ballina and Byron Shire Councils and Clarence Valley Council. Each Council offered particular opportunities for student engagement through internships, the delivery of short courses for staff professional development and specific research projects.

Additional MOUs with Richmond Valley and Bellingen Councils were formalised in 2007. Southern Cross University also partnered Lismore City, Richmond Valley and Kyogle Councils in a bid to host the 2008 LGSA Tourism Conference on the Lismore campus.

The Office of Regional Engagement (ORE)

The Office of Regional Engagement (ORE) is one way for new and effective partnerships to be nurtured and is a core element of the University's Strategic Plan. The ORE is represented on each of the University's campuses to facilitate the free flow of opportunities for collaboration through specific research, student internships, documentation of successful regional case studies for teaching, by encouraging volunteer service, offering training programs for business staff or community groups.

The ORE helps in developing partnerships in four key ways:

- By providing information and a communication channel between the regional community and the University, while liaising with staff and students of the University to ensure this information can realistically be acted upon in a timely fashion
- By facilitating partnership opportunities between various business, community and regional organisations and the University that grows knowledge to ensure practical and relevant outcomes
- By encouraging the community to use University facilities for various events and activities
- By supporting enterprise development both, within and outside the University, through such means as: project management, consultancy, events and resource sharing.



During 2007, the ORE maintained regular internal and external communication with stakeholders through a website (<http://engagement.scu.edu.au>), a monthly email update for staff, the University's e-newsletter *discoverSCU* and community newsletter, *what'snew@SCU*, and personal contact at regional meetings.

ORE staff attended meetings on campuses with staff and students seeking ways to connect initiatives with relevant players. The Internal Reference Group was established in 2007 to ensure effective communication across the campuses between staff, students and the ORE.

Southern Cross University is a member of the Australian Universities Community Engagement Alliance (AUCEA). Staff attended the annual 2007 AUCEA Conference in Alice Springs, presented scholarly papers and worked collaboratively with colleagues at South East Queensland universities through the (Northern) AUCEA consortia. The Head of ORE served a term on the national Committee of Management of AUCEA.

The ORE secured more than \$150,000 through partnerships on research and engagement activities – created employment, raised the University's profile and highlighted the distinctiveness of region. Some of these funds remained with the ORE, others facilitated activity across the University.

ORE's project management portfolio in 2007 included the conduct of a Creative Industries assessment for Coffs Harbour City Council; and the design, research and implementation of the Wilson's River Experience Walk in conjunction with Lismore City Council and the national Indigenous Heritage Program. Collaboration between the ORE and ASLaRC in the Yarrawarra Aged Care Ltd project also demonstrated how University resources can work with community and regionally based agencies like the Indigenous people, state and federal government agencies, and the ETC (Enterprise and Training Company).

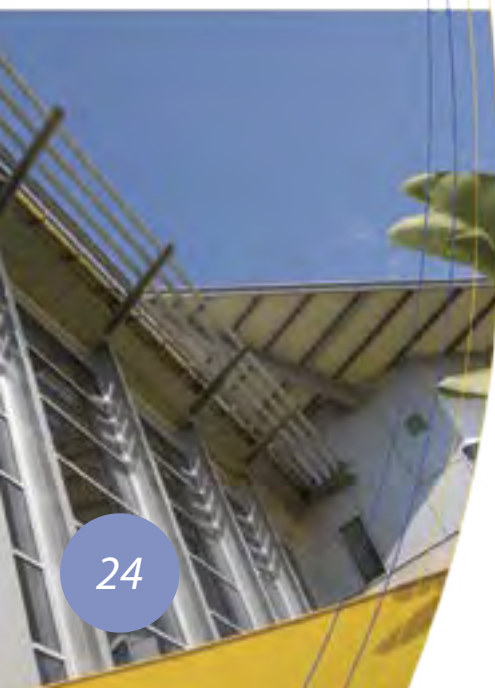


Faculty innovations

Faculty of Business and Law

Schools of Commerce and Management, Tourism and Hospitality Management, Law and Justice; Graduate College of Management and The Hotel School Sydney.

The Faculty was expanded during the year with the inclusion of the School of Law and Justice.



► *School of Tourism and Hospitality Management*

A national survey of all Australian graduates administered by Graduate Careers Australia in 2006, and published in 2007, showed that Southern Cross University's undergraduate tourism programs ranked third in a field of 23 universities for overall student satisfaction and second overall for good teaching.

Two Vice-Chancellor's Awards for teaching excellence: Mieke Witsel received her award for addressing attrition in the first year unit *Communication in Organisations* while Andrea Boyle, Tony Brown, Yun Lok Lee, Maree Walo and Paul Weeks received their award for delivery of the unit *Hospitality Management Services* as a converged model.

More than 100 delegates from all areas of the tourism industry attended the Australian Regional Tourism Convention in Canberra. The Australian Regional Tourism Research Centre (ARTRC), based in the School, hosted and organised this annual convention on behalf of the Australian Regional Tourism Network.

Two lecturers from the School of Tourism and Hospitality Management, Linda Osti and Peter Wynn-Moylan, together with Dr Perry Hobson, Director of Tourism and Hospitality Education International Centre for Excellence (THE-ICE), participated in the Second International Meetings Incentives Conventions and Exhibitions (MICE) Conference. The conference focused on Tourism Education and Industrial Development in the Asia Pacific Region and was held in Macau in November.

The Director of the Centre for Gambling Education and Research, Dr Nerilee Hing was awarded one of three Southern Cross University Vice-Chancellor's Research Fellowships worth a possible \$150,000 over five years.

Hosted by Southern Cross University, Griffith University and the Tourism and Hospitality Education International Centre for Excellence (THE-ICE), the Schools Careers Day was held in April at Southport Sharks. More than 300 students from Southern Cross University and other universities, together with representatives from more than 30 industry organisations, attended this annual event.

Hosted by one of the University's key education collaborators, the Australian School of Tourism and Hospitality Management Perth, the inaugural Perth Education and Careers Expo was held in May. The event attracted 9,000 visitors to the Perth Convention and Entertainment Centre.

Academic, Dr Erica Wilson, spent the month of April as a Visiting Scholar with the Consortium for Women and Research (CWR) at University of California, Davis, US.

Tourism students at Coffs Harbour Campus again put their Hotel and Resort Management studies to good use by raising nearly \$10,000 for local charities. Each year the students plan and deliver a themed meal event as part of their Food Service Operations unit.



Beating the Odds, a complete dictionary of gambling and games of chance, by John McPherson, a communications and gaming tutor, and PhD candidate in the Centre for Gaming Education and Research, was published.

Dr Meredith Lawrence, Lecturer and Deputy Director of the Australian Regional Tourism Research Centre at Southern Cross University, won the Sustainable Tourism Cooperative Research Centre Education Program Award for Excellence in a PhD Thesis.

► **School of Commerce and Management**

The School played a prominent role at the 21st annual Australian and New Zealand Academy of Management's (ANZAM) annual conference in Sydney in December. Staff from the School who presented at the conference included Jennifer Harrison, Ros Cameron, Grant Cairncross, Allan Ellis, Stephen Kelly, Patrick Gillett, Nicola Jayne, Anja Morton, Stephen Rowe, Don Scott and Tania von der Heidt with Dr Peter Vitartas chairing the session on Entrepreneurship and Small Business. ANZAM is the peak professional body for management educators, researchers and practitioners in Australia and New Zealand, with about 300 individual members and 50 institutional members.

Lecturer, Dr Anja Morton, established a Teaching and Learning Fellowship worth \$20,000 aimed at improving graduate satisfaction and graduate outcomes for students, and reducing attrition amongst first year students in the School of Commerce and Management.

► **School of Law and Justice**

The Library Fund for Law was established by the net proceeds of the inaugural address in the Michael Kirby Lecture Series, delivered by Justice Kirby.

A visiting academic and legal practitioner from Europe, Professor Leigh Hancher from the University of Tilburg, The Netherlands, gave an insightful presentation on the topic of 'Dynamism in Islamic Activism' on April 2nd which was well received by the Law School.

An initiative of the Commonwealth Attorney-General's Department lead to a visit from Judge Yang Honglei of the Supreme People's Court, PRC in late April. The visit was supported through the Australia-China Legal Development Program.

The Far North Coast Law Society inaugurated a Scholarship for the Bachelor of Laws (LLB) degree.

The School convened the Islamic Legal Perspectives Conference at Byron Bay in July. It was opened by His Excellency, Mr Tammam Sulaiman, Ambassador of the Syrian Arab Republic.



The School also hosted the Council of Australian Law Deans Meeting at Byron Bay in July.

Four Endeavour Mobility Scholarships to be used to fund exchange students from NALSAR University of Law, India, were obtained by the School.

Law students represented the School in the Australian Law Students' Association Mooting Competition and the Administrative Appeals Tribunal National Mooting Competition.

Two students represented the School at the 2nd National Indigenous Legal Conference held in Brisbane in September.

The School celebrated the 10th Anniversary of its successful Byron Bay Summer School at the end of 2007.

► *Graduate College of Management*

GCM academic Michelle Wallace presented her paper, *Human Resource Development and Female Middle Managers in Australian Universities*, at the ANZAM conference in Sydney in December.

The GCM took part in the following Education Expos:

- Postgraduate and MBA Expo in all Australian Capital Cities
- The Human Resources Summit in Sydney
- The Australian Human Resources Institute Convention in Sydney
- The Adult Tertiary Entrance Expo – Brisbane
- The Australasian Research Management Society Annual Conference in Adelaide
- The Certified Practising Accountant (CPA) Expos in Sydney, Brisbane and Melbourne.

The GCM delivered Executive Development Programs to the following organisations:

- Elders Limited
- Public Sector Executive Management Program – Royal Australian Air Force
- Northern Rivers Local Government Councils.

A suite of research-based Professional Doctorate Programs was introduced under the newly formed International Centre for Professional Doctorates.

The new look *Managing Matters* publication was launched in May. With a circulation of 5000 per issue the magazine offers timely business-related articles written by academics, alumni and current students.

A public seminar was hosted at the University's Tweed Gold Coast campus, called *Skills Shortages, Myth or Reality*. The seminar profiled the Tweed Gold Coast region's labour market and featured Ivan Neville from the Department of Employment and Workplace Relations.

More than 90 Southern Cross University doctoral candidates, supervisors and other academic staff from throughout Australia, New Zealand and Hawaii attended a three-day symposium at the Tweed Gold Coast campus, November 11–13.



Academic, Margot Alexander, won a Vice-Chancellor's Award for Academic Excellence.

Faculty of Arts and Sciences

Schools of Education; Arts and Social Sciences; Environmental Science and Management; Health and Human Sciences; Gribi College of Indigenous Australian Peoples; and the Centre for Phytochemistry and Pharmacology.

The Faculty was expanded with the inclusion of the School of Education and the School of Arts and Social Sciences. The Centre for Phytochemistry and Pharmacology became responsible to the Faculty Office, having previously reported to the School of Environmental Science and Management. Following this expansion, the Faculty was renamed the Faculty of Arts and Sciences (formerly it was the Faculty of Health and Applied Sciences).

► School of Education

A major School of Education initiative in 2007 was the development of the new Bachelor of Education (Early Childhood), designed in close consultation with a range of early childhood stakeholders. The result is an innovative approach to early childhood teaching that is responsive to the needs of children, the community and the early childhood profession. It prepares graduates to work in a range of early childhood settings from birth to eight years of age.

A number of Centre for Children and Young People (CCYP) longer term projects entered their final phase in 2007. These included the final reports for the ARC funded *Technology Together* project and the *Citizenship* project for Childwatch International.

In October, the CCYP hosted a very successful symposium on early childhood that attracted more than 100 delegates and a lineup of distinguished national and international speakers. In November, the Centre was host for a Childwatch International study group comprising researchers from the United States, Scotland, China, Norway and New Zealand. This group, including members of the CCYP, is developing an international study on rural childhoods.

Academic, Professor Martin Hayden, travelled to Laos to carry out work on a UNICEF project which involves workshops, meetings and recommendations to compare and analyse that country's amended Education law and to provide recommendations for education legal reform.

Forums for primary and secondary school principals were held across the campuses at Lismore, Coffs Harbour and Tweed Gold Coast. The forums



were devised to build and strengthen partnerships between the University and the North Coast education community. These were followed up with visits to schools in the regions to further consolidate feedback and suggestions. Career advisors from secondary schools were also invited to attend a one-day information session and exchange of ideas.

► *School of Arts and Social Sciences*

An innovation by the School of Arts and Social Sciences involved the live streaming of a PhD candidate's online multimedia project. The School used the event to trial real-time webcasting of a complex audio-visual live performance. As well as demonstrating the University's commitment to experimentation and innovation, the webcast allowed the candidate's overseas PhD examiner to be part of the live event.

The School expanded the University's arrangement with the Sydney College of Business and Information Technology which offered the Master of Community Development (Emergency Management) course for the first time in 2007.

The School continued its engagement in the regional community through participation in the highly successful 2007 Byron Bay Writers Festival. It also continued its support, in conjunction with the Buttery, of the Festival for Art Lovers and Artists (FEHVA Festival). This festival enhanced the connections between the School's visual arts program and the broader/artistic communities in the North Coast region.

► *School of Environmental Science and Management*

Research remains a priority area within the School. In 2007, more than 100 postgraduate research students were enrolled and research funding totalled in excess of \$4.09 million. The School also provided support in the development of two new School-based centres, the Centre for Regional Climate Change and the Centre for Geoinformatics Research and Environmental Assessment Technology.

Research was central to the School's regional engagement activities and included organising the Northern Rivers Science and Engineering Challenge and hosting a number of seminars that showcased the work of prominent researchers and educationalists. The School was busy on the international scene, with a number of staff involved in four international development assistance programs that supported the agro-forestry industries in Timor, Vanuatu and the Philippines.

The School continued to supply environmental services to the private sector and to local, state and national government agencies in 2007. These included the ongoing activities of the Environmental Analysis Laboratories as well as commercial consultancies which were undertaken throughout Australia on projects including:

- Surveys of fish and macrovertebrates
- River monitoring
- Development and implementation of software packages used to assist farmers make decisions when feeding stock during drought



- Provision of expert witnesses on environmental issues for court hearings
- Baseline environmental monitoring for power generation projects
- Review of the ecology and behaviour of the Australian Snubfin Dolphin, and
- A study of the ecological sustainability of scuba diving at Julian Rocks in the Cape Byron National Park.

► *School of Health and Human Sciences*

The School of Health and Human Sciences underwent major development in 2007. A new Head of School, Professor Iain Graham, was appointed; the four Departments of the School (Nursing, Exercise Science, Psychology and Natural and Complementary Medicine) were integrated; and relationships enhanced with the wider health community. This informed the vision of the new School Plan which will be the platform for future development.

A collaborative model of development in health and wellbeing was achieved by working with stakeholders, including the North Coast Area Health Service and local health practitioners.

The School took the national lead in the field of Lifestyle Medicine with a program of 46 sponsored one-day workshops presented to general practitioners and practice nurses across Australia. The program complemented the Master of Clinical Science (Lifestyle Medicine) which was offered for the first time in 2007.

The School established a collaboration with the College of Nursing to provide Masters level qualifications in fields of advanced care nursing in 2008. Under the agreement, the College will teach the Graduate Certificate component of five streams of the Master of Clinical Science, while the School will be responsible for the Graduate Diploma and Masters components. The parties have agreed to collaborate exclusively with each other in Queensland, NSW, Victoria and the ACT.

► *Gnibi – College of Indigenous Australian Peoples*

In May, the Director of Gnibi College of Indigenous Australian Peoples, Professor Judy Atkinson, presented at a Carrick Forum that explored Indigenous student learning issues and the College's response to these with evidence that detailed the impact which the resultant teaching practice had on student learning and experience. This presentation built on the nexus between community, university, teaching and research which underpins Gnibi's approach to all its academic and outreach programs.



During the year Gnibi was invited into a number of communities to work in community recovery after tragic circumstances. Involvement at the community level, at the point of crisis, opened the door for deeper and longer term work. These opportunities for community work inform teaching practice on an ongoing basis. Graduating students from the Master of Indigenous Studies (Wellbeing), most of whom are Indigenous Australians, were placed in community to undertake whole-of-community recovery work. These placements also provided opportunities for research to assist in the formation of government policy initiatives.

In July, Gnibi ran a five-day training session on loss and grief with social workers and psychologists employed by the Great Southern GP Association in Albany, Western Australia.

During Child Protection Week in September, the Gnibi Indigenous Masters students ran a carnival on Lismore campus in collaboration with NAPCAN, called *Stomp It*. The event raised awareness and advocated for the prevention of violence and abuse against all Australian children. Despite atrocious weather, around 1,000 people attended the inaugural carnival. Its success resulted in requests to run a similar carnival for communities in South Australia, Western Australia and the Northern Territory. NAPCAN will remain an ongoing partner as this capacity is developed.

► *The Centre of Phytochemistry and Pharmacology*

The Centre of Phytochemistry and Pharmacology continued its commercial focus with many more companies requesting herbal authentication of extracts, now required by the Therapeutic Goods Administration, the government agency which regulates all pharmaceuticals and medical devices. Some clients became interested in the natural product isolation and structural elucidation capabilities in the Centre, and signed up for substantial research contracts.

The Centre also began an ARC Linkage project with Norco on Northern Rivers milk flavours, and continued CRC projects in sugarcane and grains.

In 2007, eleven PhD candidates studied in the Centre, which also hosted an Endeavour Fellow from India, academics from Malaysia and Egypt, and five students on internship from Europe. On behalf of the Centre, the University signed a Memorandum of Understanding with the University of the Philippines, Los Baños for the purpose of scientific exchanges.



International activity

There was further growth in international student enrolments onshore with a 28 per cent increase compared with the previous year. The strongest growth was in enrolments through collaborating organisations with an 81 per cent increase over 2006, with rapid growth at collaborating organisation, Sydney College of Business and Information Technology (SCBIT). Enrolments reached 330 students there by year end. International student enrolments on the University's three main campuses increased 6.1 per cent which exceeded the national increase in the higher education sector international onshore enrolments of 5.3 per cent.

Articulation arrangements with overseas institutions and recruitment personnel located offshore, in place for the past three years, started to deliver this year in the form of increased international student commencements from overseas collaborating institutions.

It is anticipated that two recent innovations implemented this year will lead to ongoing improvements in productivity in onshore international operations. In 2007 the University's 30,000 international prospectuses were printed in India and distributed to its global agent network in 36 countries by an Indian logistics firm. Apart from the lower costs that resulted from outsourcing this labour intensive activity the University also benefited from the additional resources provided by the logistics firm which included an online interface that enabled University staff to manage and monitor the brochure distribution function via the internet.

The second innovation was the outsourcing of the Offer follow-up function to an education services provider, on a fee-for-success basis. This added an element of proactive communication and follow-up to the operation of the University's international admissions process. It is expected this service will help to increase offer conversion rates.

Outbound student exchange benefited from the increased availability of Commonwealth Government funding. Forty-eight Southern Cross University students undertook a semester of study at an overseas university in 2007 (18 to North America, 12 UK, 13 Europe, and five to Asia), a 50 per cent increase over the level achieved as recently as two years ago. Of these 48 students, 15 were awarded grants of approximately \$4,000 each, and 25 received loan funds of about \$5,000 which students may choose to add to their HECS debt. These grant and loan funds are of limited supply and allocated by the Government to

universities assessed on the basis of application. The University's success in procuring these funds created greater opportunity for many of our students who come from lower socio-economic backgrounds.

A significant development for the International Office stemmed from the University assuming full ownership and management responsibility for the English Language Centre at the Coffs Harbour Education Campus (CHEC), following the withdrawal of NCITafe from this previously stand-alone joint venture business. The integration of the CHEC ELC into the Southern Cross University operating environment is proceeding well and it is operating successfully.

A further significant development was the Government review of the *Education Services for Overseas Students (ESOS) Act* and implementation of the associated revised ESOS National Code of Practice on July 1, 2007. The University will continue to work diligently to ensure ESOS compliance is met on its campuses and by its collaborating organisations.



Management Functions and Structure

Council report

The University Council Report and Financial Report are contained within Part B of this Annual Report.

Organisational development

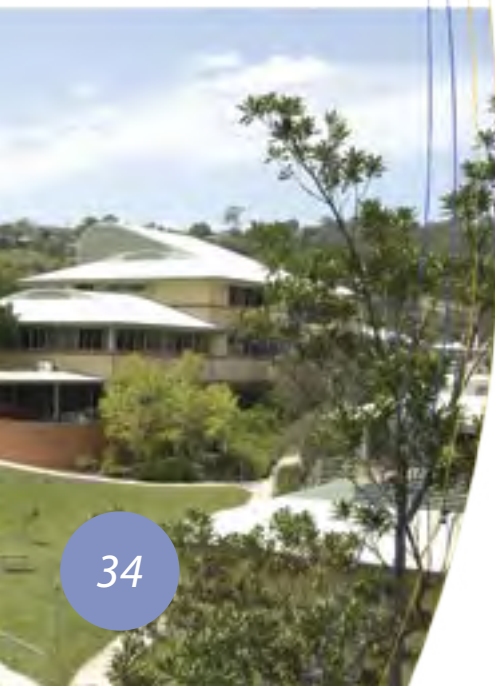
Council performance review

In response to National Governance Protocol 2 relating to the responsibilities of university governing bodies, the Southern Cross University Council is to “regularly review its own performance (in light of its functions and obligations imposed by or under the Southern Cross University Act 1993 or any other Act)”.

In August 2007, an external consultant was engaged to evaluate the performance of Council against 31 recommended action items arising out of an earlier Council Evaluation, conducted via a 2005 survey of members and associated workshop.

The most recent evaluation concluded that, overall, “the performance of the University Council has improved since the 2005 evaluation. Changes in Council’s composition and Council meeting procedures have been the key drivers of change. However, there are still further changes that can be made to enhance the performance of the Council”.

The University Council is now progressively acting upon the 38 recommendations proposed in the report on this latest evaluation provided by the consultant.



Organisational structure

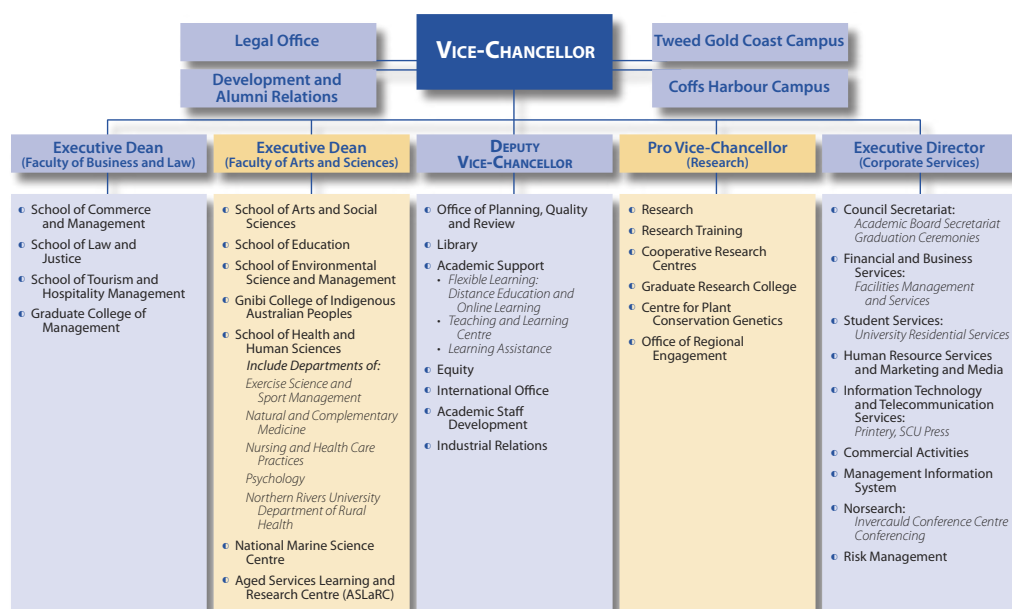


Diagram 1: Organisational structure

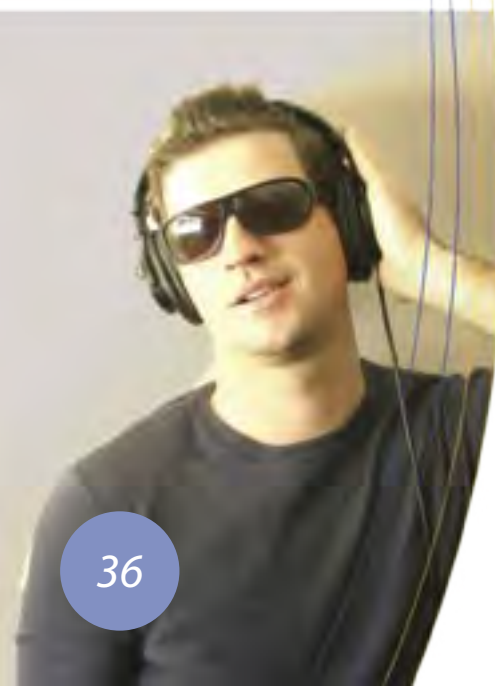
Boards and committees of Council

Under the *Southern Cross University Act 1993*, the University 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.

University Council

UNIVERSITY COUNCIL		
Vice-Chancellor Committees	Committees of Council	Academic Board
Vice-Chancellor's Executive Committee	Chancellor's Committee	Committees of Academic Board
Equity & Diversity Committee	Audit Committee	Executive Committee of Academic Board
Occupational Health & Safety Committee	Appeals Committee	Programs Committee
	Finance Committee	Research & Research Training Advisory Committee
	Governance Committee	Learning & Teaching Advisory Committee
	Honorary Awards Committee	School Boards
	Nominations Committee	Academic Board Appeals Committee
	Remuneration Committee	Boards of Assessors
	Risk Management Committee	

Diagram 2: Council, boards and major committees



► *Committees of Council*

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 six times in 2007.

Chancellor (Chair): The Hon J. Dowd AO QC

Deputy Chancellor: Dr D.V. Cody

Vice-Chancellor: Professor P.E. Clark

Chair, Academic Board: Professor J. Jackson

► *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 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 2007.

Chair

Professor J. Jackson BCom, LLB(UNSW), LLM(Hons) (Syd),
GradDipEd(Tert)DDIAE, PhD(Syd)

Deputy Chair

Adele Wessell BA(Hons)(UNSW), PhD(UNSW)

Members

B. Arnull MEc(NE), DipFinMangt(NE), DBA(SCU)

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

P. Bakker BCom(SAfrica), MBus(SCU), CA

Professor P.R. Baverstock BSc(Hons), DSc(Adel), PhD(WAust)
(up to October 2007)

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

R. Braithwaite BSc(UQ), MSc(UQ), PhD(Monash) (up to April 2007)

Professor P.E. Clark BSc(Hons), PhD(Exe), DipEd(Tert)(Monash), FAIP, FIICA

S. Darab B Arts (Hons)(UoN), PhD(UoN)

Associate Professor A. Davie DipT(WIE), BPE(WAust), GradDipSptSc(CCHS),
MSc(Melb), PhD(Syd)

Associate Professor J.A. Davis DipPEd(Melb), GradDip(FineArt)(PIT),
MA(FineArts)

K. Davis DipNeurosurgical/NeurologicalNursing, BSc(Macq),
GradDipEd(SCAE), MSc(Hons), PhD(UWSH) (January 2007)

M. Day LLB(Syd) (April, May 2007)

R. Dowell GradDipOD(RMIT), AssocDipPersAdmin(PrahranCAE), MBus(VUT)

J. Edelheim PhD(Macquarie)

Associate Professor A. Ellis MSc, PhD(Syd), GradDipExt(HAC), GradDipEdStud(MCAE),
GradDipDistEd(SACAE), BA, DipEd, DipContEd(NE)

Professor M. Evans BEc, MBA, PhD(Adel) (from October 2007)

N. Gitu

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

Professor B. Chen Goh LLB(Hons)(Malaya), LLM(CAMB), SJD(BOND)

A. Graham BEd (Catholic College – Syd), DipT (Catholic Teachers College –
Syd), MEd (UNENR), PhD (SCU)

J. Griffiths BA(Qld), GradDipCounselling(BCAE), MNA(UNSW), PhD(Flinders)

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

R. Harris LLB(ANU), DipEd(Syd), LLM(QUT), BA(ANU)

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

V. King BA(Melb), BHA(UNSW), MNA(UNSW) (from May 2007)

M. Lambert

W. MacGillivray BSci(Hons)(UQ), PhD(UQ) (from May 2007)

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

C. Miller (from May 2007)

Associate Professor S. Parry BBSec, DipEd, PhD(LaT)

S. Provost BScPsych(Hons), PhD, GradCertHEd (UNSW)

C. Rallings BCom(Wollongong)

Professor N. Ryan BSc(GU), MSc(GU), MPhil(GU), PhD(GU)

D. Stewart BA(LibSc), (KCAE)

Professor P. Thom MA(Syd), BPhil(Oxon), FAHA (up to May 2007)

Associate Professor R.P. Weatherby BPharm(Hons), MSc, PhD(Syd)

K. Walker

H. Wohlmuth BSc(Macq)

G. Woods GradDipEd, BAppSc(SCU)

Academic Board Appeals Committee

This Committee is a standing sub-committee of the Academic Board for matters relating to student appeals about grades, exclusion for academic reason and progression.



Audit Committee

This Committee has the primary objective of assisting Council in fulfilling its responsibilities relating to the accounting and reporting practices of Southern Cross University. The Audit Committee met five times in 2007.

Ms M.R. Sweeny (Chair)

Four/five external members of Council:

The Hon J. Dowd AO QC (Chancellor)

Mr W. Grimshaw AM

Mr N. Newell

Mr J.B. Shanahan

Mr T.S. Wilson.

Appeals Committee of Council

The Appeals Committee of Council function is to hear and determine any matter referred to it under the Student Misconduct Rule 2006.

The structure/membership of the Appeals Committee is to consist of not less than three members of Council, and not more than five, with one being the Student Member of Council.

Dr D.V. Cody (Deputy Chancellor) (Chair)

Ms M.R.Sweeny

Assoc Prof S. Parry

Mr N. Newell MP

and the student member of Council

Boards of Assessors

It was resolved at the Council meeting of 22 September 2006 that as of 2007 Boards of Assessors are now sub-committees of Academic Board. These Boards operate at a School level for semester assessment and across the University for trimester and Asian semester assessment. They meet to determine grades, monitor student progress and ensure quality in assessment processes.

Executive Committee of Academic Board

This Committee is the executive committee of the Academic Board. It provides advice and recommendations to the Academic Board on all matters of academic policy, planning, development and quality. The Committee also identifies emerging academic issues.

Faculty Boards

There are three Faculty Boards. These are the principal advisory committee of the Academic Board on academic matters within a Faculty. They provide a forum for the discussion and debate of the academic directions of the

Faculty, as well as the quality of its academic programs. They may consider any matter relating to the Faculty's teaching, learning, research or other academic activity, and advise the Academic Board accordingly. In providing this advice, it shall have particular regard to issues of academic accountability, quality assurance, University plans and policy implementation. It was resolved at the Council meeting of 20 July 2007 that Faculty Boards would no longer be sub-committees of Academic Board.

Finance Committee

This Committee was established to oversee the capital, financial and budgetary arrangements of the University. The Finance Committee met five times in 2007.

Mr J. Shanahan (Chair)
Dr D.V. Cody (Deputy Chancellor)
Professor P.E. Clark (Vice-Chancellor)
Mr R. Dowell
Mr W.A. Grimshaw AM,
Professor J. Jackson (Chair, Academic Board)
Mr P. Lewis
Ms M.R. Sweeny (from 13 April 2007)

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 2007.

The Hon J. Dowd AO QC (Chancellor) (Chair)
Dr D.V. Cody (Deputy Chancellor)
Professor P.E. Clark (Vice-Chancellor)
Professor J. Jackson (Chair, Academic Board)
Professor W. MacGillivray (Deputy Vice-Chancellor) (appointed 1 June 2007)
Associate Professor S. Parry (appointed 1 June 2007)
Ms J. Saffin (appointed 1 June 2007)

Learning and Teaching Advisory Committee

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

Programs Committee of Academic Board

Programs Committee is a source of advice and reference to Schools and Faculties in course and unit planning, development and review. The Committee ensures that course submissions, unit statements and course reviews conform to the requirements of, and meet the standards established by, the Academic Board.



Remuneration Committee

This Committee performs the annual performance appraisal of the Vice-Chancellor and determines the remuneration of the Vice-Chancellor.

The Honourable J. Dowd AO QC (Chancellor) (Chair)

Dr D.V. Cody (Deputy Chancellor)

Mr T. Wilson (one external member of Council)

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 to ensure that 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. The Committee is to include two members of Council.

Dr D. V. Cody (Chair)

Ms I. Harrington

Mr M. Marshall and Mr P. Cordery (two members of the University management)

School Boards

It was resolved at the Council meeting of 20 July 2007 that School Boards are now sub-committees of Academic Board. School Boards ensure that course submissions, unit statements and course reviews conform to the requirements of, and meet the standards established by, the Academic Board.

Other Committees

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

Vice-Chancellor's Executive Committee: This Committee deals with all higher-level management issues at the Cost Centre level and meets weekly.

Occupational Health and Safety Committee: This Committee investigates, discusses and makes recommendations on occupational health and safety issues and meets monthly.



Equity and Diversity Committee: This committee provides a consultative focus for equity and diversity matters at the University. It meets quarterly or as required.

Tender Board: This 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 \$50,000, are properly applied.

Principal officers

Council members

The Honourable John Robert Arthur Dowd AO QC
Professor Paul Ernest Clark
Professor Jim Jackson (appointed February 2007)
Warren Albert Grimshaw AM
Irene Harrington
Trevor Stanley Wilson
Neville Newell MP
John B Shanahan
Margot Ruth Sweeny
David Vincent Cody
Susanna Christie (appointed 13 April 2007)
Associate Professor Sharon Parry
Toni Ledgerwood (elected 15 June 2007)
Peter Lewis
Jannelle Saffin MP
Ronald Dowell
Glenn Davey
Associate Professor Roger Bronks (term expired February 2007)
Sally Blackadder (resigned 14 May 2007)
The Honourable Peter Breen MLC (resigned 16 February 2007)

Executive officers

Vice-Chancellor

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

Deputy Vice-Chancellor

Professor William MacGillivray BSc, PhD(Qld) (appointed 1 April 2007)

Pro Vice-Chancellor (Research)

Professor Peter Raymond Baverstock BSc(Hons), DSc(Adel), PhD(WAust) (retired)
Professor Neal Ryan, BSc, MSc, MPhil, PhD(Griffith)
(appointed 3 September 2007)

**Pro Vice-Chancellor (Academic)**

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

Executive Dean, Faculty of Arts and Sciences

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

Executive Dean, Faculty of Business and Law

Professor Mike Evans BEc, MBA, PhD(Adel), FCPA

(appointed 17 December, 2007)

Professor Neal Ryan, BSc, MSc, MPhil, PhD(Griffith)

(appointed Pro-Vice-Chancellor (Research) – 3 September 2007)

Executive Dean, Faculty of Arts

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

(retired 6 July, 2007 – position discontinued)

Executive Director (Corporate Services) and Council Secretary

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

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



Report by the Executive Director and Vice-President (Corporate Services)

Management activities

Summary

During 2007, there was a significant focus on systems implementation.

The University continued to implement the new *Aurion* human resource/payroll system. This project was funded by the Federal Government through the Workplace Productivity Program and also includes workforce and successor planning components.

The Customer Relationship Management (CRM) system was also implemented with an emphasis on student data. In late 2007, the system was expanded to include a non-student database. This information will be significantly utilised by the University's Office of Development and Alumni Relations.

The student self management system project continued during 2007 with final implementation expected in late 2008.

The information disaster recovery plan was established in 2007 and this project will be completed in three stages during the next two years.

Planning for capital projects was a major activity in 2007. The University selected a site adjacent to the Gold Coast Airport to establish a campus and considerable energy was devoted to the Master Planning for this venture. Construction of the first building will commence in 2008. A second building on the campus will be designed and constructed by 2010. The Federal Government has contributed a total of \$7.5m to these two building projects.

The planning for student facilities at both the Lismore and Coffs Harbour campuses was also undertaken during 2007. Both these projects received Federal Government support and are scheduled for completion in 2008.

The University again complied with the Federal Government's Protocols on Governance and subsequently received additional operating funds.

Student services and enrolment

► *Enrolments*

The University's total enrolment in 2007 was 14,793 students (8,831 equivalent full time student load). The University had 9,911 on-campus students and 4,882 studying by distance education. The University was over-enrolled for 2007 and achieved the enrolment target for Commonwealth supported places.



► *Online developments*

2007 was the first year of full online enrolment. All on-shore domestic and international students can enrol, and re-enrol online using My Enrolment. Throughout 2007 many Southern Cross University courses were restructured to the new 8+8+8 structure, helping to facilitate online enrolment activity. 2007 was also the first year that online tutorial registration was trialled with full implementation occurring in late 2007.

► *Customer relationship management*

The new Customer Relationship Management (CRM) system, purchased from Streamline Solutions and known as *Chorus*, helped the University to consolidate its prospective student contacts, campaigns, events, enquiry management, frequently asked questions, and documentation across the institution as a whole. The project will also support non-student contact requirements such as alumni, industry, government, research collaborators, potential and current donors, advisory boards and committees as well as education partners.

The CRM system improved staff practices and a change management plan, also implemented, enhanced communication and collaborative planning for change.

► *Office of Sport and Cultural Activities*

In conjunction with Australian University Sport, the University established the Office of Sport and Cultural Activities (OSCA). This was a direct response by the University to the introduction of Voluntary Student Unionism. OSCA took a proactive role in ensuring students on all the University's campuses had the opportunity to participate in well organised sporting and cultural activities. Some of the activities coordinated and organised by OSCA included Orientation Week, a Social Sports program, Inter-university Sport, National Band Competition, SCU Race Day, and an SCU Fusion Festival. OSCA worked closely with the campus-based student associations in the provision of these services.

During 2007 the University administered Service Agreements with the four remaining student organisations for the provision of student services. At the end of the year the Lismore based Student Representative Council (SRC) was closed and the OSCA operation assumed more responsibility for service provision on the Lismore campus in 2008.

► *Student accommodation project*

The University established a student accommodation project to build student accommodation on the new Gold Coast campus plus additional accommodation at the Lismore campus under a Public Private Partnership



(PPP) methodology and tender process. As part of this process the University will pass responsibility for the management of its student accommodation facilities to a contractor. This development will enable the University to preserve resources and maintain management focus on its core academic and other activities and to improve the quality and capacity of the existing student accommodation at the Lismore and Coffs Harbour campuses.

► *Leisure Centre projects*

Work commenced on the Leisure Centre projects at both Lismore and Coffs Harbour campuses. In Lismore a new Leisure Centre that will include a new health and fitness centre, an aquatic centre, and a social hub for students and the community is scheduled for completion in 2008. In Coffs Harbour, a new sports hall and fitness centre is scheduled for completion in 2008.

► *Other activities and services*

In February, a new Pastoral Coordinator was appointed by the University's Interfaith Committee.

In June, the University Executive received a report from Dr Lyn Holman concerning class timetabling. Her report made 25 recommendations covering timing and reliability, culture and campus issues.

Student Services hosted 10 regional universities at the inaugural Student Management and Services forum at the Tweed Gold Campus. The forum was an opportunity for heads of service to share experiences and to benchmark student administrative and support services.

The University medical practice received Royal Australian College of General Practitioners reaccreditation in December.

Advances in communications technology

The Video Conference teaching space at the Tweed Gold Coast campus was upgraded, and the wireless network was extended to provide access in all major lecture theatres, libraries and student areas at all campuses.

Student self-management significantly increased during 2007 with the majority of students now accepting offers, enrolling, re-enrolling, and registering in tutorials online.

Statistics demonstrated a clear uptake and growth in the use of the real-time virtual classroom environment, *Elluminate*, with 351 sessions recorded and 6,473 sessions downloaded for revision during January–June 2007. Many of these sessions were initiated seamlessly from within the University's online Learning Management System (LMS) *Blackboard*. In addition the LMS was further enhanced with the implementation of a series of building blocks known as *Campus Pack*, a suite of social learning applications that increase sharing and collaboration capabilities.



The Management Information System was improved with additional reporting capabilities in course performance and load management.

The University received funding under the Federal Government's Workplace Productivity Programme for the implementation of an Integrated Workforce Strategy (IWS), to improve its human resource capabilities via five elements:

- The implementation of an integrated Human Resource and Payroll system (HRIS)
- Strategic workforce planning
- Workload allocation and management
- Performance management and associated reward systems and
- Leadership and management development.

Work commenced on the first element of the project, implementation of a new integrated HRIS, and the new HRIS *Aurion* is due for implementation in 2008.

Benchmarking activities continued with both Educause and Council of Australian University Directors of Information Technology (CAUDIT).

Promotion

A range of promotional activity was undertaken by the University including presentations to secondary schools; a senior schools day catering for students from Tweed Gold Coast, Lismore and the Coffs Coast; tertiary education expos and other markets; information sessions and campus tours conducted by student ambassadors.

Significant marketing campaigns were undertaken in support of the 2007 mid-year and 2008 semester one intakes, featuring electronic and print advertising, the internet, cinema and outdoor advertising.

Marketing publications produced throughout the year included the undergraduate and postgraduate study guides, course brochures and various prospective student information materials.

► Events

The University invited the public to experience the works of graduating visual arts, contemporary music and media students in the TRANSIT07 Showcase in October and November, with several hundred people attending the Undergraduate Art exhibition at the Lismore campus.

Key sponsorships included the Northern Rivers Performing Arts (NORPA), the Byron Bay Writers Festival and the Kokoda Challenge.

In 2007 Southern Cross University again supported the North Coast Area Health Service's *Reduce Risk Increase Student Knowledge* (RRISK) initiative, enabling its expansion to Coffs Coast secondary school students by hosting the event at the University's Coffs Harbour campus.

► *Media*

Southern Cross University's research activities, teaching excellence and engagement with communities in the Mid North and North Coast region generated a range of media coverage at an international, national and regional level.

In 2007 there were 3,134 mentions in media including newspapers, radio, television, specialist publications and online, recorded through the Media Monitoring service. This represented an increase of six per cent on media mentions in 2006.

Academics across all subject areas provided expert comment on topics ranging from environmental issues including climate change to health issues such as obesity. Throughout 2007 Professor Judy Atkinson, Head of the Gnibi College of Indigenous Australian Peoples, provided ongoing commentary on Indigenous issues and the work being done at Gnibi College of Indigenous Australian Peoples at Southern Cross University, resulting in coverage in national print and broadcast media. The ongoing debate over Japanese whaling also generated extensive media coverage of the work being done by the Southern Cross University Whale Research Centre.

The diverse range of research activities conducted by Southern Cross University attracted strong interest, at a local, state and national level. The Centre for Plant Conservation Genetics gained widespread coverage for research relating to the development of native grasses as an alternative food and fodder crop and the use of eucalypts as a biofuel.

The announcement of plans for a new Gold Coast campus, to open in 2009, gained extensive coverage in Gold Coast/Tweed Heads media. There was also an increase during 2007 of overall media interest in the University's activities in that region. The announcement of funding for new sport and recreational facilities at the Lismore and Coffs Harbour campuses generated regional media coverage.

University activities including graduation ceremonies, NAIDOC week activities, campus information sessions and public lectures, gained media attention. The University's sponsorship of and involvement in community events, including the Kokoda Challenge on the Gold Coast, the Northern Rivers Performing Arts and Byron Bay Writers Festival also gained widespread coverage in regional media.

Discover SCU, the University's e-newsletter, was distributed monthly by email to around 5,500 subscribers including alumni, in addition to staff and students. A new quarterly printed newsletter, *what'snew@scu*, was launched in 2007 and is distributed within the Coffs Harbour, Lismore and Tweed Gold Coast region.



The SCU News website www.scu.edu.au/scunews had 20,705 page accesses during 2007. It included, on average, four media releases per week.

Human resource services

In 2007, significant progress was made on implementing the Integrated Workforce Strategy (IWS). The new HR Information System, *Aurion*, was selected following a thorough assessment process and is currently being implemented by the IWS project team. Progress also continued on Strategic Workforce Planning with a *Planning for the Future* workshop attended in August by the senior management group. The SCU Strategic Workforce Plan for 2008–2010 will be finalised in 2008 and will become part of the University's annual planning cycle. Other IWS objectives relating to leadership and management development and performance management were also given focus with good progress being made to more effectively integrate these key human resource functions.

The University's annual Higher Education Workplace Relations Requirements (HEWRR) compliance statement was completed and forwarded to the Department of Education, Science and Training in August.

The website for HR Services was redeveloped with a stand-alone recruitment website – *Jobs @ SCU* – launched. The new recruitment website included additional information, particularly for international applicants; new images of the campuses and staff; testimonials from recently appointed employees; hints for preparing job applications; frequently asked questions (FAQs); a more prominent Indigenous Employment link; new information about traineeships; and a more user-friendly format for listing job vacancies.

► Recruitment

The University advertised a total of 115 job vacancies in 2007 – a 35 per cent increase on recruitment in 2006. Of the 115 vacancies, 38 were academic positions and 77 general staff positions.

► Senior appointments

The following senior appointments commenced in 2007: Deputy Vice-Chancellor; Executive Dean, Faculty of Business and Law; Pro Vice-Chancellor (Research); Professor of Nursing and Head of School, Health and Human Sciences; Professor and Head of School, Environmental Science and Management; Professor and Head of School, Tourism and Hospitality Management; Director of Finance; and Director of Human Resources.



► Staff development

A wider variety of courses was delivered to staff in 2007, compared with 2006, with a small decrease overall in participation. This trend was evident across all training: development programs, Occupational Health and Safety, software and external programs. This decrease in participation was more than offset by a significant increase in average time spent training per person which increased from 4.3 hours in 2006 to 7.4 hours in 2007.

There was a continued strong focus on the SCU Management Development Strategy, with the following programs run in 2007:

- One-day workshop exploring the role of the Head of School
- Pilot Team Leader program for front-line supervisors, addressing strategic and operational planning, ethics, people management, managing for performance, team development and human resources, finance and information technology policies. The program was well received and will be implemented on an ongoing basis as part of the annual Training and Development calendar.
- Women in Leadership networking forum.

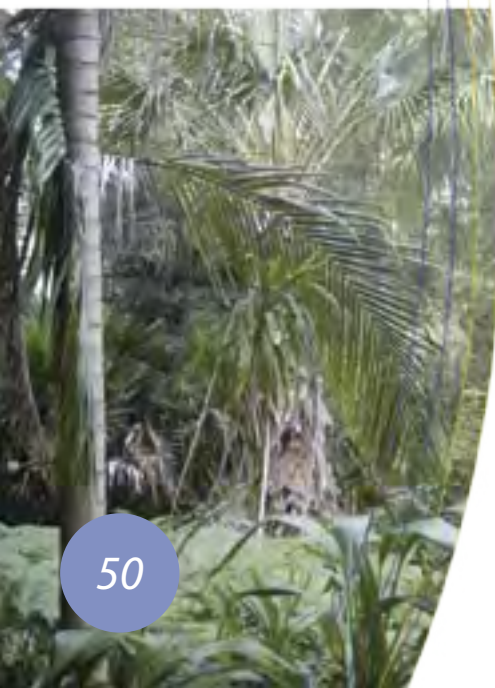
Fourteen academic employees were granted Special Studies Leave or Internal Release in 2007. The University's investment in this program was \$750,132 compared to \$593,373 for 2006. The average number of weeks used for Special Studies Leave was 26.5.

A number of new development programs were delivered included *Managing Workplace Conflict*, *Women in Leadership Forum* (now called *Connecting Women at SCU*) and *Induction Training*.

A number of team-based Organisation Development processes were implemented to respond to particular issues within workplace teams. The processes involved a tailored one-day workshop designed to address issues around clarifying roles and responsibilities, developing team work, strategic planning, enhancing communication, resolving conflict and change management.

An Administrative Staff Forum was initiated with the view to providing additional support for employees involved in administering human resources across the University. The Forum conducted in May and again in November, was well received and will become part of the annual Training and Development Calendar.

A workshop was conducted for course coordinators for the first time, which developed in response to various calls for professional development for course coordinators. The workshop content and format was designed with input from stakeholders. It was well received and will become part of the annual Training and Development Calendar.



► *Occupational health and safety (OHS)*

A chemical audit of work units was undertaken during 2007 with data captured in an Online Chemical Inventory Database (OCID) available on the HR Services website and accessible by University staff and Emergency Services personnel. Implementation of the OCID enables the University to comply with the requirements of the 'OHS Amendment (Dangerous Goods) Regulation 2005'. Nominated employees in those areas where hazardous substances are stored will track and document incoming hazardous substances and outgoing waste on the OCID.

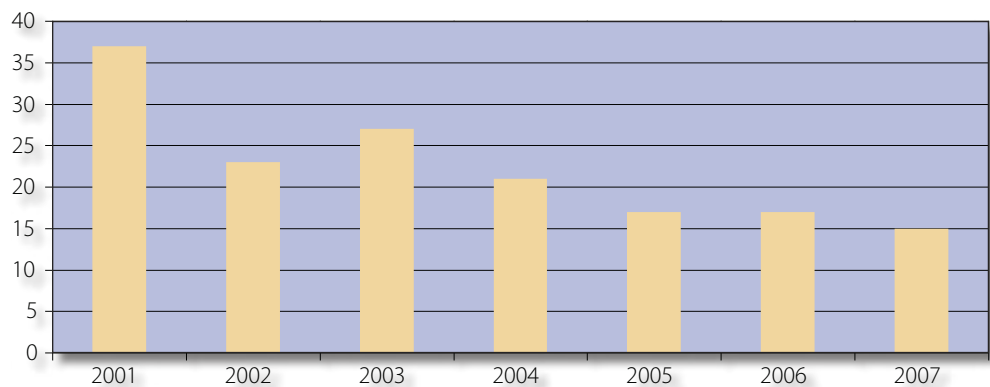
Elections were held in 2007 for new employee representatives on the OHS Committees at Lismore and Tweed Gold Coast campuses. The representatives will serve on the committee for two years. The OHS Committee allows a planned and structured discussion about OHS matters; encourages a cooperative approach on OHS matters between the University and employees; and brings together a group of staff and management representatives to collectively discuss and develop ways of improving systems for managing safety.

Southern Cross University participated in the Australasian University Safety Association (AUSA) Benchmarking of Positive Performance Indicators Survey with 36 other Australian and New Zealand universities including nine from NSW. The measures included policy, planning, implementation, measurement and evaluation, and management review. The results were reported at the AUSA Conference in July 2007. Of a maximum score of 140, Southern Cross University scored 105. The average score for all Universities was 98.2.

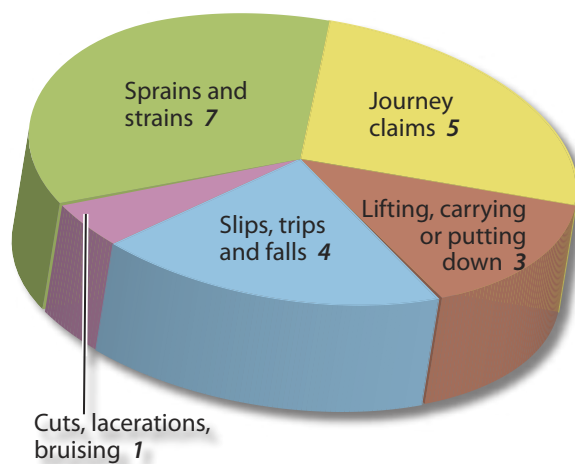
A total of 15 Workers Compensation claims were received in 2007 compared with 17 in 2006. This figure does not include journey claims i.e. claims resulting from travel to and from work.

The graphs show:

- A comparison of Workers Compensation claims over the years 2001 to 2007 (Graph 1)
- The number of Workers Compensation claims by injury type (Graph 2)



Graph 1: Number of workers compensation claims



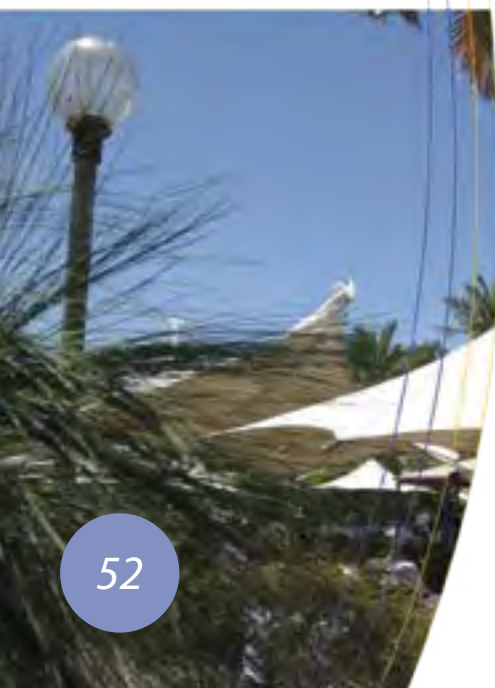
Graph 2: Number of workers compensation claims by injury type, 2007

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 Council's Risk Management Committee ensures the effective governance of the issue, including the oversight of the University's risk management policy and procedures.

The end aim is for the University to have in place a strategy, structure and process to effectively identify and manage, in a timely fashion and at an appropriate level, its exposure to risk.



The key strategic risks faced by the University have been identified and analysed and, in accordance with the standard, action plans for the mitigation of all unacceptably high risks have been developed. A review of the University's Strategic Risk Profile is planned for 2008.

A Risk Management Report was provided, via the Risk Management Committee, to the University Council for each of its meetings. This report provided a summary of all strategic risks of the University and their current rating. It also contained an extract of the risks rated as High or above, along with the action plan and timeframe for mitigating those risks to an acceptable level.

At the end of 2007, the highest rated risks faced by the University were assessed as:

- Poor quality of student intake
- Declining demand for programs
- Academic fraud
- Excessive rates of attrition
- Loss of or damage to a major capital asset
- Major failure of IT systems
- IT system security breached and
- IT business continuity compromised.

The extension of the Risk Management Process to include Operational Risk Management Plans for academic and administrative units of the University is planned for the coming year.

► Insurance

In 2007 the University effected the following forms of insurance cover:

- Industrial Special Risk (Property)
- General and Products Liability (including Casual Hirers)
- Professional Indemnity
- Directors and Officers
- Medical Malpractice
- Clinical Trials
- Motor Vehicle
- Corporate Travel
- Marine Hull
- Workers' Compensation (administered by Human Resource Services).

The University has incurred an overall increase of 21.6 per cent in premiums for the 2007/08 protection period. The main reasons for the increase in total contributions are the increase in income, specifically in Contract Research Income, and the increase in claims lodged, in comparison with previous years.

Contract research is regarded as a high exposure item. The 92 per cent increase (from 06/07) in Contract Research Income has a direct impact on rating of the professional liability contribution. Added to this, two significant claims were settled in the 06/07 protection period, resulting in a 64.7 per cent increase in the Professional Liability premium.

In the Property area, the loss of the Stores building to fire in late 2006 resulted in a substantial claim, being a major cause of this year's premium increase of almost 11 per cent.

Generally speaking, however, the University's claims record remains very good but risk management issues and the structure of the insurance portfolio continue to be priority areas for ongoing consideration.

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 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 of internal review of complaints regarding privacy matters.

► Privacy legislation

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

- Adding privacy notices to electronic and hard-copy forms used to collect personal information
- Adding privacy statements to the University's websites
- Including consideration of privacy issues in the development of University policies, resolutions, rules and procedures
- Adding warnings against the unauthorised disclosure of personal information to login screens of corporate computer systems
- Administering an awareness and training program on privacy legislation and related matters
- Maintaining a privacy website with links to the Privacy Management Plan and other sources of information
- Providing accurate and timely advice on privacy matters to members of the University community.



► *Reviews conducted under Part 5 of the Act*

One review was conducted under Part 5 of the Act during 2007.

Facilities management and services

► *Environmental initiatives*

The University has conducted a number of community field days involving Rotary Clubs and members of the general public in which several hundred rainforest and native species of trees were planted in strategic places throughout the Lismore campus.

An extensive recycling regime has been implemented resulting in a significant reduction in waste to landfill. Waste paper is baled for eventual recycling.

► *Major works*

Coffs Harbour Campus

Planning for the development of a student amenities structure containing a basketball court, gym and other facilities is well underway with partial funding from the VSU fund. Construction will occur in 2008.

Gold Coast Campus

Planning commenced for the development of a 4,420m² general teaching building on land adjacent to the Gold Coast Airport which is to be known as the Gold Coast Campus. Construction is to begin 2008 with occupation in 2009. It is expected that a second building of 13,600m² will closely follow construction of the first.

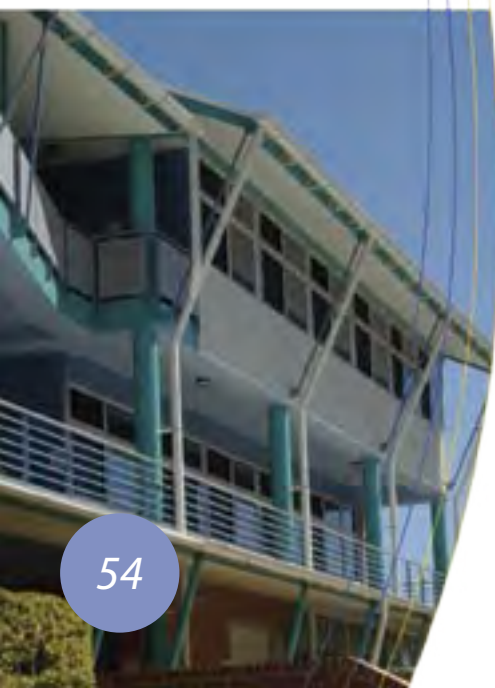
Lismore Campus

Planning is underway for the construction of a swimming pool adjoining the Campus Central building with funding largely from the VSU fund. Construction will be undertaken during 2008.

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

A number of promotional publications and administrative papers, including the University's Annual Report are also available on the University's website at www.scu.edu.au/publications.

Freedom of information

Under the *Freedom of Information Act 1989* (NSW) 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.

Tables providing the FOI statistics for 2007 are included as Appendix 1, Part A of this Annual Report.

Financial and resource management

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

- Southern Cross University
- Norsearch Limited
- Australian Plant DNA Bank Limited
- Biobank Pty Limited.

The Financial Statements (Part B of the Annual Report) include the audited financial statements for the economic entity and each of the controlled entities.

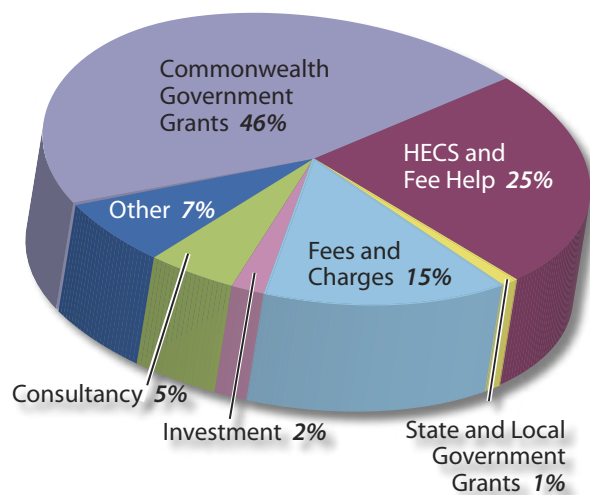
Southern Cross University and its controlled entities reported a consolidated net operating surplus of \$16.126 million for the year ending 31 December 2007 (2006 operating surplus of \$5.307 million), the University reported a net operating surplus of \$16.648 million (2006 operating surplus of \$5.809 million).

Total consolidated revenue from continuing operations (excluding deferred superannuation) was \$141 million, reflecting an increase of 18 per cent on 2006. The majority of the increase in revenue and flow on to operating surplus arose from Commonwealth Grants for capital development, workplace reform and voluntary student unionism. These grants are non-recurrent and the operating surplus reported is therefore abnormally high. In total \$8.8 million of non-recurrent grants and \$2 million of research contributions are included in the \$16.126 million surplus.

The University was able to exceed enrolment targets by 1.9 per cent in 2007.

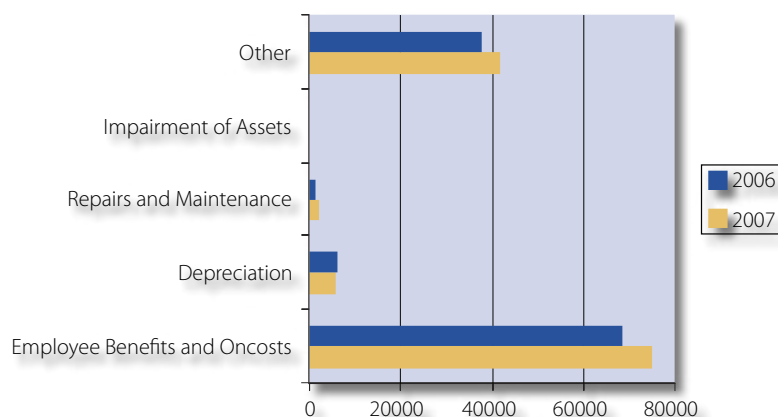


Commonwealth government funding remains an important revenue stream, representing 46 per cent of revenue. Student fees and charges increased by 11 per cent on 2006 due to increased international tuition fees.



Graph 3: 2007 Revenue by Type

Consolidated expenses from continuing operations (excluding deferred superannuation) ordinary activities increased by 10 per cent on 2006. Graph 4 provides an analysis of expenditure by type. Salary costs represented the most significant item and increased by 10 per cent in 2007 mostly due to salary increases and the impact of an increased number of staff. Other expenditure increased in line with salaries and is attributable to property and facilities, software licensing and travel expenditure.



Graph 4: 2006–2007 Expenses

► *Investment performance*

In 2007, Southern Cross University invested in interest-bearing deposits and on-call bank deposits with various financial institutions including National Australia Bank, Suncorp-Metway, Bankwest, Bank of Queensland, Illawarra Mutual Building Society and Summerland Credit Union. The average return on investment was 6.74 per cent, which was above the TCorp Cash Hourglass Facility return of 6.55 per cent.

► *Payment of accounts*

Due to timely payment of accounts, no interest was incurred during 2007.

► *Consultants*

The University engaged a range of consultants to provide recommendations or high level specialist or professional advice to assist in decision making by management. Table 4 lists the consultants used by the University and the fees paid for their services during the year ended 31 December 2007. Consultancies costing greater than \$30,000 – nil.

Consultant	No	\$'s
Finance	1	261
Environmental	8	26,782
Building and Engineering	3	11,837
Information Technology	13	69,726
Legal	9	71,281
Management and Marketing	27	161,738
Total consultancies costing less than \$30,000	61	341,625

Table 1: Consultancies costing less than \$30,000

Southern Cross University Budget 2007 Statement of Financial Performance

2007–2008 Budget	Actual 2007 \$'000	Budget 2007 \$'000	Budget 2008 \$'000
Southern Cross University Income Statements			
Revenue from continuing operations			
Australian Government financial assistance			
Australian Government grants	65,432	57,145	62,080
HECS-HELP – Australian Government payments	26,835	26,292	27,442
FEE-HELP	4,690	3,650	4,138
State and local Government financial assistance	1,459	–	–
HECS-HELP – Student Payments	3,149	–	3,810
Fees and charges	20,501	22,847	18,267
Investment income	2,748	1,730	1,315
Royalties, trademarks and licences	23	–	–
Consultancy and contracts	6,602	8,884	6,369
Other revenue	9,132	6,970	9,761
Total revenue from continuing operations	140,572	127,518	133,181
Shares of net results of associates and joint venture partnership accounted for using the equity method	766	–	–
Total income from continuing operations before deferred Government superannuation contributions	141,338	127,518	133,181
Deferred Government Superannuation Contributions	(5,025)	–	–
Total revenue and income from continuing operations	136,313	127,518	133,181
Expenses from continuing operations			
Employee related expenses	75,056	75,176	82,048
Depreciation and amortisation	5,687	5,833	5,973
Repairs and maintenance	2,043	2,378	2,500
Impairment of assets	547	–	–
Losses on disposal of assets	133	–	–
Other expenses	41,746	43,014	42,661
Subtotal	125,212	126,400	133,181
Deferred Employee Benefits for Superannuation	(5,025)	–	–
Total expenses from continuing operations	120,187	126,400	133,181
Operating result from continuing operations	16,126	1,119	–
Net operating result for the year	16,126	1,119	–

2007–2008 Budget	Actual 2007 \$'000	Budget 2007 \$'000	Budget 2008 \$'000
Southern Cross University Balance Sheet			
ASSETS			
Current assets			
Cash and cash equivalents	47,284	25,700	30,703
Trade and other receivables	8,717	6,400	8,000
Inventories	17	–	–
Other non-financial assets	1,646	1,800	1,700
Total current assets	57,664	33,900	40,403
Non-current assets			
Trade and other receivables	11,816	16,532	12,000
Investments accounted for using the equity method	7,069	7,200	7,100
Property, plant and equipment	144,541	150,400	164,541
Total non-current assets	163,426	174,132	183,641
Total assets	221,090	208,032	224,044
LIABILITIES			
Current liabilities			
Trade and other payables	7,163	5,500	7,500
Provisions	13,437	11,800	15,000
Other liabilities	5,189	5,900	6,000
Total current liabilities	25,789	23,200	28,500
Non-current liabilities			
Payables	6	296	–
Provisions	12,752	17,000	13,000
Total non-current liabilities	12,758	17,296	13,000
Total liabilities	38,547	40,496	41,500
Net assets	182,543	167,536	182,544
EQUITY			
Parent entity interest			
Statutory funds	–	–	–
Reserves	–	–	–
Retained surplus	182,543	167,536	182,543
Parent entity interest	182,543	167,536	182,543
Total equity	182,543	167,536	182,543

2007–2008 Budget

Actual 2007 \$'000	Budget 2007 \$'000	Budget 2008 \$'000
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Southern Cross University Cash Flow Statements

Cash flows from operating activities

Australian Government			
CGS and Other DEST Grants	51,117	46,380	53,000
Higher Education Loan Programmes	28,969	26,277	28,500
Scholarships	2,454	2,350	3,200
DEST Research	5,501	5,500	5,400
Voluntary Student Unionism Transition	3,000	–	–
ARC grants – Discovery	306	350	550
ARC grants – Linkages	756	1,300	520
Other Australian Government Grants	1,366	1,700	1,130
State and local Government financial assistance	1,259	500	900
HECS-HELP – Student payments	3,149	3,200	3,800
Receipts from student fees and other customers	19,830	16,600	19,500
Interest received	2,472	1,600	1,200
Joint Venture partnership distributions received	778	600	700
Student Accommodation	2,034	2,100	2,200
Other Operating Receipts	14,748	12,100	15,000
Payments to employees	(58,438)	(57,900)	(62,000)
Salary related costs	(15,252)	(14,600)	(16,300)
Payments to suppliers (inclusive of goods and services tax)	(42,403)	(40,400)	(51,981)
Net cash inflow (outflow) from operating activities	21,646	7,657	5,319

Cash flows from investing activities

Proceeds from sale of property, plant and equipment	1,253	3,391	1,900
Loans to related parties	–	–	–
Payments for property, plant and equipment	(3,728)	(13,400)	(23,800)
Payments for investment in joint venture partnership	–	–	–
Net cash inflow (outflow) from investing activities	(2,475)	(10,009)	(21,900)

Cash flows from financing activities

Receipts from advances repaid	61	–	–
Net cash inflow (outflow) from financing activities	61	–	–

Net increase (decrease) in cash and cash equivalents	19,232	(2,352)	(16,581)
Cash and cash equivalents at the beginning of the financial year	28,052	28,052	47,284
Effects of exchange rate changes on cash and cash equivalents	–	–	–
Cash and cash equivalents at end of year	47,284	25,700	30,703

Equity and Diversity

Equal employment opportunity

Southern Cross University continued to maintain numbers of Indigenous Australian staff significantly above the benchmarks of other NSW universities. Indigenous Australian staff represented 4.1 per cent of general staff and 4.2 per cent of academic staff. In 2007 additional resources were applied to assist in achieving the objectives of the University's Indigenous Employment Strategy 2005–2008. The representation of academic staff from non-English speaking backgrounds was nine per cent during 2007 and general staff from non-English speaking backgrounds was five per cent.

Women comprised 65 per cent of general staff and 45 per cent of academic staff. Women held 28 per cent of senior management positions within the University.

In 2007, six per cent of general staff and seven per cent of academic staff reported disabilities.

Academic promotion

Promotion rounds for academic staff were monitored. An Academic Promotion Workshop was held to provide information on the academic promotions process and provide a forum for women staff to gain information. This information was provided by Human Resource staff and those who had recently experienced the process. The workshop also provided opportunities for mentoring.

Development program for women

The program included initiatives aimed at assisting the professional development of academic and general staff across the University. Initiatives included: *Connecting Women at SCU* – lunchtime forums with internal and external guest speakers; Research Workshops for Women Academic Staff, and the development of a Mentoring Scheme for Women Academic and General Staff to be implemented in early 2008.

Merit based selection and flexible work practices

The University's flexible work practices allow for opportunities such as job sharing, part-year employment, part-time leave without pay and temporary transfer to fractional/part-time employment. The University has clear guidelines on merit-based selection, including a requirement for gender balance on its selection panels. The Recruitment and Appointment Policy requires that all staff participating on staff selection panels must have completed training in staff selection and interviewing. This training includes anti-discrimination and cultural diversity segments, with an emphasis on the principles of merit selection and highlighting the value of a culturally diverse workplace.

Online EEO training

The Equal Employment Opportunity Online training program provides comprehensive information on discrimination and harassment issues in a flexible delivery mode, and is available to all staff via the University web site.

Staff tables

	Persons					FTE				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Academic Staff										
Full-time	238	250	253	249	235	238	250	253	249	235
Fractional	33	31	36	46	57	22	19	22	28	34
Subtotal	271	281	289	295	292	260	269	275	277	269
General Staff										
Full-time	329	357	371	383	386	329	357	371	383	386
Fractional	79	99	109	120	136	49	62	66	76	84
Subtotal	408	456	480	503	522	378	419	437	459	470
All Staff										
Full-time	567	607	624	632	621	567	607	624	632	621
Fractional	112	130	145	166	193	71	81	88	104	117
TOTAL	679	737	769	798	814	638	688	712	736	738

Table 2: Number and full-time equivalence (FTE) of staff 2003–2007

YEAR	CLASSIFICATION																	
	Above Senior Lecturer		Senior Lecturer		Lecturer		Below Lecturer		Academic – Subtotal			General			TOTAL			
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Total	Female	Male	Total	Female	Male	Total	
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	
2005	15	45	12	48	60	46	43	20	130	159	289	308	172	480	438	331	769	
2006	14	46	16	44	54	49	45	27	129	166	295	320	183	503	449	349	798	
2007	16	48	21	49	53	37	42	26	132	160	292	340	182	522	472	342	814	

Table 3: Full-time and fractional full-time staff (persons) by gender and level 1998–2007

YEAR	CLASSIFICATION																	
	Above Senior Lecturer		Senior Lecturer		Lecturer		Below Lecturer		Academic – Subtotal			General			TOTAL			
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Total	Female	Male	Total	Female	Male	Total	
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	
2005	15	44	12	48	52	46	39	19	118	157	275	273	164	437	391	321	712	
2006	14	45	16	44	49	48	39	23	118	160	277	285	174	459	403	333	736	
2007	15	48	20	48	47	36	34	20	116	152	269	298	172	470	414	324	738	

Table 4: Full-time and fractional full-time staff (FTE) by gender and level 1998–2007

Ethnic affairs

Southern Cross University enhances the cultural, social, economic and intellectual development of the region. The University is committed to fostering equity for all members of its staff and student community and to reflecting the cultural diversity of Australia.

The University complies with the Ethnic Affairs Priorities Statement (EAPS), as required by the NSW Community Relations Commission. A summary of the University activities in 2007 is provided as Appendix 2 in Part A of this Annual Report. This summary highlights specific examples of initiatives based in the academic schools, and demonstrates compliance with the Government's Ethnic Affairs Priority Standards Framework under the relevant sections of Program and Service Delivery, Staffing, Communications, and Planning and Evaluation.

scu locations

	Tweed Gold Coast	Lismore	Coffs Harbour	Sydney
Distance from Brisbane	1.10 hrs drive (102 kms)	2.30 hrs drive (200 kms)	4.40 hrs drive (400 kms)	10.50 hrs drive (930 kms)
Distance from Sydney	9.45 hrs drive (830 kms)	8.40 hrs drive (736 kms)	6.10 hrs drive (532 kms)	-
Transport available	International air, interstate coach, intrastate rail and local bus services.	Interstate air, rail and coach services; local bus services.	International air, interstate coach, intrastate rail and local bus services.	Full services
Average monthly maximum temperatures*	21-28 degrees C	19-30 degrees C	19-27 degrees C	16-25 degrees C

**Source: Bureau of Meteorology, NRMA Travel Planner (all distances are approximate)*



brisbane •

★ tweed gold coast

★ lismore

★ coffs harbour

★ sydney

Appendices

Appendix 1: Freedom of Information Act 1989 (NSW)

SECTION A – NEW FOI APPLICATIONS

How many FOI applications were received, discontinued or completed?		NUMBER OF FOI APPLICATIONS					
		PERSONAL		OTHER		TOTAL	
		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
A1	New	0	0	0	2	0	2
A2	Brought forward	0	0	0	0	0	0
A3	Total to be processed	0	0	0	2	0	2
A4	Completed	0	0	0	2	0	2
A5	Discontinued	0	0	0	0	0	0
A6	Total processed	0	0	0	2	0	2
A7	Unfinished (carried forward)	0	0	0	0	0	0

SECTION B – DISCONTINUED APPLICATIONS

Why were FOI applications discontinued?		NUMBER OF DISCONTINUED FOI APPLICATIONS					
		PERSONAL		OTHER		TOTAL	
		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
B1	Request transferred out to another agency (s.20)	0	0	0	0	0	0
B2	Applicant withdrew request	0	0	0	0	0	0
B3	Applicant failed to pay advance deposit (s.22)	0	0	0	0	0	0
B4	Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(1)(a1))	0	0	0	0	0	0
B5	Total discontinued	0	0	0	0	0	0

SECTION C – COMPLETED APPLICATIONS

What happened to completed FOI applications?		NUMBER OF COMPLETED FOI APPLICATIONS					
		PERSONAL		OTHER		TOTAL	
		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
C1	Granted or otherwise available in full	0	0	0	1	0	1
C2	Granted or otherwise available in part	0	0	0	0	0	0
C3	Refused	0	0	0	1	0	1
C4	No documents held	0	0	0	0	0	0
C5	Total completed	0	0	0	2	0	2

SECTION D – APPLICATIONS GRANTED OR OTHERWISE AVAILABLE IN FULL

How were the documents made available to the applicant?		NUMBER OF FOI APPLICATIONS (GRANTED OR OTHERWISE AVAILABLE IN FULL)					
		PERSONAL		OTHER		TOTAL	
All documents requested were:		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
D1	Provided to the applicant	0	0	0	1	0	1
D2	Provided to the applicant's medical Practitioner	0	0	0	0	0	0
D3	Available for inspection	0	0	0	0	0	0
D4	Available for purchase	0	0	0	0	0	0
D5	Library material	0	0	0	0	0	0
D6	Subject to deferred access	0	0	0	0	0	0
D7	Available by a combination of any of the reasons listed in D1–D6 above	0	0	0	0	0	0
D8	Total granted or otherwise available in full	0	0	0	1	0	1

SECTION E – APPLICATIONS GRANTED OR OTHERWISE AVAILABLE IN PART

How were the documents made available to the applicant?		NUMBER OF FOI APPLICATIONS (GRANTED OR OTHERWISE AVAILABLE IN PART)					
		PERSONAL		OTHER		TOTAL	
Documents made available were?		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
E1	Provided to the applicant	0	0	0	0	0	0
E2	Provided to the applicant's medical Practitioner	0	0	0	0	0	0
E3	Available for inspection	0	0	0	0	0	0
E4	Available for purchase	0	0	0	0	0	0
E5	Library material	0	0	0	0	0	0
E6	Subject to deferred access	0	0	0	0	0	0
E7	Available by a combination of any of the reasons listed in E1–E6 above	0	0	0	0	0	0
E8	Total granted or otherwise available in part	0	0	0	0	0	0

SECTION F – REFUSED FOI APPLICATIONS

Why was access to the document refused?		NUMBER OF <i>REFUSED</i> FOI APPLICATIONS					
		PERSONAL		OTHER		TOTAL	
Documents made available were?		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
F1	Exempt	0	0	0	1	0	1
F2	Deemed refused	0	0	0	0	0	0
F3	Total refused	0	0	0	1	0	1

SECTION G – EXEMPT DOCUMENTS

Why were the documents classified as exempt? (identify one reason only)		NUMBER OF FOI APPLICATIONS (REFUSED OR ACCESS GRANTED OR OTHERWISE AVAILABLE IN PART ONLY)					
		PERSONAL		OTHER		TOTAL	
Restricted documents:		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
G1	Cabinet documents (Clause 1)	0	0	0	0	0	0
G2	Executive Council documents (Clause 2)	0	0	0	0	0	0
G3	Documents affecting law enforcement and public safety (Clause 4)	0	0	0	0	0	0
G4	Documents affecting counter terrorist measures (Clause 4A)	0	0	0	0	0	0
Documents requiring consultation:							
G5	Documents affecting inter-governmental relations (Clause 5)	0	0	0	0	0	0
G6	Documents affecting personal affairs (Clause 6)	0	0	0	1	0	1
G7	Documents affecting business affairs (Clause 7)	0	0	0	0	0	0
G8	Documents affecting the conduct of research (Clause 8)	0	0	0	0	0	0
Documents otherwise exempt:							
G9	Schedule 2 exempt agency	0	0	0	0	0	0
G10	Documents containing information confidential to Olympic Committees (Clause 22)	0	0	0	0	0	0
G11	Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	0	0	0	0	0	0
G12	Documents relating to threatened species conservation (Clause 24)	0	0	0	0	0	0
G13	Plans of management containing information of Aboriginal significance (Clause 25)	0	0	0	0	0	0

cont. ...

SECTION G – EXEMPT DOCUMENTS (cont.)

Why were the documents classified as exempt? (identify one reason only)		NUMBER OF FOI APPLICATIONS (REFUSED OR ACCESS GRANTED OR OTHERWISE AVAILABLE IN PART ONLY)					
		PERSONAL		OTHER		TOTAL	
Restricted documents:		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
G14	Private documents in public library collections (Clause 19)	0	0	0	0	0	0
G15	Documents relating to judicial functions (Clause 11)	0	0	0	0	0	0
G16	Documents subject to contempt (Clause 17)	0	0	0	0	0	0
G17	Documents arising out of companies and securities legislation (Clause 18)	0	0	0	0	0	0
G18	Exempt documents under interstate FOI legislation (Clause 21)	0	0	0	0	0	0
G19	Documents subject to legal professional privilege (Clause 10)	0	0	0	0	0	0
G20	Documents containing confidential material (Clause 13)	0	0	0	0	0	0
G21	Documents subject to secrecy provisions (Clause 12)	0	0	0	0	0	0
G22	Documents affecting the economy of the State (Clause 14)	0	0	0	0	0	0
G23	Documents affecting financial or property interests of the State or an agency (Clause 15)	0	0	0	0	0	0
G24	Documents concerning operations of agencies (Clause 16)	0	0	0	0	0	0
G25	Internal working documents (Clause 9)	0	0	0	0	0	0
G26	Other exemptions (e.g. Clauses 20, 22A and 26)	0	0	0	0	0	0
G27	Total applications including exempt documents	0	0	0	1	0	1

SECTION H – MINISTERIAL CERTIFICATES (S.59)

How many Ministerial Certificates were issued?		NUMBER OF MINISTERIAL CERTIFICATES	
		(previous year)	(current year)
H1	Ministerial Certificates issued	0	0

SECTION I – FORMAL CONSULTATIONS

How many consultations were conducted?		NUMBER	
		(previous year)	(current year)
I1	Number of applications requiring formal consultation	0	1
I2	Number of persons formally consulted	0	2

SECTION J – AMENDMENT OF PERSONAL RECORDS

How many applications for amendment of personal records were agreed or refused?		NUMBER OF APPLICATIONS FOR AMENDMENT OF PERSONAL RECORDS	
		(previous year)	(current year)
J1	Agreed in full	0	0
J2	Agreed in part	0	0
J3	Refused	0	0
J4	Total	0	0

SECTION K – NOTATION OF PERSONAL RECORDS

How many applications for notation of personal records were made (s.46)?		NUMBER OF APPLICATIONS FOR NOTATION	
		(previous year)	(current year)
K1	Applications for notation	0	0

SECTION L – FEES AND COSTS

How many fees were assessed and received for FOI applications processed (excluding applications transferred out)?		ASSESSED COSTS		FEES RECEIVED	
		(previous year)	(current year)	(previous year)	(current year)
L1	All completed applications	\$0	\$60	\$0	\$60

SECTION M – FEE DISCOUNTS

How many waivers or discounts were allowed and why?		NUMBER OF FOI APPLICATIONS (WHERE FEES WERE WAIVED OR DISCOUNTED)					
		PERSONAL		OTHER		TOTAL	
		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
M1	Processing fees waived in full	0	0	0	0	0	0
M2	Public interest discounts	0	0	0	0	0	0
M3	Financial hardship discounts – pensioner or child	0	0	0	0	0	0
M4	Financial hardship discounts – non profit organisation	0	0	0	0	0	0
M5	Total	0	0	0	0	0	0

SECTION N – FEE REFUNDS

How many fee refunds were granted as a result of significant correction of personal records		NUMBER OF REFUNDS	
		(previous year)	(current year)
N1	Number of fee refunds granted as a result of significant correction of personal records	0	0

SECTION O – DAYS TAKEN TO COMPLETE REQUEST

How long did it take to process completed applications? (Note: calendar days)		NUMBER OF COMPLETED FOI APPLICATIONS					
		PERSONAL		OTHER		TOTAL	
		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
O1	0–21 days – statutory determination period	0	0	0	2	0	2
O2	22–35 days – extended statutory determination period for consultation or retrieval of archived records (s.59B)	0	0	0	0	0	0
O3	Over 21 days – deemed refusal where no extended determination period applies	0	0	0	0	0	0
O4	Over 35 days – deemed refusal where extended determination period applies	0	0	0	0	0	0
O5	Total	0	0	0	2	0	2

SECTION P – PROCESSING TIME: HOURS

How long did it take to process completed applications?		NUMBER OF COMPLETED FOI APPLICATIONS					
		PERSONAL		OTHER		TOTAL	
		(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
P1	0–10 hours	0	0	0	2	0	2
P2	11–20 hours	0	0	0	0	0	0
P3	21–40 hours	0	0	0	0	0	0
P4	Over 40 hours	0	0	0	0	0	0
P5	Total	0	0	0	2	0	2

SECTION Q – NUMBER OF REVIEWS

How many reviews were finalised?		NUMBER OF COMPLETED REVIEWS	
		(previous year)	(current year)
Q1	Internal reviews	0	1
Q2	Ombudsman reviews	0	0
Q3	ADT reviews	0	0

SECTION R – RESULTS OF INTERNAL REVIEWS

What were the results of internal reviews finalised?

Grounds on which internal review was requested		NUMBER OF INTERNAL REVIEWS					
		PERSONAL		OTHER		TOTAL	
		Original Agency Decision Upheld	Original Agency Decision Varied	Original Agency Decision Upheld	Original Agency Decision Varied	Original Agency Decision Upheld	Original Agency Decision Varied
R1	Access refused	0	0	0	1	0	1
R2	Access deferred	0	0	0	0	0	0
R3	Exempt mater deleted from documents	0	0	0	0	0	0
R4	Unreasonable charges	0	0	0	0	0	0
R5	Failure to consult third party	0	0	0	0	0	0
R6	Third party views disregarded	0	0	0	0	0	0
R7	Amendment of personal records	0	0	0	0	0	0
R8	Total	0	0	0	1	0	1

Appendix 2: Ethnic Affairs Priorities Statement (2007)

1. PROGRAM and SERVICE DELIVERY

Objective 1.1

Ensure that curricula is inclusive and considerate of cultural diversity.

The University has a strategic commitment which is reflected in its graduate attributes, to provide courses that equip students with a cultural awareness global world view encompassing a cosmopolitan outlook as well as a local perspective on social and cultural issues, together with an informed respect for cultural and Indigenous identity.

Outcome 2007

- All University courses being reviewed are required to indicate how cultural diversity is recognised and addressed within the course and units, including how the course exposes students to a variety of cultural perspectives.
- In the School of Law and Justice all first year Bachelor of Laws students are exposed to cross-cultural curriculum materials in the Legal Process unit. The School's mission aims to graduate students who are '*gender, culturally, socially, politically, environmentally and ethically aware*'. Graduate attributes for all courses include cultural awareness.
- The School of Arts and Social Sciences has embedded crosscultural perspectives in the curricula of the Bachelor of Social Sciences, Bachelor of Arts and Bachelor of Media, that include cultural diversity, refugee populations, intercultural communications, diversity in the workplace, social inequality and social justice.

Objective 1.2

Provide information and support for students and access to language resources of staff.

Outcome 2007

- Student Peer Mentor programs were extended to all internal courses across the University. A pilot program was implemented in three distance education courses. A specific target group was Australian students from non-English speaking backgrounds.
- A list of languages spoken by staff is maintained, updated annually, and accessible to all staff via the University intranet. It is used as a resource to support students via the Student Support Centre and Schools.
- The International Office offers language courses to staff to assist in the development of language skills.
- The English Language Centre runs Intercultural Communication Sessions with the University community, student volunteers and students from non-English speaking backgrounds throughout the year.

Objective 1.3

Social harmony – multiculturalism.

Outcome 2007

- The University held a *Fusion Festival* from 11 to 14 September on its Lismore, Coffs Harbour and Tweed Gold Coast campuses which brought together students, staff

and community members to celebrate International Student Day and to think about cultural diversity and human identity. Focusing on mutual enrichment through broad engagement, the week-long Festival incorporated traditional activities such as sharing food, sport, dances and musical performances, but also went further and addressed more difficult and complex topics. Public lectures, workshops and discussion panels focused on themes such as political oppression and refugees, reconciliation after war and interfaith dialogue for peace, with perspectives coming from international students' immediate personal experiences.

- A *Diversity in Education* conference for students, staff and community members was held during August 2007. The conference was free for students, staff and community members. The conference attracted a large contingent of local senior high school students. Plenary sessions included panels of secondary and tertiary educators, while concurrent workshops and presentation sessions explored the many aspects of diversity including approaches to education; the enrichment of education through acknowledgement of diversity in educational settings; as well as addressing barriers to access, participation and success.
- A public lecture and discussion panel titled *Human Rights and Education* was presented by Zahra Ghahramani.
- The School of Law and Justice hosted an *Islamic Legal Perspectives Conference*.
- The worship needs of students are accommodated with the provision of an appropriate multifaith space on campus. Facilitation of meetings and informal discussion groups are held for students from different faith backgrounds. A multifaith advisory committee oversees the coordination and facilitation of Chaplaincy activities.
- The University Centre for Peace and Social Justice is an interdisciplinary community of scholars, focusing on difference that potentially contributes to the inclusion or exclusion in full citizenship. Markers include race and ethnicity, with researchers in the Centre committed to strengthening core values of diversity including tolerance, mutual respect and mutual recognition. The Centre publishes a newsletter, and presents research seminars which are publicised and available to staff, students and the community.
- *Harmony Day* was celebrated across the three campuses with a range of activities including sharing of food from across the world, music and dancing and posters and literature promoting and celebrating a culturally diverse society.

Plan for 2008

- Continuation of curricula that is inclusive and considerate of cultural diversity.
- The Centre for Peace and Social Justice will convene a major international conference on *Activating Human Rights and Peace: Universal Responsibility Conference* in July 2008.
- Annual Cultural Diversity Lecture in 2008.
- Continued operation of Student Peer Mentoring Programs to support students in the transition to University life across all schools.
- Continue to celebrate and recognise cultural diversity by holding cultural celebrations during the year with staff, students and the community.

- Week long *Fusion Festival* activities to be held on Lismore, Coffs Harbour and Tweed Gold Coast campuses bringing together students, staff and community members in celebrating International Student Day and thinking about cultural diversity.

2. STAFFING

Objective 2.1

Provide ongoing training and education in cultural diversity to university staff.

Outcome 2007

- A Cultural Diversity Training Program, incorporating the elements of cultural awareness, cultural sensitivity and cultural safety was implemented across the University. Workshops were offered to staff across the three campuses in April and November. The workshops included a core component for all staff, with specific additional components for academic staff, allowing staff to gain a broader knowledge of diversity issues and discuss strategies for increasing sensitivity and awareness of diversity issues within the workplace and in the University's programs and activities and creating inclusive and culturally safe work environments.
- The Recruitment and Appointment Policy requires that all staff participating on staff selection panels must have completed training in staff selection and interviewing. This training includes anti-discrimination and cultural diversity segments, with an emphasis on the principles of merit selection and highlighting the value of a culturally diverse workplace.
- Position descriptions for staff include selection criteria – 'A commitment to staff and student equity and cultural diversity within the workplace' (general staff positions) and 'an awareness of equal opportunity and the principles of equity and access as they pertain to staff and students' (academic positions).
- EO Online anti-discrimination training modules to be completed as part of Staff Selection and Interview Training, and completion requested for new and existing staff.
- New Employees Guide (induction manual) contains comprehensive staff equity information incl. EEO, Non-discriminatory language guidelines, and staff responsibilities for International Students.
- Staff selection panels may include a representative from Human Resources or Equity Services which is a resource that provides additional support in ensuring that staff selection is based on merit.
- All advertised vacancies express the University's commitment to equal opportunity, occupational health and safety and cultural diversity.
- The University provides Intranet based anti-discrimination training modules for all staff, plus an additional module for managers.
- The University's Teaching and Learning Centre provides workshops and learning opportunities for staff focusing on teaching and learning methods for students from non-English speaking backgrounds. In 2007 the Centre held a forum for staff titled *International and Intercultural Perspectives Forum: English Proficiency in International Students*.

Plan for 2008

- Aim to improve the University's Equity profile (as per the University's Strategic Plan)
- Continue to promote a positive culture that is free of discrimination and harassment and recognises and values cultural diversity.
- As part of the University's Equity website a Cultural Diversity Annual Calendar will be developed containing links to cultural community activities, locally and regionally.
- The Cultural Diversity Training Program, incorporating the elements of cultural awareness, cultural sensitivity and cultural safety will continue to be offered to staff across the University.
- The implementation of a more comprehensive induction and orientation program for new employees will include compulsory completion of EEO Online, a web based antidiscrimination training program.
- Establishment of a program for the annual recruitment of trainees and explore the possibility of targeting EEO groups to fill trainee positions.

Objective 2.2

Ensure staffing profile is analysed and reported annually.

Outcome 2007

- The staffing profile of people from culturally diverse backgrounds was analysed and reported to the University Executive.

Objective 2.3

Continue to promote a positive culture that is free from discrimination and harassment.

Outcome 2007

- The University provides intranet based anti-discrimination training modules for all staff, plus an additional module for managers.
- Celebrated and recognised cultural diversity and harmony by holding cultural celebrations and cultural awareness events during the year with staff, students and the community.

Plan 2008

- The University will continue to promote a culture that is supportive of diversity in order to attract and retain staff from culturally and linguistically diverse backgrounds.
- Provision of cultural diversity training is an ongoing commitment of the University.
- Establish a program for the annual recruitment of trainees, exploring the possibility of targeting equity groups, including people from culturally diverse backgrounds.
- Analyse and report on the staffing profile of people from culturally diverse backgrounds.
- Continue to provide online and face-to-face training to promote a culture free from discrimination and harassment.

3. COMMUNICATION

Objective 3.1

Communicate the University's objective to develop a culture of knowledge and respect for equity and cultural diversity.

Outcome 2007

- *Living Library* – one-to-one half-hour conversations with a 'living book' for staff and students to experience the diversity at SCU first-hand. Participants ask questions of the 'books' or just listen to their stories. The 'books' are people from the University, students and staff as well as members of the wider community who have volunteered their time to talk about their personal story about what life looks like from other cultures and perspectives.
- The University displays posters for international, national and local multicultural events, and promotes events that support intercultural understanding. Relevant culturally diverse event information is also placed on the University website.
- Cultural diversity resources and electronic links are available via the Equity website.
- All externally advertised staff vacancies express the University's commitment to cultural diversity.

Plan 2008

- Continue to review and revise the Equity website to ensure the continued inclusion of relevant information related to cultural diversity.
- Continue to build on successes in diversity initiatives and achievements and publicise these within the University and in the local community.

4. PLANNING AND EVALUATION

Objective 4.1

Incorporate cultural diversity into University plans.

Outcome 2007

- Cultural diversity is incorporated in the University's Strategic Plan 2005–2010, with one objective being to 'take a prime role in the intellectual, economic, environmental, social and cultural development of our region'.
- The Equity and Diversity Committee met for the first time in 2007. An important aspect of the new Equity and Diversity Committee's function is to advise on strategies for improving access, participation, retention and success of students from equity target groups and champion equity and diversity amongst staff and students. This Committee reports directly to the University Executive on the achievement of equity objectives within the University. The Committee has developed a University Equity and Diversity Plan which identifies ways in which the University can further assist staff and students in equity target groups through targeted activities and programs. The Plan includes objectives specifically targeted at providing an environment for staff and students that embraces and supports a knowledge of and respect for equity and cultural diversity.

Plan 2008

- Implementation of the University's Equity and Diversity Plan.
- Continue to monitor and review all University plans and policies to identify opportunities to embed relevant cultural diversity strategies and targets to progress the University's commitment to cultural diversity and evaluate progress made towards creating an environment that supports diversity.

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Southern Cross
UNIVERSITY

A new way to think

ANNUAL REPORT 2007
Part B





Report by Members of the University Council

The Members of Southern Cross University present their report on the consolidated entity consisting of Southern Cross University and the entities it controlled during the year ended 31 December 2007.

Members of the University Council

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

Chancellor and Chair of Council

The Hon John Robert Arthur Dowd AO QC

Deputy Chancellor and Deputy Chair of Council

David Vincent Cody MB BS(Syd), PhD(SCU), FRACP, FCSANZ, FACC, FAHA, FAFRM

Vice-Chancellor

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

Other Members

Warren Albert Grimshaw AM, BBus(NSWIT), ASTC

Glenn Davey

Ronald J. Dowell GradDipOD(RMIT), MBus(VUT)

Irene Harrington

Peter Lewis BTch, Bed, MMgmt(UTS), MAICD

Neville Newell

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

Janelle Anne Saffin MP DipT(NRCAE), BLegS(Macq)

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

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

Trevor Stanley Wilson BSc(Griff)

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

Chair of Academic Board

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

Susan Christie (*appointed 13 April 2007*)

Toni Ledgerwood (*elected 15 June 2007*)

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

The Hon Peter Breen (*resigned 16 February 2007*)

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

Sally M Blackadder BCom(NSW) (*resigned 14 May 2007*)

Council Secretary

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

Meetings of Members

The numbers of meetings of the Members of Southern Cross University Council and
of each Council Committee held during the year ended 31 December 2007, and the
numbers of meetings attended by each member are given in the tables below:

Members	Council Meetings		Meetings of Committees					
	A	B	Chancellor's		Audit		Finance	
	A	B	A	B	A	B	A	B
J R Dowd AO QC	6	6	6	6	1	5		
P E Clark	6	6	6	6			4	5
S M Blackadder	2	2						
P Egan	1	1						
R Bruns								
D V Cooley	5	6	6	6			5	5
S Christie	3	4						
G Davey	5	6						
R J Dowell	5	6					4	5
W A Greshaw AM	5	6			3	5	3	5
I Hamington	2	6						
J Jackson	5	6	6	6			5	5
T Ledgerwood	3	3						
P Lewis	5	6					4	5
N Newell	4	6			5	5		
S Parry	5	6						
J A Saffin	4	6					3	5
J B Shanahan	6	6			5	5	5	5
M R Sweeney	4	6			5	5	4	4
T S Wilson	6	6			3	5		

A = Number of meetings attended

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

Members	Meetings of Committees <i>continued</i>									
	Governance		Honorary Awards		Nominations		Remuneration		Risk Management	
	A	B	A	B	A	B	A	B	A	B
J R Dawd AO QC			3	3	0	1	1	1		
P E Clark			3	3	1	1				
S M Blackadder										
P Breen										
R Brinks										
D V Cully			3	3	0	1	1	1	1	1
S Christie										
G Davey										
R J Dowell										
W A Grimshaw AM	3	4								
I Hamington	0	4							0	1
J Jackson			1	1						
T Ledgerwood										
P Lewis					1	1				
N Newell	4	4								
S Parry			2	2						
J A Saffin			1	2	1	1				
J B Shanahan										
M R Sweeney										
T S Wilson	4	4					1	1		

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

Principal Activities

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

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

Review of Operations

Southern Cross University and its controlled entities reported a consolidated net operating surplus of \$16.126 million for the year ending 31 December 2007 (2006 operating surplus of \$5.307 million), the University reported a net operating surplus of \$16.648 million (2006 operating surplus of 5.809 million).

Financial performance was heavily influenced by a number of non-recurrent capital grants (\$8.8 million) however the underlying result from core activities remains strong and reflects positive progress against the key objectives of the Strategic Plan 2005–2010. The University exceeded the CGS load for student enrolments in the 2007 year by 1.9 per cent which was a substantial turn around of the under enrolment in 2006.

The University achieved strong performance in key measures, including graduate satisfaction, student demand for its courses and research income. Its growing reputation for quality teaching was further acknowledged with a significant allocation from the Learning and Teaching Performance Fund. The University set a course for future growth with a decision to expand at the Southern Gold Coast.

Following on from the transition to Voluntary Student Unionism, Southern Cross University is continuing to refine the service delivery mechanism. Those processes have been enhanced by the successful bid for transitional funding which will also enable enhancements to the student facilities in both Lismore and Coffs Harbour.

Southern Cross University continued to enhance its program of regional engagement. This included the signing of key agreements with individual local governments and the Northern Rivers Regional Development Board to foster mutual cooperation, sharing of knowledge and support.

Evaluation of Council Performance

The performance of the University Council is evaluated periodically and any findings or recommendations are implemented. In mid-2007, an external review of Council's performance was undertaken. The recommendations contained in the Review Report are progressively being implemented with a Status Report being made to Council on a regular basis.

Significant Changes in State of Affairs

During the year Southern Cross University acquired the majority of the business operations of the former Southern Cross University Student Union Limited and was also granted full control of the Coffs Harbour Education Campus English Language Centre. All operations have been integrated within Southern Cross University and the Norsesearch controlled entity, with services continuing to be delivered.

Subsequent Matters Affecting Operations

Southern Cross University is not aware of any matters subsequent to the period reported which would have a material impact on operations.

Future Developments

Disclosure of information regarding likely developments, future prospects and business strategies of the operations of the University in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the University. Accordingly, this information has not been disclosed in this report.

Environmental Regulation and Performance

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

Insurance of Officers

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

Legal Proceedings on behalf of Southern Cross University

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

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



The Honourable John Dowd AO QC
Chancellor
Southern Cross University
11 April 2008

SOUTHERN CROSS UNIVERSITY

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007 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 2005 and the Commonwealth Guidelines for the Preparation of Annual Financial Reports for the 2007 Reporting Period by Australian Higher Education Providers;
3. The financial reports have been prepared in accordance with Australian Accounting Standards (including the AASB Interpretations);
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

11th April 2008



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Southern Cross University and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Southern Cross University (the University), and the University and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the University and the consolidated entity as at 31 December 2007, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2005*
- complies with the 'Financial Statement Guidelines For Australian Higher Education Providers for the 2007 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement; whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

My opinion does not provide assurance:

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

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Peter Carr, FCPA
Director, Financial Audit Services

14 April 2008
SYDNEY

Income statement for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue from continuing operations				
Australian Government financial assistance				
Australian Government grants	3	65,432	54,386	65,432
HECS-HELP – Australian Government payments	3	26,835	23,367	26,835
FEE-HELP	3	4,690	3,649	4,690
State and local Government financial assistance	4	1,459	384	1,459
HECS-HELP – Student Payments		3,149	3,229	3,229
Fees and charges	5	20,501	18,527	20,385
Investment income	6	2,748	1,869	2,653
Royalties, trademarks and licences	7	23	26	23
Consultancy and contracts	8	6,602	5,288	6,602
Other revenue	9	9,133	8,129	8,324
Total revenue from continuing operations		140,572	118,854	139,552
Shares of net results of associates and joint venture partnership accounted for using the equity method	34	766	737	852
Total revenue from continuing operations before deferred Government superannuation contributions		141,338	119,591	140,404
Deferred Government Superannuation Contributions		(5,025)	(7,463)	(5,025)
Total revenue and income from continuing operations		136,313	112,128	135,379
Expenses from continuing operations				
Employee related expenses	10	75,056	68,572	74,207
Depreciation and amortisation	11	5,687	6,054	5,677
Repairs and maintenance	12	2,043	1,416	2,013
Impairment of assets	13	547	326	547
Losses on disposal of assets		133	289	132
Other expenses	14	41,746	37,628	41,180
Total expenses from continuing operations before Deferred Employee Benefits for Superannuation		125,212	114,285	123,756
Deferred Employee Benefits for Superannuation	10	(5,025)	(7,463)	(5,025)
Total expenses from continuing operations		120,187	106,821	118,731
Operating result before income tax		16,126	5,307	16,648
Income tax expense	15	-	-	-
Operating result from continuing operations		16,126	5,307	16,648
Operating result after income tax for the period		16,126	5,307	16,648
Operating result attributed to members of Southern Cross University		16,126	5,307	16,648

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet
as at 31 December 2007

	Notes	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	16	47,284	28,052	46,067	26,575
Receivables	17	8,717	7,877	9,022	7,863
Inventories	18	17	-	-	-
Other non-financial assets	20	1,646	1,794	1,644	1,794
Total current assets		57,664	37,723	56,733	36,232
Non-current assets					
Receivables	17	11,816	16,897	11,816	16,897
Investments accounted for using the equity method	19	7,069	7,082	731	656
Property, plant and equipment	21	144,541	147,986	144,505	147,969
Total non-current assets		163,426	171,965	157,052	165,522
Total assets		221,090	209,688	213,785	201,754
LIABILITIES					
Current liabilities					
Trade and other payables	22	7,163	5,806	7,083	5,665
Provisions	23	13,437	12,167	13,413	12,103
Other liabilities	24	5,189	7,338	5,189	7,338
Total current liabilities		25,789	25,311	25,685	25,106
Non-current liabilities					
Trade and other payables	22	6	313	6	313
Provisions	23	12,752	17,647	12,752	17,641
Total non-current liabilities		12,758	17,960	12,758	17,954
Total liabilities		38,547	43,271	38,443	43,060
Net assets		182,543	166,417	175,342	158,694
EQUITY					
Parent entity interest					
Retained surplus	25	182,543	166,417	175,342	158,694
Parent entity interest		182,543	166,417	175,342	158,694
Total equity		182,543	166,417	175,342	158,694

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

Statement of changes in equity for the year ended 31 December 2007

Notes	Consolidated 2007	2006	Parent entity 2007	2006
	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year	166,417	161,110	158,694	152,885
Operating result for the period	16,126	5,307	16,648	5,809
Total recognised income and expense for the period	16,126	5,307	16,648	5,809
Total equity at the end of the year	182,543	166,417	175,342	158,694
Effect of correction of error in previous year, being a reduction (addition) in retained surplus, attributable to members of Southern Cross University	-	(56)	-	(56)

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

Cash flow statement for the year ended 31 December 2007

	Notes	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Cash flows from operating activities					
Australian Government					
CGS and Other DEEWR Grants	38.1	51,117	44,543	51,117	44,543
Higher Education Loan Programmes	38.2	28,969	26,642	28,969	26,642
Scholarships	38.3	2,454	1,833	2,454	1,833
DEEWR Research	38.4	5,501	5,229	5,501	5,229
Voluntary Student Unionism Transition	38.5	3,000	-	3,000	-
ARC grants - Discovery	38.6(a)	306	289	306	289
ARC grants - Linkages	38.6(b)	756	1,175	756	1,175
Other Australian Government Grants		1,366	2,134	1,366	2,134
State Government Grants received		1,259	467	1,259	467
HECS-HELP - Student payments		3,149	3,229	3,149	3,229
Receipts from student fees and other customers		19,830	16,982	19,714	19,147
Interest received		2,472	1,732	2,383	1,629
Joint Venture partnership distributions received		778	856	778	654
Student Accommodation		2,034	2,165	2,034	2,165
Other Operating Receipts		14,748	11,485	13,609	9,461
Payments to employees		(58,438)	(54,868)	(57,683)	(54,435)
Salary related costs		(15,252)	(13,558)	(10,087)	(13,480)
Payments to suppliers (inclusive of goods and services tax)		(42,403)	(38,905)	(46,749)	(38,762)
Net cash provided by / (used in) operating activities	36	21,646	11,430	21,876	11,920
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		1,254	1,322	1,241	1,322
Payments for property, plant and equipment		(3,728)	(7,475)	(3,686)	(7,692)
Payments for investment in joint venture partnership		-	-	-	-
Net cash provided by / (used in) investing activities		(2,474)	(6,153)	(2,445)	(6,370)
Cash flows from financing activities					
Receipts from advances repaid		61	-	61	-
Net cash provided by / (used in) financing activities		61	-	61	-
Net increase (decrease) in cash and cash equivalents		19,233	5,277	19,492	5,550
Cash and cash equivalents at the beginning of the financial year		28,052	22,775	26,575	21,025
Cash and cash equivalents at the end of the financial year	16	47,284	28,052	46,067	26,575

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the financial statements for the year ended 31 December 2007

Note	Contents of the notes to the financial statements
1	Summary of significant accounting policies
2	Disaggregated information
	Income
3	Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes
4	State and Local Government financial assistance
5	Fees and charges
6	Investment income
7	Royalties, trademarks and licenses
8	Consultancy and contracts
9	Other revenue
	Expenses
10	Employee related expenses
11	Depreciation and amortisation
12	Repairs and maintenance
13	Impairment of assets
14	Other expenses
15	Income tax
	Assets
16	Cash and cash equivalents
17	Receivables
18	Inventories
19	Investments accounted for using the equity method
20	Other non-financial assets
21	Property, plant and equipment
	Liabilities
22	Trade and other payables
23	Provisions
24	Other liabilities
	Equity
25	Retained surplus
26	Monies held on behalf of third party
27	Key management personnel disclosures
28	Remuneration of auditors
29	Contingencies
30	Commitments
31	Related parties
32	Business combinations
33	Subsidiaries
34	Interests in joint ventures
35	Events occurring after the balance sheet date
36	Reconciliation of operating result after income tax to net cash flows from operating activities
37	Financial risk management
38	Acquittal of Australian Government financial assistance

Notes to the financial statements for the year ended 31 December 2007

Note 1. Summary of Significant Accounting Policies

The principle accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report includes separate financial statements for Southern Cross University as an individual entity and the consolidated entity consisting of Southern Cross University and its subsidiaries. Southern Cross University is a Higher Education Provider which has been established under the Southern Cross University Act 1993. The financial report was authorised for issue by the Members of the Council on 11 April 2008.

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005 and the requirements of the Department of Education, Employment and Workplace Relations.

Compliance with AIFRSs

The financial statements and notes comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS.

Historical Cost Convention

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

Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. These areas require a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. Judgements, key assumptions and estimations that management have made regarding:

- Defined benefit superannuation positions
- Provisions for employee entitlements
- Depreciation
- Not-for-profit/profit status

are disclosed in the relevant notes to the financial report.

Going Concern Principle

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

b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Southern Cross University ("parent entity") as at 31 December 2007 and the results of all subsidiaries for the year then ended. Southern Cross University and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Notes to the financial statements for the year ended 31 December 2007

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

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet, respectively.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

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

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint ventures

Joint venture operations

The proportionate interests in the assets, liabilities and expenses of a joint venture operation have been incorporated in the financial statements under the appropriate headings. Details of the joint venture are set out in note 34 (a).

Joint venture entities

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to the entity are set out in note 34 (b).

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Group's ownership interest, until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

c) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency (\$AUD) at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Notes to the financial statements for the year ended 31 December 2007

d) Significant revenues & expenses

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.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

Government grants

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

Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Human resources

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

Other human resources revenue is recognised when the service is provided.

Interest

Interest is recognised as it accrues using the effective interest method.

Lease income

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

f) 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.

g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Notes to the financial statements for the year ended 31 December 2007

h) Property, plant and equipment

Land, buildings and infrastructure

The cost method of accounting is used for all acquisitions of land, buildings and infrastructure. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition, incidental costs directly attributable to the acquisition and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The consolidated entity has elected to recognise all land, building and infrastructure at deemed cost. The deemed cost of the non-current assets is the carrying value at 1 January 2004. These values were based on the 2002 independent valuation prepared by a member of the Australian Property Institute.

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

Plant and equipment

Plant and equipment are measured at cost. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Plant, equipment and vehicles with an acquisition cost of \$5,000 or greater are capitalised and are recognised in the balance sheet 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 cost. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

The University has a rare book collection, which has been capitalised but has not been depreciated due to the unique nature of the collection.

i) Depreciation of non-current assets

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

The annual rates for depreciation are:

	%p.a.
Buildings	1-15
Infrastructure	1-10
Plant & equipment	%p.a.
Research equipment	33.3
Vehicles	15
Computer equipment	33.3
Medical, audio visual equipment	15
Boats and associated equipment	25
General equipment	10
Library general collection	20

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Notes to the financial statements for the year ended 31 December 2007

j) Impairment of assets

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

k) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The University currently has no finance leases. All leases are classified as operating leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 30). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

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

l) Business combinations

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(u)). If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

m) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Notes to the financial statements for the year ended 31 December 2007

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

n) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the income statement.

o) Inventories

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

p) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets.

(ii) Loans and receivables

Notes to the financial statements for the year ended 31 December 2007

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity.

(iv) **Available-for-sale financial assets**

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and on-monetary securities classified as available-for-sale are recognised in equity.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

q) Fair value estimation

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

Notes to the financial statements for the year ended 31 December 2007

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

s) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Regardless of the expected timing of settlements, provisions made in respect of employee benefits (including annual leave) are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled after 12 months of the reporting date are discounted using market yields at the reporting date for national government bonds.

The discount rate used as at 31 December 2007 was 6.59% (2006:5.89%).

(ii) Long service leave

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

(iii) Retirement benefit obligations

All employees of the group are entitled to benefits on retirement, disability or death from the group's superannuation plan. The group has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from group companies and the group's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the group's plan.

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent

Notes to the financial statements for the year ended 31 December 2007

actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

(v) Recognising actuarial gains/losses

Actuarial gains and losses are recognised in profit or loss in the year they occur.

t) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Employment and Workplace Relations (DEEWR), the effects of the unfunded superannuation liabilities of the University and its controlled entities were recorded in the Income statement and the balance sheet for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the Balance Sheet under Provisions have been determined by independent actuaries appointed by each defined benefit plan and relate to the assessment of the gross superannuation liabilities for the defined benefits scheme administered by the SAS Trustee Corporation for the year ended 31 December 2007. These schemes include the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS).

The details of the actuarial assessment at 31 December 2007 are disclosed in note 23.

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

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the balance sheet under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University and its controlled entities.

u) Intangible assets

Research and development

Expenditure on research activities, is recognised in the income statement as an expense, when it is incurred.

Notes to the financial statements for the year ended 31 December 2007

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

Goodwill

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

Goodwill is allocated to cash-generating units for the purposes of impairment testing. Each of those cash-generating units represents the Group's investment in each country of operation by each primary reporting segment.

Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 3-5 years.

v) Provisions

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

w) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year.

x) Web site costs

Costs in relation to web sites controlled by a subsidiary arising from development are recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in AASB 138.21 for recognition and initial measurement, the subsidiary can satisfy the requirements in AASB 138.57. When these criteria cannot be satisfied, all expenditure on developing such a web site shall be recognised as an expense when incurred. Expenditure on start-up activities is recognised as an expense when incurred.

Notes to the financial statements for the year ended 31 December 2007

y) Comparative amounts

Where the presentation or reclassification of items in the financial report is amended, comparable amounts are reclassified unless reclassification is impracticable.

z) Income tax

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

The subsidiary Biobank Pty Ltd is subject to income tax.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Current and deferred taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

aa) Goods and services tax

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

Notes to the financial statements for the year ended 31 December 2007

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

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

ab) Rounding of amounts

The group is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

ac) New Australian Accounting Standards issued but not effective

The following new Accounting Standards have not been adopted and are not yet effective:

- AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (1 January 2008) as amended by AASB 2007-2 b, AASB 2007-4 and AASB 2007-7
- AASB 3 Business Combinations (1 July 2007) as amended by AASB 2007-4
- AASB 7 Financial Instruments: Disclosures (1 July 2007) as amended by AASB 2007-4
- AASB 101 Presentation of Financial Statements (1 January 2009) and AASB 2007-8 Amendments to Australian Accounting Standards from AASB 101 (1 January 2009)
- AASB 102 Inventories (1 July 2007) as amended by AASB 2007-4 and AASB 2007-5
- AASB 107 Cash Flow Statements (1 July 2007) as amended by AASB 2007-4, AASB 2007-7 and Erratum: Proportionate Consolidation
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (1 July 2007) as amended by AASB 2007-4
- AASB 110 Events after the Balance Sheet Date (1 July 2007) as amended by AASB 2007-4
- AASB 112 Income Taxes (1 July 2007) as amended by AASB 2007-4
- AASB 114 Segment Reporting (1 July 2007) as amended by AASB 2007-4
- AASB 116 Property, Plant and Equipment (1 July 2007) as amended by AASB 2007-4
- AASB 117 Leases (1 July 2007) as amended by AASB 2007-4
- AASB 118 Revenue (1 July 2007) as amended by AASB 2007-4
- AASB 119 Employee Benefits (1 July 2007) as amended by AASB 2007-4
- AASB 120 Accounting for Government Grants and Disclosures of Government Assistance (1 July 2007) as amended by AASB 2007-4
- AASB 127 Consolidated and Separate Financial Statements (1 July 2007) as amended by AASB 2007-4 and Erratum: Proportionate Consolidation
- AASB 128 Investments in Associates (1 July 2007) as amended by AASB 2007-4 and AASB 2007-7
- AASB 131 Interests in Joint Ventures (1 July 2007) as amended by AASB 2007-4
- AASB 132 Financial Instruments: Presentation (1 July 2007) as amended by AASB 2007-4
- AASB 136 Impairment of Assets (1 July 2007) as amended by AASB 2007-4
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2007) as amended by AASB 2007-4
- AASB 139 Financial Instruments: Recognition and Measurement (1 July 2007) as amended by AASB 2007-4
- AASB 1004 Contributions (1 July 2008)
- AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (1 July 2007)
- AASB 2007-7 Amendments to Australian Accounting Standards (1 July 2007)
- Int 4 Determining whether an Arrangement contains a Lease (1 January 2008)
- Int 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers (1 July 2007) as amended by ERR Erratum: Proportionate Consolidation

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the entity.

ad) Government grants

Grants from the Government are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

Notes to the financial statements for the year ended 31 December 2007

Note 2. Disaggregated information

Geographical [Consolidated Entity]

	Revenue		Results		Assets	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	133,116	107,918	15,806	4,952	221,090	209,688
Asia	2,903	3,707	177	233	-	-
Other	294	503	143	122	-	-
	136,313	112,128	16,126	5,307	221,090	209,688

Notes to the financial statements for the year ended 31 December 2007

	Notes	Consolidated		Parent entity	
		2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes					
(a) Commonwealth Grants Scheme and Other Grants	38.1				
Commonwealth Grants Scheme #		43,986	42,565	43,986	42,565
Indigenous Support Fund		659	715	659	715
Equity Support Programme		311	239	311	239
Disability Support Programme		149	162	149	162
Workplace Reform Programme		608	601	608	601
Workplace Productivity Programme		782	261	782	261
Learning & Teaching Performance Fund		500	-	500	-
Capital Development Pool		4,122	-	4,122	-
Total Commonwealth Grant Scheme and Other Grants		51,117	44,543	51,117	44,543
(b) Higher Education Loan Programmes	38.2				
HECS-HELP		26,835	23,367	26,835	23,367
FEE-HELP		4,690	3,649	4,690	3,649
Total Higher Education Loan Programmes		31,525	27,016	31,525	27,016
(c) Scholarships	38.3				
Australian Postgraduate Awards		707	711	707	711
International Postgraduate Research Scholarship		172	51	172	51
Commonwealth Education Cost Scholarships		570	401	570	401
Commonwealth Accommodation Scholarships		1,005	670	1,005	670
Total Scholarships		2,454	1,833	2,454	1,833
(d) DEEWR – Research	38.4				
Institutional Grants Scheme		1,539	1,416	1,539	1,416
Research Training Scheme		3,413	3,315	3,413	3,315
Research Infrastructure Block Grants		399	498	399	498
Implementation Assistance Programme		33	-	33	-
Australian Scheme for Higher Education Repositories		85	-	85	-
Commercialisation Training Scheme		33	-	33	-
Total DEEWR – Research Grants		5,502	5,229	5,502	5,229
(e) Voluntary Student Unionism	38.5				
VSU transition Fund		3,000	-	3,000	-
Total VSU		3,000	-	3,000	-

Notes to the financial statements
for the year ended 31 December 2007

	Notes	Consolidated		Parent entity	
		2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes (cont)					
(f) Australian Research Council	38.6				
(i) Discovery	38.6(a)				
Project		306	289	306	289
Total Discovery		306	289	306	289
(ii) Linkages	38.6(b)				
Infrastructure		-	274	-	274
Projects		756	901	756	901
Total Linkages		756	1,175	756	1,175
# Includes the basic CGS grant amount, CGS – Regional Loading and CGS – Enabling Loading and HEFA transition Fund.					
(g) Other Australian Government financial assistance					
Department Employment Science and Training (ATAS)		203	231	203	231
Australian Centre for International Agricultural Research		537	-	537	-
Other		1,557	1,086	1,557	1,086
Total other Australian Government financial assistance		2,297	1,317	2,297	1,317
Total Australian Government financial assistance		96,957	81,402	96,957	81,402
Reconciliation					
Australian Government grants [a + c + d + e + f + g]		65,432	54,386	65,432	54,386
HECS-HELP – Australian Government payments		26,835	23,367	26,835	23,367
Other Australian Government loan programmes [FEE-HELP]		4,690	3,649	4,690	3,649
Total Australian Government financial assistance		96,957	81,402	96,957	81,402

Notes to the financial statements
for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes (cont)				
(h) Australian Government Grants received - cash basis				
CGS and Other DEEWR Grants	51,118	44,543	51,118	44,543
Higher Education Loan Programmes	28,969	26,642	28,969	26,642
Scholarships	2,453	1,833	2,453	1,833
DEEWR Research	5,502	5,230	5,502	5,230
Voluntary Student Unionism	3,000	-	3,000	-
ARC grants - Discovery	306	289	306	289
ARC grants - Linkages	756	1,175	756	1,175
Other Australian Government Grants	1,366	1,317	1,366	1,317
Total Australian Government Grants received - cash basis	93,470	81,029	93,470	81,029
OS-Help (Net)	76	147	76	147
Total Australian Government funding received - cash basis	93,546	81,176	93,546	81,176

Notes to the financial statements
for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 4. State and Local Government financial assistance				
New South Wales State and Local Government	663	287	663	287
Queensland Government	707	80	707	80
Western Australian Government	-	3	-	3
Victorian Government	80	5	80	5
Tasmanian Government	4	3	4	3
South Australian Government	3	4	3	4
Northern Territory Government	2	2	2	2
Total State and Local Government financial assistance	1,459	384	1,459	384

Note 5. Fees and charges

Course fees and charges

Fee-paying overseas students	13,435	12,374	13,435	12,374
Continuing education	17	67	17	67
Fee-paying domestic postgraduate students	2,876	3,071	2,876	3,071
Fee-paying domestic undergraduate students	960	5	960	5
Fee-paying domestic non-award students	233	329	233	329
Total course fees and charges	17,521	15,846	17,521	15,846

Other non course fees and charges

Amenities and service fees	75	44	75	44
Late fees	103	137	103	137
Rental charges	324	-	324	410
Student accommodation	2,034	2,165	2,034	1,755
Other fees and charges	444	335	328	335
Total other fees and charges	2,980	2,681	2,864	2,681
Total fees and charges	20,501	18,527	20,385	18,527

Notes to the financial statements for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Note 6. Investment income				
Interest income	2,748	1,869	2,653	1,770
Total investment income	2,748	1,869	2,653	1,770
Note 7. Royalties, trademarks and licences				
Royalties, trademarks & licences	23	26	23	26
Total royalties, trademarks and licences	23	26	23	26
Note 8. Consultancy and contracts				
Consultancy	618	728	618	486
Contract research	5,984	4,560	5,984	4,560
Total consultancy and contracts	6,602	5,288	6,602	5,046
Note 9. Other revenue				
Donations and bequests	251	48	251	265
Scholarships and prizes	167	217	167	217
Scientific testing	1,867	1,946	1,867	1,946
Sale of goods	35	142	34	142
Cost recoveries	3,820	3,617	3,820	3,472
Miscellaneous sales	1,252	1,078	873	1,078
Student Support	306	-	306	-
Library sales	74	80	74	80
Printery sales	229	260	233	260
Conferences and workshops	490	745	172	140
Facilities hire	144	97	138	97
Immersion program	214	-	214	-
Other revenue	283	(101)	175	502
Total other revenue	9,132	8,129	8,324	8,199

Notes to the financial statements
for the year ended 31 December 2007

Consolidated		Parent entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

Note 10. Employee related expenses

Academic

Salaries	28,365	26,421	28,365	26,378
Contribution to superannuation and pension schemes:				
Emerging cost	720	916	720	916
Funded	3,210	2,904	3,210	2,900
Payroll tax	2,033	1,862	2,033	1,860
Worker's compensation	237	132	237	131
Long service leave expense	952	279	952	279
Annual leave	638	615	638	615
Other	257	297	257	297
Total academic	36,412	33,426	36,412	33,376

Non-academic

Salaries	30,324	28,447	29,569	28,056
Contribution to superannuation and pension schemes:				
Emerging cost	467	515	467	515
Funded	3,735	3,329	3,667	3,290
Payroll tax	2,174	2,006	2,121	1,978
Worker's compensation	252	142	247	140
Long service leave expense	831	189	851	248
Annual leave	401	110	413	165
Other	460	408	460	405
Total non-academic	38,644	35,146	37,795	34,797

Total employee related expenses

75,056	68,572	74,207	68,173
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Deferred government employee benefits for superannuation

(5,025)	(7,463)	(5,025)	(7,463)
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Total employee expenses, including deferred government employee benefits for superannuation

70,031	61,109	69,182	60,710
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Note 11. Depreciation and amortisation

Depreciation

Buildings and infrastructure	3,660	3,582	3,660	3,582
Plant and equipment	1,407	1,781	1,397	1,775
Library collection	620	691	620	691
Total depreciation	5,687	6,054	5,677	6,048
Total depreciation and amortisation	5,687	6,054	5,677	6,048

Notes to the financial statements for the year ended 31 December 2007

Consolidated		Parent entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

Note 12. Repairs and maintenance

Buildings and grounds	2,043	1,416	2,013	1,416
Total repairs and maintenance	2,043	1,416	2,013	1,416

Note 13. Impairment of Assets

Bad and doubtful debts	547	326	547	326
Total impairment of assets	547	326	547	326

Note 14. Other expenses

Scholarships, grants and prizes	4,261	4,064	4,261	4,064
Non-capitalised equipment	2,536	1,953	2,495	1,953
Equipment maintenance, rental and hire charges	621	296	581	296
Advertising, marketing and promotional expenses	2,078	1,872	2,075	1,871
Audit fees, bank charges, legal costs, insurance and taxes	1,409	1,566	1,373	1,539
Printing and stationery	1,028	985	1,020	978
Postage, freight and courier	642	677	636	679
Property and facility costs	3,058	2,761	2,950	2,761
Subscriptions to Industry	379	354	379	353
Software purchases, licences, consultancy	1,835	1,327	1,817	1,324
Books, serials and library subscriptions	1,738	1,815	1,728	1,814
Operating lease rental expense - minimum lease payments	1,685	2,012	1,683	2,006
Telecommunications	1,176	1,367	1,169	1,157
Travel and related staff development and training	4,191	3,660	4,091	3,567
Write down of investments	100	200	100	200
Fees paid	8,582	8,031	8,372	7,707
Contributions to Collaborative Research Centres	750	715	750	715
Education providers	2,586	1,977	2,586	1,976
Laboratory consumables	555	446	555	446
Other expenses	2,536	1,550	2,559	2,054
Total other expenses	41,746	37,628	41,180	37,460

Notes to the financial statements for the year ended 31 December 2007

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Note 15. Income tax				
(a) Income tax expense				
Current tax	-	-	-	-
Aggregate income tax expense	-	-	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Operating result from continuing operations before income tax expense	(3)	(6)	-	-
Tax at the Australian tax rate of 30% (2006 30%)	(1)	(2)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	1	-	-
Write-off of deferred income tax asset as it is not probable that they will be recovered by future operations	1	1	-	-
Income tax expense	-	-	-	-
(c) Deferred tax assets				
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 are satisfied.				
- operating losses	3	2	-	-
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.	-	-	-	-

Notes to the financial statements for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Note 16. Cash and cash equivalents				
Cash at bank	1,163	2,232	1,053	2,062
Petty cash	21	14	14	13
Bank interest bearing and at call deposits	46,100	25,806	45,000	24,500
Total cash and cash equivalents	47,284	28,052	46,067	26,575

(a) Reconciliation to cash at the end of the year

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

Balances as above	47,284	28,052	46,067	26,575
Balance per statement of cash flows	47,284	28,052	46,067	26,575

(b) Cash at bank and on hand

These are at variable interest rates.

(c) Interest bearing deposits and deposits at call

The deposits are bearing interest rates between 6.25% and 7.42% (2006 – 5.5% and 6.25%).

These deposits have an average maturity of 141 days (2006:142 days)

Note 17. Receivables

Current

Student fees	1,558	1,304	1,558	1,304
Trade debtors	5,230	3,936	5,541	3,921
Less: Provision for impaired receivables	(1,061)	(577)	(1,060)	(577)
	5,727	4,663	6,039	4,648
Other debtors	2,990	3,214	2,983	3,215
Total current receivables	8,717	7,877	9,022	7,863

Non-current

Deferred government contribution for superannuation	11,269	16,294	11,269	16,294
Other debtors	120	153	120	153
Tweed Heads land	427	450	427	450
Total non-current receivables	11,816	16,897	11,816	16,897
Total trade and other receivables	20,533	24,774	20,838	24,760

Notes to the financial statements for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000

Note 17. Receivables (cont)

(a) Impaired receivables

As at 31 December 2007 current receivables of the group with a nominal value of \$1,060,829 (2006:\$577,164) were impaired. The amount for the provision was \$1,060,829 (2006: \$577,164).

The ageing of these receivables is as follows:

0 to 3 months	28	21	27	21
3 to 6 months	222	44	222	44
Over 6 months	811	513	811	513
	1,061	577	1,060	577

As of 31 December, current receivables of \$1,160,598 (2006: \$1,303,130) were past due but not impaired.

The ageing of these receivables is as follows:

3 to 6 months	888	1,000	883	986
Over 6 months	272	340	272	317
	1,160	1,340	1,155	1,303

Movements in the provision for impaired receivables are as follows:

At 1 January	577	584	577	584
Provision for impairment recognised during the year	568	319	567	326
Receivables written off during the year as uncollectable	(84)	(325)	(84)	(332)
	1,061	577	1,060	577

(b) Foreign exchange and interest rate risk

There are no receivables denominated in foreign currency. Interest rate risk is analysed in Note 37.

(c) Fair value and credit risk

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value.

	2007		2006	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Deferred government contribution for superannuation	11,269	11,269	16,294	16,294
Other debtors	120	120	153	153
Tweed Heads land	427	427	450	450
Total non-current receivables	11,816	11,816	16,897	16,897

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The consolidated entity does not hold any collateral. Refer to Note 37 for the risk management policy of the consolidated entity

Notes to the financial statements
for the year ended 31 December 2007

	Notes	Consolidated		Parent entity	
		2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
Note 18. Inventories					
Current					
At cost		17	-	-	-

Note 19. Investments accounted for using the equity method

Current					
Interest in jointly controlled entities	34	7,069	7,082	731	656
Total investments accounted for using the equity method		7,069	7,082	731	656

(a) Shares in jointly controlled entities

The interest in jointly controlled entities is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity (refer to note 34).

Note 20. Other non-financial assets

Current					
Prepayments		1,646	1,794	1,644	1,794
Total current other non-financial assets		1,646	1,794	1,644	1,794

Notes to the financial statements for the year ended 31 December 2007

Note 21. Property, plant and equipment

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Library	Other plant and equipment*	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated							
At 1 January 2006							
- Cost	3,458	11,856	121,296	18,561	8,406	12,487	176,064
Accumulated depreciation	-	-	(7,245)	(13,510)	(6,441)	(631)	(27,827)
Net book amount	3,458	11,856	114,051	5,051	1,965	11,856	148,237
Year ended 31 December 2006							
Opening net book amount	3,458	11,856	114,051	5,051	1,965	11,856	148,237
Additions	-	(60)	3,432	5,271	355	2,151	11,149
Assets classified as held for sale and other disposals	-	-	-	(2,439)	-	-	(2,439)
Depreciation charge	-	-	(3,317)	(1,781)	(691)	(265)	(6,054)
Transfers	(2,907)	-	-	-	-	-	(2,907)
Closing net book amount	551	11,796	114,166	6,102	1,629	13,742	147,986
At 31 December 2006							
- Cost	551	11,796	124,728	19,494	8,762	14,638	179,969
Accumulated depreciation	-	-	(10,562)	(13,392)	(7,133)	(896)	(31,983)
Net book amount	551	11,796	114,166	6,102	1,629	13,742	147,986
	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Library	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated							
Year ended 31 December 2007							
Opening net book amount	551	11,796	114,166	6,102	1,629	13,742	147,986
Additions	787	-	372	2,925	360	84	4,528
Assets classified as held for sale and other disposals	-	-	-	(1,406)	-	-	(1,406)
Depreciation charge	-	-	(3,353)	(1,408)	(620)	(306)	(5,687)
Transfers	(805)	-	-	-	-	-	(805)
Write-offs	-	-	-	(75)	-	-	(75)
Closing net book amount	533	11,796	111,185	6,138	1,369	13,520	144,541
At 31 December 2007							
Cost	533	11,796	125,100	20,938	9,122	14,722	182,211
Accumulated depreciation	-	-	(13,915)	(14,800)	(7,753)	(1,202)	(37,670)
Net book amount	533	11,796	111,185	6,138	1,369	13,520	144,541

* Other Plant and Equipment includes infrastructure

Notes to the financial statements for the year ended 31 December 2007

Note 21. Property, plant and equipment (continued)

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Library	Other plant and equipment*	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity							
At 1 January 2006							
Cost	3,458	11,856	121,296	16,589	8,407	12,487	174,093
Accumulated depreciation	-	-	(7,245)	(11,777)	(6,442)	(631)	(26,095)
Net book amount	3,458	11,856	114,051	4,812	1,965	11,856	147,998
Year ended 31 December 2006							
Opening net book amount	3,458	11,856	114,051	4,812	1,965	11,856	147,998
Additions	-	-	3,432	5,271	355	2,150	11,208
Disposals	-	-	-	(2,213)	-	-	(2,213)
Depreciation charge	-	-	(3,317)	(1,775)	(691)	(265)	(6,048)
Transfers	(2,907)	-	-	-	-	-	(2,907)
Write-offs	-	(60)	-	(9)	-	-	(69)
Closing net book amount	551	11,796	114,166	6,086	1,629	13,741	147,969
At 31 December 2006							
Cost	551	11,796	124,728	18,394	8,762	14,637	178,868
Accumulated depreciation	-	-	(10,562)	(12,308)	(7,133)	(896)	(30,899)
Net book amount	551	11,796	114,166	6,086	1,629	13,741	147,969
	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Library	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity							
Year ended 31 December 2007							
Opening net book amount	551	11,796	114,166	6,086	1,629	13,741	147,969
Additions	787	-	372	2,808	360	85	4,412
Disposals	-	-	-	(1,394)	-	-	(1,394)
Depreciation charge	-	-	(3,353)	(1,398)	(620)	(306)	(5,677)
Transfers	(805)	-	-	-	-	-	(805)
Closing net book amount	533	11,796	111,185	6,102	1,369	13,520	144,505
At 31 December 2007							
Cost	533	11,796	125,100	19,839	9,122	14,723	181,113
Accumulated depreciation	-	-	(13,915)	(13,737)	(7,753)	(1,203)	(36,608)
Net book amount	533	11,796	111,185	6,102	1,369	13,520	144,505

* Other Plant and Equipment includes infrastructure

(a) Valuations of land and buildings

The valuation basis of land and buildings is deemed cost. Refer to Note 1.

Notes to the financial statements for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Note 22. Trade and other payables				
Current				
Payables and accrued expenses	7,163	5,806	7,083	5,665
Total current trade and other payables	7,163	5,806	7,083	5,665
Non-current				
Student assistance fund - Commonwealth Government	-	306	-	306
Funds held in trust	6	7	6	7
Total non-current trade and other payables	6	313	6	313
Total trade and other payables	7,169	6,119	7,089	5,978
Note 23. Provisions				
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	3,966	3,385	3,957	3,362
Long service leave	956	904	941	864
Subtotal	4,922	4,289	4,898	4,226
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	1,554	1,097	1,554	1,097
Long service leave	6,961	6,781	6,961	6,780
Subtotal	8,515	7,878	8,515	7,877
Total current provisions	13,437	12,167	13,413	12,103
Non-current				
Employee benefits				
Long service leave	1,483	1,353	1,483	1,347
Deferred government benefits for superannuation	11,269	16,294	11,269	16,294
Total non-current provisions	12,752	17,647	12,752	17,641
Total provisions	26,189	29,814	26,165	29,744

Notes to the financial statements for the year ended 31 December 2007

Note 23. Provisions (cont)

Deferred government benefits for superannuation

Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

General description of the type of plan

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

State Authorities Superannuation Scheme (SASS)

State Superannuation Scheme (SSS)

Police Superannuation Scheme (PSS)

State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

Reconciliation of the present value of the defined benefit obligation

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
<i>Present value of defined benefit obligations at beginning of the year</i>	13,815,825	3,124,618	46,356,150	13,043,019	3,081,778	49,077,378
Current service cost	562,282	169,571	350,861	595,037	180,213	499,297
Interest cost	801,932	176,609	2,729,614	673,760	156,262	2,558,008
Contributions by fund participants	258,973	0	471,453	259,252	0	374,700
Actuarial (gains)/losses	(414,567)	(202,855)	(3,977,558)	26,449	(247,085)	(4,021,393)
Benefits paid	(1,613,884)	(384,988)	(1,732,525)	(781,692)	(46,549)	(2,131,840)
Past service cost	-	-	-	-	-	-
Curtailements	-	-	-	-	-	-
Settlements	-	-	-	-	-	-
Business Combinations	-	-	-	-	-	-
Exchange rate changes	-	-	-	-	-	-
<i>Present value of defined benefit obligations at end of the year</i>	13,410,560	2,882,955	44,197,995	13,815,825	3,124,618	46,356,150

Reconciliation of the fair value of fund assets

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
<i>Fair value of Fund assets at beginning of the year</i>	13,910,665	3,239,647	29,851,842	12,099,758	2,645,926	26,698,564
Expected return on fund assets	1,022,496	279,891	2,202,470	893,966	237,744	1,966,421
Actuarial gains/(losses)	3,830	13	336,222	902,549	195,851	2,516,343
Employer contributions	579,413	316,614	480,085	536,832	206,676	427,654
Contributions by Fund participants	258,973	0	471,453	259,252	0	374,700
Benefits paid	(1,613,884)	(384,988)	(1,732,525)	(781,692)	(46,549)	(2,131,840)
Settlements	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-
Exchange rate changes	-	-	-	-	-	-
<i>Fair value of Fund assets at end of the year</i>	14,161,493	3,451,177	31,609,547	13,910,665	3,239,647	29,851,842

Notes to the financial statements for the year ended 31 December 2007

Note 23. Provisions (cont)

Reconciliation of the assets and liabilities recognised in the balance sheet

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
Present value of partly funded defined benefit obligation at end of year	13,410,560	2,882,954	44,197,994	13,815,825	3,124,618	46,356,150
Fair value of fund assets at end of year	(14,161,493)	(3,451,177)	(31,609,547)	(13,910,665)	(3,239,647)	(29,851,842)
<i>Subtotal</i>	(750,933)	(568,223)	12,588,447	(94,840)	(115,029)	16,504,308
Unrecognised past service cost	-	-	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-	-	-
<i>Net Liability/(Asset) recognised in balance sheet at end of year</i>	(750,933)	(568,223)	12,588,447	(94,840)	(115,029)	16,504,308

Expense recognised in income statement

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
Components Recognised in Income						
Current service cost	562,282	169,571	350,861	595,037	180,213	499,297
Interest cost	801,932	176,609	2,729,614	673,760	156,262	2,558,008
Expected return on Fund assets (net expenses)	(1,022,496)	(279,891)	(2,202,470)	(893,966)	(237,744)	(1,966,421)
Actuarial losses/(gains) recognised in year	(418,397)	(202,869)	(4,313,780)	(876,100)	(442,936)	(6,537,736)
Past service cost	-	-	-	-	-	-
Movement in adjustment for limitation on net asset	-	-	-	-	-	-
Curtailment or settlement (gain)/loss	-	-	-	-	-	-
<i>Expense/(income) recognised</i>	(76,680)	(136,580)	(3,435,775)	(501,269)	(344,205)	(5,446,852)

Amounts recognised in the statement of recognised income and expense

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
Actuarial (gains)/losses	-	-	-	-	-	-
Adjustment for limit on net asset	-	-	-	-	-	-

Notes to the financial statements for the year ended 31 December 2007

Note 23. Provisions (cont)

Cumulative amount recognised in the statement of changes in equity (AASB 119 – paragraph 120A(i))

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$
Cumulative amount of actuarial (gains)/losses	-	-	-
Cumulative adjustment for limitation on net asset	-	-	-

Fund assets

The percentage invested in each asset class at the balance sheet date:

	31-Dec-07	31-Dec-06
Australian equities	34.1%	35%
Overseas equities	26.2%	28%
Australian fixed interest securities	6.7%	9%
Overseas fixed interest securities	6.6%	6%
Property	10.0%	9%
Cash	7.1%	7%
Other	9.3%	6%

Fair value of Fund assets

All Fund assets are invested by STC at arm's length through independent fund managers.

Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Actual Return on Fund Assets

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
Actual return on Fund assets	1,054,485	279,904	2,301,531	1,626,893	433,594	3,554,229

Notes to the financial statements for the year ended 31 December 2007

Note 23. Provisions (cont)

Valuation method and principal actuarial assumptions at the balance sheet date

a) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

b) Economic Assumptions

	31-Dec-07	31-Dec-06
Salary increase rate (excluding promotional increases)	4.0% pa to June 2008; 3.5% pa thereafter	4.0% pa to June 2008; 3.5% pa thereafter
Rate of CPI Increase	2.5% pa	2.5% pa
Expected rate of return on assets backing current pension liabilities	7.6%	7.6%
Expected rate of return on assets backing other liabilities	7.6%	--
Discount rate	6.4% pa	6.0% pa

c) Demographic Assumptions

The demographic assumptions at 31 December 2007 are those used in the 2006 triennial actuarial valuation. A selection of the most financially significant assumptions is shown below:

(i) SASS Contributors - the number of SASS contributors expected in any one year (out of 10,000 members), at the ages shown, to leave the fund as a result of death, disability, resignation, retirement and redundancy. Promotional salary increase rates are also shown.

Number of members expected in any one year, out of 10,000 members at the age shown, to leave the fund as a result of:

Age Nearest Birthday	Death	Total & Permanent Disability	Retirement	Resignation	Redundancy	Additional promotional salary increase rate %
Males						2.9
30	4	8	-	280	150	1.8
40	6	10	-	150	150	-
50	11	30	-	112	150	-
60	30	-	1400	-	150	-
Females						2.9
30	2	2	-	372	150	1.8
40	3	6	-	175	150	-
50	7	28	-	144	150	-
60	18	-	1500	-	150	-

(ii) SSS Contributors - the number of SSS contributors expected in any one year (out of 10,000 members), at the ages shown, to leave the fund as a result of death, disability, resignation, retirement and preservation. Promotional salary increase rates are also shown.

Notes to the financial statements for the year ended 31 December 2007

Note 23. Provisions (cont)

Number of members expected in any one year, out of 10,000 at the age shown, to leave fund as a result of:

Age Nearest Birthday	Death	Ill-Health Retirement	Retirement (R60 for females)	Cash resignation (R60 for Females)	Preservation (R60 for females)	Additional promotional salary increase rate %
Males						
30	4	42		178	95	2.9
40	6	54		80	140	1.8
50	11	144		20	50	-
60	30	-	6500	-	-	-
Females						
30	2	6		204	124	2
40	3	21		72	105	1.8
50	7	103		30	90	-
60	18	-	6300	-	-	-

Note: Different assumptions apply to females who have elected to retire at age 55 (R55 members)

(iii) SSS Commutation - the proportion of SSS members assumed to commute their pension to a lump sum in any one year.

Age	Retirement	Breakdown
Later commencement or age 55	0.15	0.2
	Widow	Widower
55	0.25	0.25
65	0.538	0.58
75	0.4825	0.516
85	0.3928	0.3728

(iv) SSS Pensioner Mortality - assumed mortality rates (in 2007) for SSS pensioners (separately for normal retirement/spouses and invalidity)

Age	Retirement Pensioners and Spouses and Widows		Invalidity Pensioners	
	Male	Female	Male	Female
55	0.0025	0.0014	0.0081	0.0066
65	0.007	0.0055	0.0112	0.0125
75	0.0194	0.0157	0.0505	0.0314
85	0.0945	0.0634	0.1134	0.1268

(v) SSS Pensioner Mortality Improvements - per annum assumed rates of mortality improvement for SSS pensioners

Age	Short term improvement rates (for years 2002 - 2006)		Long term improvement rates (for years post 2006)	
	Males	Females	Males	Females
55	0.0342	0.0231	0.0152	0.0113
65	0.023	0.0174	0.0101	0.0065
75	0.0188	0.0144	0.0087	0.0068
85	0.0062	0.0065	0.0052	0.008

Notes to the financial statements for the year ended 31 December 2007

Note 23. Provisions (cont)

Historical information

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
Present value of defined benefit obligation	13,410,560	2,882,954	44,197,994	13,815,825	3,124,618	46,356,150
Fair value of Fund assets	(14,161,493)	(3,451,177)	(31,609,547)	(13,910,665)	(3,239,647)	(29,851,842)
(Surplus)/Deficit in Fund	(750,933)	(568,223)	12,588,447	(94,840)	(115,029)	16,504,308
Experience adjustments – Fund liabilities	(414,567)	(202,855)	(3,977,558)	26,449	(247,085)	(4,021,393)
Experience adjustments – Fund assets	(3,830)	(13)	(336,222)	(902,549)	(195,851)	(2,516,343)

Expected contributions

	SASS Financial Year to 31 Dec 2007 A\$	SANCS Financial Year to 31 Dec 2007 A\$	SSS Financial Year to 31 Dec 2007 A\$	SASS Financial Year to 31 Dec 2006 A\$	SANCS Financial Year to 31 Dec 2006 A\$	SSS Financial Year to 31 Dec 2006 A\$
Expected employer contributions	-	1,253,121	-	-	1,235,985	-

Aus121.1 Funding arrangements for employer contributions

(a) Surplus/deficit

The following is a summary of the financial position of the Fund (Aus 121.1 Funding Arrangements for Employer Contributions note)

	SASS 31-Dec-07 A\$	SANCS 31-Dec-07 A\$	SSS 31-Dec-07 A\$	SASS 31-Dec-06 A\$	SANCS 31-Dec-06 A\$	SSS 31-Dec-06 A\$
Accrued benefits	13,330,462	2,861,026	39,852,200	13,491,213	3,016,151	39,877,372
Net market value of Fund assets	(14,161,493)	(3,451,177)	(31,609,547)	(13,910,665)	(3,239,647)	(29,851,842)
Net (surplus)/deficit	(831,031)	(590,151)	8,242,653	(419,452)	(223,496)	10,025,530

(b) Contribution recommendations

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
multiple of member contributions	% member salary	multiple of member contributions
-	17.00	-

Notes to the financial statements for the year ended 31 December 2007

Note 23. Provisions (cont)

(c) Funding method

The method used to determine the employer contribution recommendations at the last actuarial review was the *Aggregate Funding* method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

(d) Economic assumptions

The economic assumptions adopted for the last actuarial review of the Fund were:

Weighted-Average Assumptions	2007	2006
Expected rate of return on Fund assets backing current pension liabilities	7.7% pa	7.3% pa
Expected rate of return on Fund assets backing other liabilities	7.0% pa	-
Expected salary increase rate	4.0% pa	4.0% pa
Expected rate of CPI increase	2.5% pa	2.5% pa

Aus121.2 Nature of asset/liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

Notes to the financial statements for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000

Note 24. Other liabilities

Current

Australian Government unspent financial assistance	804	1,966	804	1,966
Student fees & other income in advance	4,385	5,372	4,385	5,372
Total other liabilities	5,189	7,338	5,189	7,338

Note 25. Retained surplus

Retained surplus

Movements in retained surplus were as follows:

Retained surplus at 1 January	166,417	161,110	158,694	152,885
Operating result for the year	16,126	5,307	16,648	5,809
Retained surplus at 31 December	182,543	166,417	175,342	158,694

Note 26. Monies held on behalf of third parties

The following is a summary of the transactions in the monies held on behalf of third parties:

Cash at the beginning of the financial year	1,320	1,789	1,146	1,580
Add: Receipts	496	328	496	68
Less: Expenditure	(620)	(797)	(446)	(502)
Closing cash balance at the end of the financial year	1,196	1,320	1,196	1,146

The parent entity holds money on behalf of parties involved in the Coffs Harbour Education Campus (CHEC), Singapore Institute of Purchasing and Materials Management and Club Management Australia.

These monies are excluded from the financial report as the parent entity cannot use them for the achievement of its objectives.

Notes to the financial statements for the year ended 31 December 2007

Note 27. Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of Southern Cross University during the year:

Responsible Persons

The Honourable Justice John Robert Arthur Dowd
Professor Paul Ernest Clark
Professor Jim Jackson (*appointed February 2007*)
Warren Albert Grimshaw
Irene Caroline Harrington
Neville Newell
Trevor Stanley Wilson
David Vincent Cody
The Honourable Peter Breen MLC (*resigned February 2007*)
Associate Professor Roger Bronks (*term expired February 2007*)
Associate Professor Sharon Parry
Toni Ledgerwood (*appointed June 2007*)
Margot Ruth Sweeny
John B Shanahan
Susanna Christie (*appointed April 2007*)
Peter Lewis
Janelle Saffin MP
Ronald Dowell
Sally Blackadder (*resigned May 2007*)
Glenn Davey

Executive Officers

Professor Paul Clark
Professor William MacGillivray
Professor Neal Ryan
Professor Jenny Graham
Associate Professor Mike Evans
Malcolm Marshall
Professor Peter Baverstock (*retired*)
Professor Paul Thom (*retired*)
Professor Leon Klich (*retired*)

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

(b) Other key management personnel

The executive officers listed above represent other key management personnel.

Notes to the financial statements for the year ended 31 December 2007

Note 27. Key management personnel disclosures (cont)

(c) Remuneration of Board Members

	Consolidated		Parent entity	
	2007	2006	2007	2006
	Number		Number	
Remuneration of Board Members				
Nil to \$14,999	22	18	22	18
\$15,000 to \$29,999	1	1	1	1
\$30,000 to \$44,999	-	2	-	2
\$45,000 to \$59,999	1	1	1	1
\$60,000 to \$74,999	1	-	1	-
\$90,000 to \$104,999	1	-	1	-
\$120,000 to \$134,999	1	2	1	2
\$135,000 to \$149,999	1	-	1	-
\$410,000 to \$424,999	-	1	-	1
\$480,000 to \$494,999	1	-	1	-
	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000		\$'000	
Board Member compensation				
Short-term employee benefits	802	737	802	737
Post-employment benefits	186	104	186	104
Termination benefits	7	-	7	-
	995	841	995	841

(d) Remuneration of executive officers

	Consolidated		Parent entity	
	2007	2006	2007	2006
	Number		Number	
Remuneration of executive officers				
Nil to \$14,999	1	-	1	-
\$120,000 to \$134,999	1	-	1	-
\$135,000 to \$149,999	-	1	-	1
\$150,000 to \$164,999	-	1	-	1
\$190,000 to \$204,999	1	-	1	-
\$205,000 to \$219,999	-	2	-	2
\$220,000 to \$234,999	1	-	1	-
\$235,000 to \$249,999	2	2	2	2
\$250,000 to \$264,999	2	-	2	-
\$285,000 to \$299,999	1	1	1	1
\$400,000 to \$414,999	-	1	-	1
\$480,000 to \$494,999	1	-	1	-
	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000		\$'000	
Executive officers compensation				
Short-term employee benefits	1,601	1,633	1,601	1,633
Post-employment benefits	453	237	453	237
Other long-term benefits	29	41	29	41
Termination benefits	229	-	229	-
	2,312	1,911	2,312	1,911

Notes to the financial statements for the year ended 31 December 2007

Notes	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Note 28. Remuneration of auditors				
During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:				
Assurance services				
1. Audit services				
Fees paid to The Audit Office of New South Wales:				
Audit and review of financial reports and other audit work under the Corporations Act 2001	169	143	141	119
Total remuneration for audit services	169	143	141	119
2. Fees paid to internal audit service providers				
Fees paid to audit firms unrelated to the NSW Audit Office	90	74	90	74
Total remuneration for other assurance services	90	74	90	74
Total remuneration for assurance services	259	217	231	193
Non-audit services				
Fees paid to audit firms unrelated to the NSW Audit Office	12	21	12	21
Total remuneration for non-audit services	12	21	12	21

Note 29. Contingencies

Contingent liabilities

Litigation is in process against the University, relating to a dispute for wrongful termination of an agreement and damages are being sought. Particulars regarding this matter have not been disclosed on the grounds that it may prejudice the outcome of the litigation. (2006:Nii)

Notes to the financial statements for the year ended 31 December 2007

Note 30. Commitments

(a) Capital commitments

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

Building Works

Payable:

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Within one year	-	171	-	171
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	171	-	171

Property, Plant and Equipment

Payable:

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Within one year	230	51	230	51
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
	230	51	230	51

(b) Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Within one year	1,652	1,327	1,645	1,327
Later than one year but not later than five years	1,639	1,965	1,638	1,965
Later than five years	-	-	-	-
	3,291	3,292	3,283	3,292

Representing:

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Cancellable operating leases	3,291	3,292	3,283	3,292
Non-cancellable operating leases	-	-	-	-
Future finance charges on finance leases	-	-	-	-
	3,291	3,292	3,283	3,292

The entity leases various plant and equipment under cancellable leases.

(c) Other expenditure commitments

Joint venture commitments

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Within one year	1,007	996	1,007	996
Later than one year but not later than five years	2,120	2,824	2,120	2,824
Later than five years	66	110	66	110

Purchase orders placed with suppliers as at 31 December for goods and services (other than inventories) receivable within twelve months of year end

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
	3,042	1,256	2,850	1,253
	6,235	5,186	6,043	5,183

Notes to the financial statements for the year ended 31 December 2007

Note 31. Related parties

(a) Parent entities

The ultimate parent entity within the group is Southern Cross University. The ultimate Australian parent entity is Southern Cross University which is incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 33.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 27.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
<i>Revenue:</i>				
Donation	-	-	-	217
Phone and postage costs recovered	-	-	11	10
Other costs recovered	-	-	19	415
<i>Expenses:</i>				
Salary and related costs	-	-	196	-
Purchase of plant and equipment	-	-	-	217
Other costs paid	-	-	159	252

(e) Outstanding balances

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

Current receivables (sale of goods and services)
Subsidiaries

	347	149	347	149
--	-----	-----	-----	-----

The balance outstanding will be settled in cash.

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

(f) Guarantees

There have been no guarantees given (2006:Nil)

(g) Terms and conditions

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

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

Notes to the financial statements for the year ended 31 December 2007

Note 32. Business combinations

(a) Summary of acquisition

On 1 January 2007, Norsesearch Limited purchased three (3) business operations from Southern Cross University Union Ltd. The business assets purchased consisted of Licensed Bar, Gymnasium and Catering/Function equipment for a purchase price of \$97,141 (incl GST).

On 1 July 2007, Southern Cross University acquired the remaining 50% of Coffs Harbour Education Campus English Language Centre from TAFE NSW North Coast Institute for nil consideration. The joint venture was finalised and the CHEC English Language Centre became an operational activity of the University.

On 1 January 2006, Southern Cross University acquired the Printery & Environmental Analysis Lab from Norsesearch Limited.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	2007 \$'000	2006 \$'000
Purchase consideration (refer to (b) below):		
Cash paid	97	217
Fair value of net identifiable assets acquired (refer to (c) below)	113	217
Discount on Acquisition (refer to (c) below)	16	-

(b) Purchase consideration

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Outflow of cash to acquire business, net of cash acquired				
Cash consideration	97	-	-	217
Less: Balance acquired				
Cash	-	-	-	-
Bank overdraft	-	-	-	-
Outflow of cash	97	-	-	217

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	2007		2006	
	Acquiree's carrying amount \$'000	Fair value \$'000	Acquiree's carrying amount \$'000	Fair value \$'000
Plant and equipment	97	97	217	217
Inventory	16	16	-	-
Net Assets	113	113	217	217
Minority interests	-	-	-	-
Net identifiable assets acquired	113	113	217	217

The carrying amounts of assets and liabilities immediately before the combination are the same as above.

Notes to the financial statements for the year ended 31 December 2007

Note 33. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2007 %	2006 %
Norsearch Limited	Australia	Limited by Guarantee	100%	100%
Australian Plant DNA Bank Limited	Australia	Limited by Guarantee	100%	100%
Biobank Pty Ltd	Australia	Ordinary	100%	100%

Notes to the financial statements
for the year ended 31 December 2007

Note 34. Interests in joint ventures

(a) Joint venture operations

Name of Entity	Principal Activity	Output Interest	
		2007 %	2006 %
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.	8.64	8.67
World Purchasing Research Institute	Centre for Professional Development in Purchasing Research	50	50
CPD for Club Management	Centre for Professional Development in Club Management	50	33

The consolidated entity's interest in non-current assets employed in the above joint venture operations are included in the consolidated balance sheet as part of cash and property, plant and equipment.

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Current assets				
Cash and cash equivalents	155	120	155	120
Other	-	-	-	-
Total current assets	155	120	155	120
Non-current assets				
Land and buildings	24,620	24,609	24,620	24,609
Less: Accumulated depreciation	(1,988)	(1,469)	(1,988)	(1,469)
	22,632	23,140	22,632	23,140
Plant and equipment – at cost	55	55	55	55
Less: Accumulated depreciation	(21)	(17)	(21)	(17)
	34	38	34	38
Inventories	-	-	-	-
Total non-current assets	22,666	23,178	22,666	23,178
Share of assets employed in joint venture	22,821	23,298	22,821	23,298

For capital expenditure commitments relating to Southern Cross University refer to Note 30.

Notes to the financial statements
for the year ended 31 December 2007

Note 34. Interests in joint ventures (cont)

(b) Joint venture entities

Name of Entity	Principal Activity	Output Interest	
		2007 %	2006 %
Australasian Institute of Hotel Management	Professional development services for participants in the hotel industry	43	43
National Marine Science Centre Pty Limited	Marine science research and education	50	50
CHEC English Language Centre**	Provide language training packages	0	50
Coffs Harbour Technology Park Limited *	Real estate development	33	33
CRC for Sustainable Tourism Pty Ltd	Research and development to improve the sustainability of the tourism industry in Australia.	6.92	7.2
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.	38.29	37.34
CRC Care Pty Ltd	Research and development in contamination assessment and remediation of the environment. Commenced operation in July '2006	7.61	12.3
CRC Forestry Limited*	Research and development in forestry management. Commenced operation in July '2006	2.79	2.37

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

** CHEC English Language Centre was assumed by Southern Cross University on 1 July 2007 at no cost

The interest in the joint venture entities is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity (refer to notes 19). Information relating to the joint venture entities is set out on the following page.

Notes to the financial statements for the year ended 31 December 2007

Note 34. Interests in joint ventures (cont)

	Consolidated 2007 \$'000	2006 \$'000	Parent entity 2007 \$'000	2006 \$'000
Carrying amount of investment in joint venture entities	7,069	7,082	731	656
Share of entities assets and liabilities				
Current assets	3,870	4,784	1,302	2,258
Non-current assets	6,941	7,042	11	26
Total assets	10,811	11,826	1,313	2,282
Current liabilities	2,048	3,293	597	1,639
Non-current liabilities	29	5	-	-
Total liabilities	2,077	3,298	597	1,639
Net assets	8,734	8,528	716	643
Share of entities revenues, expenses and results				
Revenues	7,498	7,162	2,327	2,502
Expenses	(6,732)	(6,425)	(1,475)	(1,564)
Net operating result before income tax	766	737	852	938
Share of entities commitments				
Lease commitments	-	-	-	-
Other commitments (other than for the supply of inventories)	3,193	3,930	3,193	3,930
Total expenditure commitments	3,193	3,930	3,193	3,930
Capital commitments	-	-	-	-
	3,193	3,930	3,193	3,930

(c) Contingent liabilities relating to joint ventures

To the best of our knowledge and after having taken reasonable steps, there are no known material contingent liabilities relating to joint ventures (2006:Nil).

Notes to the financial statements for the year ended 31 December 2007

Note 35. Events occurring after balance sheet date

There were no events subsequent to balance date that would have a material financial effect on the financial report as presented.

Note 36. Reconciliation of operating result after income tax to net cash inflow from operating activities

Notes	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Operating result for the period	16,126	5,307	16,648	5,809
Write-down investment to recoverable amount	100	200	100	200
Depreciation and amortisation	5,687	6,054	5,677	6,048
Net (gain) loss on sale of non-current assets	133	289	132	289
Increase/(Decrease) in provisions	1,400	(7,316)	1,446	(7,205)
(Increase)/Decrease in inventories	(17)	66	-	-
(Increase)/Decrease in other assets	148	(251)	150	(276)
Increase/(Decrease) in other liabilities	(2,149)	1,931	(2,149)	2,302
(Increase)/Decrease in joint venture investments	12	(83)	(74)	(284)
(Increase)/Decrease in trade and other receivables	(846)	4,776	(1,165)	4,512
Increase/(Decrease) in trade and other payables	1,052	457	1,111	525
Net cash inflow (outflow) from operating activities	21,646	11,430	21,876	11,920

Notes to the financial statements for the year ended 31 December 2007

Note 37. Financial risk management

The Group's activities exposes it to a variety of financial risks, as follows:

(a) Market

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices; market risk comprises currency risk, interest rate risk and other price risk.

(i) Currency

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

(ii) Price Risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The University is not exposed to price risk.

(iii) Interest rate risk

The entity aims to minimise risk through prudent financial management and diversification. Term deposits are spread across financial institutions for varying terms. Interest is paid on maturity. The entity's sensitivity to interest rate risk is considered immaterial.

There has been no variation to the objectives, policies and processes for market risk since the prior period.

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

2007	Floating interest rate	Fixed Interest maturing in 1 year or less	Non- interest bearing	Total	2006	Floating	Fixed	Non- interest bearing	Total
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000
Financial assets					Financial assets				
Cash and cash equivalents	4,763	42,500	21	47,284	Cash and cash equivalents	2,232	25,806	14	28,052
Loans and receivables	-	-	20,533	20,533	Loans and	-	-	24,774	24,774
	4,763	42,500	20,553	67,817		2,232	25,806	24,788	52,826
Weighted average interest rate	4.43% & 6.39%	6.74%			Weighted average interest rate	4.18%	6.05%		
Financial liabilities					Financial liabilities				
Nontrading financial liabilities	-	-	7,169	7,169	Nontrading financial liabilities	-	-	6,119	6,119
Other financial liabilities	-	-	5,189	5,189	Other financial	-	-	7,338	7,338
	-	-	12,358	12,358		-	-	13,457	13,457
Net financial assets/(liabilities)	4,763	42,500	8,195	55,459	Net financial assets/(liabilities)	2,232	25,806	11,331	39,369

Notes to the financial statements for the year ended 31 December 2007

Note 37. Financial risk management (cont)

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

2007	Carrying amount \$'000	Interest Rate Risk -1%		Interest Rate Risk 1%		Foreign Exchange Risk -1%		Foreign Exchange Risk 1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets									
Cash and cash equivalents	47,284	44,571	44,571	50,942	50,942	47,284	47,284	47,284	47,284
Loans and receivables	20,533	20,533	20,533	20,533	20,533	20,535	20,535	20,531	20,531
Financial liabilities									
Nontrading financial liabilities	7,169	7,169	7,169	7,169	7,169	7,169	7,169	7,169	7,169
Other financial liabilities	5,189	5,189	5,189	5,189	5,189	5,189	5,189	5,189	5,189
assets/(liabilities)	55,459	52,746	52,746	59,117	59,117	55,461	55,461	55,457	55,457

2006	Carrying amount \$'000	Interest Rate Risk -1%		Interest Rate Risk 1%		Foreign Exchange Risk -1%		Foreign Exchange Risk 1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets									
Cash and cash equivalents	28,052	26,636	26,636	29,873	29,873	28,052	28,052	28,052	28,052
Loans and receivables	24,774	24,774	24,774	24,774	24,774	24,777	24,777	24,772	24,772
Other financials	-	-	-	-	-	-	-	-	-
Financial liabilities									
Nontrading financial liabilities	6,119	6,119	6,119	6,119	6,119	6,119	6,119	6,119	6,119
Other financial liabilities	7,338	7,338	7,338	7,338	7,338	7,338	7,338	7,338	7,338
assets/(liabilities)	39,369	37,953	37,953	41,189	41,189	39,372	39,372	39,367	39,367

Assumptions:

The interest rate risk assumes the weighted fixed interest rate for both periods.

Foreign Exchange Risk is based on foreign currency receivables for 2007.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. The receivables are assessed after 60 days and action taken to collect the debt. There has been no change in managing credit risk since the prior year.

There has been no variation to the objectives, policies and processes for credit risk since the prior period.

(c) Liquidity

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and continuously monitoring forecast and The interest bearing deposits and deposits at call have an average maturity of 45 days.

There has been no variation to the objectives, policies and processes for liquidity risk since the prior period.

Notes to the financial statements for the year ended 31 December 2007

Note 37. Financial risk management (cont)

(d) Fair value of financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices for similar instruments where long term debt instruments are held. Other techniques, such as estimated discounted cash flows are used to determine the fair value for the remaining financial instruments.

The carrying value less impairment provisions of trade receivables and payables is a reasonable approximation of their fair values due to the short term nature of trade receivables.

The carrying amounts and fair values of financial assets and liabilities at balance date are:

	2007		2006	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Non-traded financial assets	67,817	67,817	52,826	52,826
Traded financial assets	-	-	-	-
	67,817	67,817	52,826	52,826
Financial liabilities				
Non-traded financial liabilities	12,358	12,358	13,458	13,458
Traded financial assets	-	-	-	-
	12,358	12,358	13,458	13,458

The fair values of non-current receivables are based on expected cash flows.

Notes to the financial statements for the year ended 31 December 2007

Note 38. Acquitment of Australian Government financial assistance

38.1 DEEWR – CGS and Other DEEWR Grants

Parent entity ONLY

Notes	Commonwealth Grants Scheme#		Indigenous Support Fund		Equity Support Programmes		Disability Support Programme		Workplace Reform Programme		Workplace Productivity Programme	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programmes)	43,986	42,565	659	715	311	239	149	162	608	601	782	261
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	43,986	42,565	659	715	311	239	149	162	608	601	782	261
3(a)												
Surplus / (deficit) from the previous year	-	-	-	-	11	1	15	36	-	566	257	-
Total revenue including accrued revenue	43,986	42,565	659	715	322	240	164	198	608	1,167	1,039	261
Less expenses including accrued expenses	(43,986)	(42,565)	(659)	(715)	(253)	(229)	(147)	(183)	(608)	(1,167)	(299)	(4)
Surplus / (deficit) for reporting period	-	-	-	-	69	11	17	15	-	740	257	-

Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading and HEFA Transition Fund.

Parent entity ONLY

Notes	Learning & Teaching Performance Fund		National Institutes Funding		Capital Development Pool		Superannuation Programme		Collaboration & Structural Reform Programme		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programmes)	500	-	-	-	4,122	-	-	-	-	-	51,117	44,543
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	500	-	-	-	4,122	-	-	-	-	-	51,117	44,543
3(a)												
Surplus / (deficit) from the previous year	-	-	-	-	55	778	-	-	-	-	338	1,380
Total revenue including accrued revenue	500	-	-	-	4,177	778	-	-	-	-	51,455	45,923
Less expenses including accrued expenses	(85)	-	-	-	(574)	(723)	-	-	-	-	(46,811)	(45,586)
Surplus / (deficit) for reporting period	415	-	-	-	3,603	55	-	-	-	-	4,844	337

Notes to the financial statements for the year ended 31 December 2007

Note 38. Acquitment of Australian Government financial assistance (cont)

38.2 Higher Education Loan Programmes

Parent entity ONLY

Notes	HECS-HELP (Australian Government payments only)		FEE-HELP		Total		OS-HELP	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)								
Net accrual adjustments	27,189	24,901	4,513	2,666	31,702	27,567	76	147
Revenue for the period	(354)	(1,534)	177	983	(177)	(550)	-	-
3(b)	26,835	23,367	4,690	3,649	31,525	27,016	76	147
Surplus / (deficit) from the previous year	-	-	-	-	-	-	77	32
Total revenue including accrued revenue	26,835	23,367	4,690	3,649	31,525	27,016	153	179
Less expenses including accrued expenses	(26,835)	(23,367)	(4,690)	(3,649)	(31,525)	(27,016)	(132)	(102)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	21	77

38.3 Scholarships

Parent entity ONLY

Notes	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Staff Scholarships		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)												
Net accrual adjustments	707	711	172	51	570	401	1,005	670	-	-	2,454	1,833
Revenue for the period	-	-	-	-	-	-	-	-	-	-	-	-
3(c)	707	711	172	51	570	401	1,005	670	-	-	2,454	1,833
Surplus / (deficit) from the previous year	(86)	(3)	(86)	16	126	21	251	71	-	-	205	105
Total revenue including accrued revenue	621	708	86	67	696	422	1,256	741	-	-	2,659	1,938
Less expenses including accrued expenses	(699)	(794)	(146)	(153)	(453)	(296)	(791)	(490)	-	-	(2,089)	(1,733)
Surplus / (deficit) for reporting period	(78)	(86)	(60)	(86)	243	126	465	251	-	-	570	205

Notes to the financial statements
for the year ended 31 December 2007

Note 38. Acquittal of Australian Government financial assistance (cont)

38.4 DEEWR Research

Notes	Parent entity ONLY									
	Institutional Grants Scheme		Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure Block Grants		Regional Protection Scheme	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)										
Net accrual adjustments	1,539	1,416	3,413	3,315	-	-	399	498	-	-
Revenue for the period	1,539	1,416	3,413	3,315	-	-	399	498	-	-
3(d)										
Surplus / (deficit) from the previous year	-	-	-	-	-	-	55	(158)	-	-
Total revenue including accrued revenue	1,539	1,416	3,413	3,315	-	-	454	340	-	-
Less expenses including accrued expenses	(1,539)	(1,416)	(3,413)	(3,315)	-	-	(297)	(285)	-	-
Surplus / (deficit) for reporting period	-	-	-	-	-	-	157	55	-	-

Notes	Parent entity ONLY									
	Implementation Assistance Programme		Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Other		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)										
Net accrual adjustments	33	-	85	-	33	-	-	-	5,502	5,229
Revenue for the period	33	-	85	-	33	-	-	-	5,502	5,229
3(d)										
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	55	(158)
Total revenue including accrued revenue	33	-	85	-	33	-	-	-	5,557	5,071
Less expenses including accrued expenses	(33)	-	(67)	-	(33)	-	-	-	(5,382)	(5,016)
Surplus / (deficit) for reporting period	-	-	18	-	-	-	-	-	175	55

Notes to the financial statements for the year ended 31 December 2007

Note 38. Acquittal of Australian Government financial assistance (cont)

38.5 Voluntary Student Unionism

Parent entity ONLY

Notes	VSU Transition Fund		Support for Small Businesses		Total	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)						
Net accrual adjustments	3,000	-	-	-	3,000	-
Revenue for the period	3,000	-	-	-	3,000	-
Surplus / (deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrued revenue	3,000	-	-	-	3,000	-
Less expenses including accrued expenses	(14)	-	-	-	(14)	-
Surplus / (deficit) for reporting period	2,986	-	-	-	2,986	-

38.6 Australian Research Council Grants

Parent entity ONLY

(a) Discovery

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

Notes	Projects		Fellowships		Indigenous Researchers Development		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net accrual adjustments	306	289	-	-	-	-	306	289
Revenue for the period	306	289	-	-	-	-	306	289
Surplus / (deficit) from the previous year	127	261	-	-	-	-	127	261
Total revenue including accrued revenue	433	550	-	-	-	-	433	550
Less expenses including accrued expenses	(540)	(423)	-	-	-	-	(540)	(423)
Surplus for reporting period	(107)	127	-	-	-	-	(107)	127

Notes to the financial statements for the year ended 31 December 2007

Note 38. Acquitment of Australian Government financial assistance (cont)

38.6 Australian Research Council Grants

(b) Linkages	Notes	Parent entity ONLY						Total					
		Special Research Initiatives		Infrastructure		International		Learned Academies		Projects			
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	-	-	-	-	-	-	-	-	-	-	-
Net accrual adjustments		-	-	-	274	-	-	-	-	756	901	756	1,175
Revenue for the period	3(f)(ii)	-	-	-	274	-	-	-	-	756	901	756	1,175
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-	-	132	-	132
Total revenue including accrued revenue		-	-	-	274	-	-	-	-	756	1,033	756	1,307
Less expenses including accrued expenses		-	-	-	(274)	-	-	-	-	(756)	(1,033)	(756)	(1,307)
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-	-	-	-	-

(c) Networks and Centres

	Notes	Parent entity ONLY				Total			
		Research Networks		Centres					
		2007	2006	2007	2006	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the 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		-	-	-	-	-	-	-	-

End of Audited Financial Report

Norsearch Limited

ABN 57 003 082 406

A controlled entity of Southern Cross University



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NORSEARCH LIMITED
ABN 57 003 082 406

A CONTROLLED ENTITY OF SOUTHERN CROSS UNIVERSITY

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' report

The directors of the company present their report on the company for the year ended 31 December 2007.

Directors

The directors in office during or since the end of the financial year are:

Sally Blackadder	BCom (UNSW),CA Resigned 14 May 2007
Malcolm Marshall	BA(CCAE),MBA(CQU),CPA,FTIA
Lionel Phelps	AM,BA,MEd,DUNIV(NE),DUNIV(SC)
Jean Griffith	BA (Qld), Grad Dip Counselling,(BCAE),MNA(UNSW)

The directors have been in office since the start of the financial year unless otherwise indicated.

Principal activities

The principal activities of the company during the financial year were:

- a) operation of an on campus catering service
- b) operation of a licensed bar and function area
- c) operation of a Gymnasium; and
- d) conference services.

Operating results

The net operating result of the company was a loss of \$428,563 (2006:loss \$286,596) after providing \$10,662 (2006:\$5,894) for depreciation.

Changes in State of Affairs

During the financial year the Company purchased the assets of the Licensed Bar, Gymnasium and Catering & Function operations of the Southern Cross University Students Union Ltd. and commenced operating these businesses from the beginning of the year.

Review of Operations

2007 was the first year of operation of the businesses listed in a) – c) above. These operations have been continually monitored throughout the year and in 2008 Southern Cross University (the parent entity) will conduct a review of all the company operations and processes via funding received via a Federal Government Grant under the Workplace Productivity Programme.

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.

Taxation

The company is a non-profit organisation and has been granted exemption from the payment of income tax under Div 50-B of the Income Tax Assessment Act 1997(ITAA) and there continues to be no change to the company's tax exempt status.

Directors' report

Dividends

The company does not issue shares or debentures. No dividends were declared or payable by the company in the financial year.

Matters subsequent to the end of the financial year

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 company, the results of those operations or the state of affairs of the company in financial years subsequent to 31 December, 2007.

Environmental regulation

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

Proceedings on behalf of the company

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.

Information on directors

Sally Blackadder, BCom(UNSW), CA

Group Director Finance & University Services at Southern Cross University

Resigned 14 May 2007

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

Executive Director (Corporate Services) Southern Cross University and a Director since 1991.

Lionel Phelps, AM, BA, MEd, DUNIV(NE), DUNIV(SC)

Former Chancellor of Southern Cross University and Director since 1989.

Jean Griffiths, BA(Qld), Grad Dip Counselling, (BCAE), MNA(UNSW) Head of the School of Arts and Social Sciences at Southern Cross University and a Director since 1996.

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
Sally Blackadder	2	2
Jean Griffiths	5	5
Malcolm Marshall	5	5
Lionel Phelps	5	5

Directors' report

Directors' benefits

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.

Indemnification of officers and auditors

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.

Auditors independence declaration

The auditors independence declaration for the year ended 31 December 2007 has been received and is on the next page.

Signed in accordance with a resolution of directors made pursuant to S298(2) of the Corporations Act 2001.

On behalf of the Directors


Director

Dated this 11th day of April 2008


Director

Directors' declaration

In accordance with a resolution of the directors of Norsearch 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 gives a true and fair view of the financial position as at 31 December 2007 and of their performance for the financial year ended on that date;
- 2 The financial report has been prepared in accordance with Australian Accounting Standards, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005, the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 3 We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate; and,
- 4 At the date of this declaration, 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 *11th* day of *April*, 2008 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



GPO BOX 12
Sydney NSW 2001

To the Directors
Norsearch Limited

Auditor's Independence Declaration

As auditor for the audit of Norsearch Limited for the year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The independence requirements of the *Corporations Act 2001* in relation to the audit, and
- Any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "P. Carr".

Peter Carr, FCPA
Director, Financial Audit Services

4 April 2008
SYDNEY



GPO BOX 112
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Norsearch Limited

To Members of the New South Wales Parliament and Members of Norsearch Limited

I have audited the accompanying financial report of Norsearch Limited (the Company), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report of Norsearch Limited:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2005*.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

My opinion does not provide assurance:

- about the future viability of the Company,
- about the effectiveness of its internal controls, or
- that it has carried out its activities effectively, efficiently and economically.

Independence

In conducting this audit, the Audit Office has complied with the Independence requirements of the *Corporations Act 2001*. The PF&A 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.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Moresearch Limited on 4 April 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.



Peter Carr
Director, Financial Audit Services

14 April 2008
SYDNEY

Income statement for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Revenue from continuing operations			
Consultancy income	3	-	242,056
Printery income		-	1,300
Sponsorship and promotion		5,500	59,042
Interest		94,934	99,563
Memberships & Subscriptions		119,047	-
Conference fees		553,477	605,169
Bar revenue		352,328	-
Service Fees		236,172	393,297
Other revenue		33,777	47,176
Total revenue from continuing operations		1,395,235	1,447,603
Expenses from continuing operations			
Employee benefits	4.1	849,157	398,703
Consultancy fees	4.2	19,783	324,321
Minor equipment purchases		43,094	429
Depreciation on plant and equipment		10,662	5,894
Travel, accommodation and hospitality		96,329	97,655
Finance Costs - other persons		6,794	12,682
Company fees and legals		1,418	3,042
Audit fees	15	22,000	20,000
Write-down of property, plant and equipment	9	74,846	-
Cost of goods sold		517,478	479,077
Loss on disposal of property, plant and equipment	9	1,182	-
Equipment leasing costs		1,152	-
Other expenses		179,903	392,396
Total expenses from continuing operations		1,823,798	1,734,199
Loss from continuing operations		(428,563)	(286,596)
Loss for the year		(428,563)	(286,596)
Loss attributable to members of Norsearch Limited		(428,563)	(286,596)

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet as at 31 December 2007

	Notes	2007 \$	2006 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,190,149	1,445,516
Trade and other receivables	6	40,482	162,635
Inventories	7	16,709	-
Other non-financial assets	8	2,439	-
Total current assets		1,249,779	1,608,151
Non-current assets			
Property, plant and equipment	9	35,295	16,253
Total non-current assets		35,295	16,253
Total assets		1,285,074	1,624,404
LIABILITIES			
Current liabilities			
Trade and other payables	10	419,288	284,504
Provisions	11	23,188	62,757
Total current liabilities		442,476	347,261
Non-current liabilities			
Provisions	11	-	5,982
Total non-current liabilities		-	5,982
Total liabilities		442,476	353,243
Net assets		842,598	1,271,161
Equity			
Retained profits	12	842,598	1,271,161
Total equity		842,598	1,271,161

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

Statement of changes in equity for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Total equity at the beginning of the financial year		1,271,161	1,557,757
Loss for the year		(428,563)	(286,596)
Total equity at the end of the financial year	12	842,598	1,271,161
Total recognised income and expense for the year is attributable to: Members of Norsearch Limited		(428,563)	(286,596)

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

Cash flow statement for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Cash flows from operating activities			
Conference and catering revenue		673,554	605,169
Consulting revenue		-	447,574
Bar revenue		352,328	-
Interest received		97,010	93,966
Other operating receipts		394,496	252,950
Payment of salaries and wages		(894,708)	(511,732)
Interest paid		(6,794)	(12,682)
Other operating payments		(765,521)	(984,031)
Net cash inflow /(outflow) from operating activities	21	(149,635)	(108,786)
Cash flows from investing activities			
Purchases plant and equipment		(105,732)	217,057
Net cash inflow /(outflow) from investing activities		(105,732)	217,057
Net increase/ (decrease) in cash and cash equivalents		(255,367)	108,271
Cash and cash equivalents at the beginning of the financial year		1,445,516	1,337,245
Cash and cash equivalents at the end of the financial year	5	1,190,149	1,445,516

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

Notes to the financial statements for the year ended 31 December 2007

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Norsearch Limited is a company limited by guarantee, which is incorporated and domiciled in Australia. The company's principal activities are event management, licensed bar operations and fitness services. The financial report was authorised for issue by the directors on 11th April 2008.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the AASB Interpretations), the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005 and the Corporations Act 2001. The financial report is presented in Australian dollars.

Compliance with AIFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial statements and notes comply with the Australian Accounting Standards. The company's financial report has been prepared on a "not-for-profit" basis.

Historical Cost Convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention.

Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. These areas require a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. Judgements, key assumptions and estimations that management have made regarding:

- . Provisions for employee entitlements
- . Depreciation
- . Impairment of receivables

Are disclosed in the relevant notes to the financial report.

Going Concern Principle

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

b) Significant revenues & expenses

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised by the company as follows:

Government grants

Grants from the government are recognised at their fair value where the entity obtains control of the right to receive the grant, it is likely that economic benefits will flow to the entity and it can be reliably measured.

Notes to the financial statements for the year ended 31 December 2007

Rendering of services

Revenue from the outcome of a transaction is recognised in the period in which the service can be estimated reliably, revenue associated with the transaction be recognised by reference to the stage of completion of the transaction at the reporting date.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery to the customer.

Interest

Revenue is recognised as interest accrues using the effective interest method.

Dividends

Revenue from dividends is recognised when the shareholders' right to receive a dividend is established.

d) Cash and cash equivalents

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

e) Property, Plant and Equipment

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

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

f) Depreciation of non-current assets

Depreciation is calculated using the straight line method to allocate their costs, net of residuals, over their estimated useful lives to the entity.

The annual rates for depreciation are:

	%p.a.
Computer equipment	33.3
Gym Equipment	10
General equipment	10
Motor vehicle	15

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Notes to the financial statements for the year ended 31 December 2007

g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company currently has no finance leases. All leases are operating leases where the company does not assume the risks and benefits of ownership. Lease payments for operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

h) Business Combinations

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

i) Trade and other receivables

Trade receivables are recognised at the original invoice amount less a provision for impairment. Trade receivables are due for settlement generally no more than 30 days from invoice date.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision for impairment is recognised as a deduction to the carrying value of receivables in the balance sheet.

j) Inventories

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business. Raw materials and stores, work in progress and finished goods are stated at the lower of cost or net realisable value, on a first in first out basis (FIFO). Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the financial statements for the year ended 31 December 2007

k) Investments and other financial assets

The company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date - the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Notes to the financial statements for the year ended 31 December 2007

Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The company assesses at each balance date whether there is objective evidence that a financial asset or company of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

m) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal company classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Notes to the financial statements for the year ended 31 December 2007

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid on the creditors' payment terms.

o) Employee benefits

(i) Wages and salaries and annual and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled after 12 months of the reporting date are discounted using market yields at the reporting date on national bonds. The discount rate used as at 31 December 2007 was the 6.59% (2006:5.89%).

(ii) Long service leave

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

(iii) Retirement benefit obligations

All employees of the company are entitled to benefits on retirement, disability or death from the company's superannuation plan. The company has a defined benefit section and a defined contribution section within its plan.

The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the company and the company's legal or constructive obligation is limited to these contributions.

The employees of the company are all members of the defined contribution section of the company's plan.

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

Notes to the financial statements for the year ended 31 December 2007

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation (e.g. taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) *Termination Benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

p) Provisions

Provisions for legal claims and service warranties are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

q) Income tax

Norsearch Limited is exempt from the payment of income tax and accordingly no provision for income tax liability has been included in the company's financial report.

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

Notes to the financial statements for the year ended 31 December 2007

s) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to settle. The asset or liability is classified as current if it is expected to settle within the next 12 months, being the company's operational cycle. In the case of liabilities where the company does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

t) New Australian Accounting Standards issued but not effective

The following new Accounting Standards have not been adopted and are not yet effective:

AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (1 January 2008) as amended by AASB 2007-2 b, AASB 2007-4 and AASB 2007-7
AASB 3 Business Combinations (1 July 2007) as amended by AASB 2007-4
AASB 7 Financial Instruments: Disclosures (1 July 2007) as amended by AASB 2007-4
AASB 8 Operating Segments (1 January 2009) and AASB 2007-3 Amendments to Australian Accounting Standards from AASB 8 (1 January 2009)
AASB 101 Presentation of Financial Statements (1 January 2009) and AASB 2007-8 Amendments to Australian Accounting Standards from AASB 101 (1 January 2009)
AASB 102 Inventories (1 July 2007) as amended by AASB 2007-4 and AASB 2007-5
AASB 107 Cash Flow Statements (1 July 2007) as amended by AASB 2007-4, AASB 2007-7 and Erratum: Proportionate Consolidation
AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (1 July 2007) as amended by AASB 2007-4
AASB 110 Events after the Balance Sheet Date (1 July 2007) as amended by AASB 2007-4
AASB 112 Income Taxes (1 July 2007) as amended by AASB 2007-4
AASB 116 Property, Plant and Equipment (1 July 2007) as amended by AASB 2007-4
AASB 117 Leases (1 July 2007) as amended by AASB 2007-4
AASB 118 Revenue (1 July 2007) as amended by AASB 2007-4
AASB 119 Employee Benefits (1 July 2007) as amended by AASB 2007-4
AASB 127 Consolidated and Separate Financial Statements (1 July 2007) as amended by AASB 2007-4 and Erratum: Proportionate Consolidation
AASB 132 Financial Instruments: Presentation (1 July 2007) as amended by AASB 2007-4
AASB 136 Impairment of Assets (1 July 2007) as amended by AASB 2007-4
AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2007) as amended by AASB 2007-4
AASB 139 Financial Instruments: Recognition and Measurement (1 July 2007) as amended by AASB 2007-4
AASB 2007-7 Amendments to Australian Accounting Standards (1 July 2007)
Int 4 Determining whether an Arrangement contains a Lease (1 January 2008)

The Company has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

u) Comparative amounts

Where the presentation or reclassification of items in the financial report is amended, comparable amounts shall be reclassified unless reclassification is impracticable.

Note 2. Company Details

- a) The company operates from premises owned by Southern Cross University at no charge, and Norsearch Limited is unable to determine the value for this charge.
- b) 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 University policy.

Notes to the financial statements for the year ended 31 December 2007

Note 2. Company details (cont)

c) Norsearch Limited is a wholly owned subsidiary of Southern Cross University, limited by guarantee, which is incorporated and operates in Australia.

d) The Registered Office and principle place of business of the company is:

Southern Cross University Campus
Military Road
EAST LISMORE NSW 2480

Note 3. Revenue from continuing operations

Consultancy and contract research

2007	2006
\$	\$

-	242,056
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Note 4. Expenses from continuing operations

Note 4.1. Employee benefits

Academic

Salaries	-	42,612
Superannuation	-	3,757
Payroll tax	-	2,782
Workers' compensation	-	426
Long service leave expense	-	-
Annual leave	-	-
Maternity leave	-	-
Leave loading	-	-
Total academic	-	49,577

Non-academic

Salaries	754,741	390,436
Superannuation	67,442	39,025
Payroll tax	52,856	28,443
Workers' compensation	5,600	1,910
Long service leave expense	(20,409)	(58,626)
Annual leave	(12,701)	(54,403)
Maternity leave	-	-
Leave loading	1,628	2,341
Total non-academic	849,157	349,126
	849,157	398,703

Note 4.2 Consultancy fees paid

The group as part of its normal activities engages consultants to provide services not available within its own resources

19,783	324,321
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Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 5. Cash and cash equivalents		
Cash at bank	83,789	139,019
Petty cash	6,360	500
Bank interest bearing and at call deposits	1,100,000	1,305,997
Total cash and cash equivalents	1,190,149	1,445,516
(a) Reconciliation to cash at the end of the year		
The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:		
Balances as above	1,190,149	1,445,516
Balance per cash flow statement	1,190,149	1,445,516
(b) Cash at bank		
These are subject to variable interest rates		
(c) Interest bearing deposits		
These deposits are bearing floating interest rates of 6.4% (2006 4.79%)		
Note 6. Trade and other receivables		
Current		
Trade debtors	34,489	154,142
Provision for impairment	(424)	-
Net debtors	34,065	154,142
Accrued interest income	6,417	8,493
	40,482	162,635
Note 7. Inventories		
Current		
Bar stock at cost	16,709	-
Note 8. Other non-financial assets		
Current		
Prepayments	2,439	-

Notes to the financial statements for the year ended 31 December 2007

Note 9. Plant and equipment

Plant and equipment

At cost

Accumulated depreciation

	2007 \$	2006 \$
	42,157	72,862
	(6,862)	(56,609)
	<u>35,295</u>	<u>16,253</u>

Movement in the carrying amounts

Movement in the carrying amounts of plant and equipment between the beginning and the end of the current financial year

Carrying amount as at 1 January 2007

Additions

Disposals

Write-off of property, plant and equipment

Depreciation expense

Carrying amount as at 31 December 2007

	16,253	239,204
	117,006	-
	(12,456)	(217,057)
	(74,846)	-
	(10,662)	(5,894)
	<u>35,295</u>	<u>16,253</u>

Loss on Disposal of Property, Plant and Equipment

Loss on Disposal of Property, Plant and Equipment comprises:

Carrying Value of Disposed Vehicle

Trade In Obtained

Loss on Disposal

	12,456	-
	11,274	-
	<u>1,182</u>	<u>-</u>

Note 10. Trade and other payables

Current

Payables and accrued expenses

Amounts payable to related parties

Consultancies and contracts

	72,613	54,579
	346,675	146,797
	-	83,128
	<u>419,288</u>	<u>284,504</u>

Notes to the financial statements for the year ended 31 December 2007

Note 11. Provisions

Provisions for Annual Leave and Long Service Leave

A provision has been recognised for employee benefits relating to annual leave and long service leave. The company has measured its liabilities relating to annual leave and long service leave in accordance with the criteria described in note 1(o) to the financial statements.

Current provisions expected to be settled within 12 months

Employee benefits

Annual Leave

Long Service leave

2007
\$

2006
\$

9,219	17,238
13,969	4,627
23,188	21,865

Current provisions expected to be settled after more than 12 months

Employee benefits

Annual Leave

Long Service leave

-	4,682
-	36,210
-	40,892

Non-current

Employee benefits

Annual Leave

Long Service leave

-	-
-	5,982
-	5,982

Total provisions

23,188	68,739
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Notes to the financial statements for the year ended 31 December 2007

	2007	2006
	\$	\$
Note 12. Retained earnings		
Balance at the beginning of year	1,271,161	1,557,757
Net operating result for the year	(428,563)	(286,596)
Balance at the end of year	<u>842,598</u>	<u>1,271,161</u>

Note 13. Key management personnel disclosures

Directors

The names of directors who held office during the financial period are:

Jean Griffiths

Malcolm Marshall

Lionel Phelps

Sally Blackadder (Resigned 14 May 2007)

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

Directors remuneration

Income paid or payable, or otherwise made available, to all board members by the Company in connection with the management of affairs of the Company:

	446,245	445,678
	Number	Number
\$0 to \$9,999	1	1
\$50,000 to \$59,999	1	-
\$90,000 to \$99,999	-	1
\$100,000 to \$109,999	-	1
\$130,000 to \$139,999	1	-
\$230,000 to \$239,999	-	1
\$250,000 to \$259,999	1	-

This remuneration does not just relate to the Directors role within Norsearch Ltd. It includes remuneration from associated entities.

Responsible Officer Remuneration

Income paid or payable to a staff member employed by Southern Cross University whose duties includes management responsibilities for the Company's operations.

	97,648	93,410
	Number	Number
\$90,000 to \$99,999	1	1

Key management personnel compensation

	2007	2006
	\$	\$
Short-term employee benefits	62,894	80,464
Post employment benefits	34,754	12,946
Termination benefits	-	-
Share-based payments	-	-
	<u>97,648</u>	<u>93,410</u>

Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 14. Related party transactions		
Ultimate parent entity		
Southern Cross University is the controlling entity of Norsesearch Limited. Transactions with Southern Cross University for services provided are fully re-imbursed by the Company.		
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.		
<i>Revenue</i>		
Printing charges	-	-
Southern Cross University cost recoveries	236,172	247,865
Catering services	118,967	-
Sale of plant and equipment	-	217,057
<i>Expenditure</i>		
Southern Cross University service fees	6,631	(338,310)
Donation to Southern Cross University	-	(217,057)
	<u>361,770</u>	<u>(90,445)</u>
Outstanding balances		
Aggregate amounts receivable from, and payable to related parties at balance date are as follows:		
<i>Current payables</i>		
Ultimate parent entity	<u>346,675</u>	<u>146,797</u>
Terms and Conditions		
Related party outstanding balances are unsecured and have been provided on interest-free terms.		
Note 15. Remuneration of auditors		
During the year the following fees were paid for services provided by the auditor, its related practices and non-related audit firms:		
<i>Fees paid to The Audit Office of New South Wales:</i>		
Audit of financial report	<u>22,000</u>	<u>20,000</u>

Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 16. Commitments for expenditure		
(a) Capital expenditure commitments		
There were no commitments for capital expenditure as at 31 December 2007.		
(b) Operating lease commitments		
Future minimum lease payments under non-cancellable operating leases for each of the following periods:		
not later than one year	7,658	-
later than one year and not later than two years	638	-
later than two years and not later than three years	-	-
	8,296	-
(c) Other 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		
	191,590	3,035
	191,590	3,035

Operating lease commitments relate to gym equipment and the lease expires in 2009.

All commitments include GST which is expected to be recoverable in the normal course of operations.

Note 17. Contingencies

The directors are not aware of any material contingent liabilities at balance date. Norsearch Limited currently has no legal matters outstanding which are expected to result in material claims against Norsearch Limited. (2006:Nil)

Note 18. Members guarantee

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. As at December 2007 the number of members was 3 (2006: 4).

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.

Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 19. Business combinations		
(a) Summary of acquisition		
The Company purchased three(3) business operations of The Southern Cross University Union Ltd. as a consequence of the anticipated affects on this entity of Voluntary Student Unionism being introduced. The Licensed Bar, Gymnasium and Catering/Function operations were acquired at their asset value of \$97,141 (inc GST).		
Purchase consideration (refer to (b) below):		
Cash paid	97,141	
Fair value of net identifiable assets acquired (refer to (c) below)	113,272	-
Discount on Acquisition (refer to (c) below)	16,131	-
(b) Purchase consideration		
Outflow of cash to acquire business, net of cash acquired		
Cash consideration	97,141	-
Less : Balance acquired		
Cash	-	-
Bank Overdraft	-	-
Outflow of cash	97,141	-
(c) Assets and liabilities acquired		
The assets and liabilities arising from the acquisition areas follows:		
	Acquiree's carrying amount	Fair value
Plant and equipment	97,141	97,141
Inventory	16,131	16,131
Net Assets	113,272	113,272
Minority interests	-	-
Net identifiable assets acquired	113,272	113,272

Note 20. Events after balance sheet date

There were no events subsequent to reporting date that would have a material financial effect on the financial report.

Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 21. Reconciliation of net operating result for the year after income tax to net cash flows from operations		
Net operating result for the year	(428,563)	(286,596)
Add: Depreciation	10,662	5,894
Add: Impairment of property, plant & equipment	74,846	-
Add: Loss on disposal of property, plant & equipment	1,182	-
<i>Change in operating assets and liabilities</i>		
(Increase)/Decrease in receivables	122,153	199,921
(Increase)/Decrease in other assets	(2,439)	22,471
(Increase)/Decrease in inventories	(16,709)	66,359
Increase/(Decrease) in provision for employee benefits	(45,551)	(113,029)
Increase/(Decrease) in payables and other liabilities	134,784	(3,806)
Net cash inflow/(outflow) from operating activities	(149,635)	(108,786)

Notes to the financial statements for the year ended 31 December 2007

Note 22. Discontinued Operations

The Printery and Environmental Analysis Laboratory operations were transferred to Southern Cross University on 1 January 2006. As a result there is no financial performance or cashflow information for the discontinued operations for the year ended 31 December 2006.

	2007 \$	2006 \$
Details on sale of division		
Consideration received	-	217,057
Cash	-	-
Total disposal consideration	-	217,057
Carrying amount of net assets sold	-	217,057
Gain on sale before income tax	-	-
Income tax	-	-
Gain on sale after income tax	-	-

Note 23. Financial risk management

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices; market risk comprises currency risk, interest rate risk and other price risk.

(i) Currency risk

The entity does not undertake transactions in foreign currency or hold any financial instruments in a foreign currency. As such, the company is not exposed to currency risk.

(ii) Price risk

The company has no exposure to changes in market price (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

(iii) Interest rate risk

The company aims to minimise risk through prudent financial management and diversification. Term deposits are spread across financial institutions for varying terms. Interest is paid on maturity. The company's sensitivity to interest rate risk is considered immaterial.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the company intends to hold fixed rate assets and liabilities to maturity.

Notes to the financial statements for the year ended 31 December 2007

Note 23. Financial risk management (cont)

The company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total \$	Total \$
	2007 %	2006 %	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Financial assets								
Cash at bank and on hand	3.84%	3.44%	90,149	139,019	-	500	90,149	139,519
Bank interest bearing deposits	6.42%	5.79%	1,100,000	1,305,997	-	-	1,100,000	1,305,997
Trade and other receivables			-	-	40,482	162,635	40,482	162,635
			1,190,149	1,445,016	40,482	163,135	1,230,631	1,608,151
Financial liabilities								
Payables	N/A	N/A	-	-	419,288	284,504	419,288	284,504
			-	-	419,288	284,504	419,288	284,504

(b) Credit risk

Credit risk is that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. The receivables are assessed after 60 days and action taken to collect the debt. There has been no change in managing credit risk since the prior year.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company manages liquidity risk by maintaining adequate reserves, banking facilities and continuously monitoring forecast and actual cash flows. The interest bearing deposits and deposits at call have an average maturity of 45 days. There has been no change in managing liquidity risk since the prior year.

The following is the company'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
Financial assets			
Cash and cash equivalents	5	All instruments are recorded at cost	Interest is paid on maturity
Trade and other receivables	6	All are carried in the accounts at net fair value unless otherwise stated	Normal business trading terms are payment in 30 days
Financial liabilities			
Trade and other payables	10	All are carried in the accounts at net fair value unless otherwise stated	Normal business trading terms apply to the payment of suppliers accounts

(d) Fair value of financial assets and liabilities

The carrying amounts of each assets and liability as stated in the balance sheet approximates their fair value.

Notes to the financial statements for the year ended 31 December 2007

Note 24. Monies held on behalf of third parties

The consolidated entity holds money in trust on behalf of the parties involved in the World Purchasing Research Institute and the Centre for Professional Development in Club management.

These monies are excluded from the financial report as the company cannot use them for the achievement of its objectives.

The following is a summary of the transactions in the monies held on behalf of third parties account:

	2007	2006
	\$	\$
Cash at the beginning of the financial year	294,003	369,290
Add: Receipts	-	493,378
Less: Expenditure	(294,003)	(568,665)
Closing cash balance at the end of the financial year	-	294,003

"End of Audited Financial Report"

AUSTRALIAN PLANT DNA BANK LIMITED
ABN 95 108 486 791

A CONTROLLED ENTITY OF SOUTHERN CROSS UNIVERSITY

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' report

The directors of the company present their report on the company for the year ended 31 December 2007:

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)
Steve Williams	BAppSc(QUT)
Paul Clark	BSc(Hons), PhD, DipTEd(Monash), FAIP, FIICA
Robert Jemison	BSc(Hons), PhD(Flinders), Post Doc(Sheffield)

The directors have been in office since the start of the financial year unless otherwise indicated.

Principal activities

The principal activities of the economic entity during the year 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.

Income for the period was derived from storage of materials.

Review of operations

The net operating result of the economic entity for the year ended 31 December 2007 was a loss of \$8,420 (2006 loss: \$12,019). The net operating result of the company for the year ended 31 December 2007 was a loss of \$5,098 (2006 loss: \$6,199).

Changes in state of affairs

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

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company or economic entity, the results of those operations or the state of affairs of the company in future financial years.

Environmental regulation

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

Proceedings on behalf of the company

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.

Directors' report

Future developments

Disclosure of information regarding likely developments, future prospects and business strategies of 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.

Information on directors

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

Professor Baverstock is Pro Vice-Chancellor (Research) 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.

Doctor Robert William Jemison BSc(Hons), PhD(Flinders), Post Doc(Sheffield U.K)

Doctor Bob Jemison acts as a consultant for Southern Cross University.
Appointed 22 April 2006.

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 of Southern Cross University.
Appointed 11 January 2005.

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 Baverstock	1	1
Robert Henry	1	1
Robert Jemison	1	1
Steve Williams	1	1
Paul Clark	1	1

Directors' report

Directors' benefits

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 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 year 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 year, 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 proceedings; 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.

Auditors independence declaration

The auditors independence declaration for the year ended 31 December 2007 has been received and is on the next page.

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 11th day of April 2008



Director


Directors' declaration

In accordance with a resolution of the directors of Australian Plant DNA Bank Limited and of the economic entity 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 gives a true and fair view of the financial position as at 31 December 2007 and of their performance for the financial year ended on that date;
- 2 The financial report has been prepared in accordance with Australian Accounting Standards, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005, the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 3 We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate; and,
- 4 At the date of this declaration, 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 14 day of April, 2008 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



GPO BOX 12
Sydney NSW 2001

To the Directors
Australian Plant DNA Bank Limited

Auditor's Independence Declaration

As auditor for the audit of Australian Plant DNA Bank Limited for the year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The independence requirements of the *Corporations Act 2001* in relation to the audit, and
- Any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "P. Carr".

Peter Carr, FCPA
Director, Financial Audit Services

4 April 2008
SYDNEY



GPO BOX 11
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Australian Plant DNA Bank Limited and controlled entities

To Members of the New South Wales Parliament and Members of Australian Plant DNA Bank Limited

I have audited the accompanying financial report of Australian Plant DNA Bank Limited (the Company), and the Company and controlled entities (the consolidated entity), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion the financial report of Australian Plant DNA Bank Limited:

- is in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2007 and of their performance for the year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- is in accordance with section 41B of the Public Finance and Audit Act 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2005

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

My opinion does not provide assurance:

- about the future viability of the Company or consolidated entity,
- about the effectiveness of their internal controls, or
- that they have carried out their activities effectively, efficiently and economically.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the *Corporations Act 2001*. The PF&A 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.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Australian Plant DNA Bank Limited on 4 April 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.



Peter Carr
Director, Financial Audit Services

14 April 2008
SYDNEY

Income statement for the year ended 31 December 2007

	Notes	Consolidated		Parent entity	
		2007 \$	2006 \$	2007 \$	2006 \$
Revenue from continuing operations	3	3,055	1,795	3,055	1,795
Expenses from continuing operations	4	11,475	13,814	8,153	7,994
Loss from continuing operations before income tax expense		(8,420)	(12,019)	(5,098)	(6,199)
Income tax expense	5	-	-	-	-
Loss from continuing operations after income tax		(8,420)	(12,019)	(5,098)	(6,199)
Loss for the year		(8,420)	(12,019)	(5,098)	(6,199)
Loss attributable to members of Australian Plant DNA Bank Limited	11	(8,420)	(12,019)	(5,098)	(6,199)

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet as at 31 December 2007

	Notes	Consolidated 2007 \$	2006 \$	Parent entity 2007 \$	2006 \$
ASSETS					
Current assets					
Cash and cash equivalents	6	26,295	31,426	26,195	31,326
Trade and other receivables	7	1,352	1,428	1,042	1,018
Other non-financial assets	8	-	2,244	-	2,244
Total current assets		27,647	35,097	27,237	34,587
Non-current assets					
Trade and other receivables	7	-	-	14,235	6,513
Other financial assets	9	-	-	100	100
Total non-current assets		-	-	14,335	6,613
Total assets		27,647	35,097	41,572	41,200
LIABILITIES					
Current liabilities					
Trade and other payables	10	7,770	6,800	7,770	2,300
Total current liabilities		7,770	6,800	7,770	2,300
Non-current liabilities					
Trade and other payables		-	-	-	-
Total non-current liabilities		-	-	-	-
Total liabilities		7,770	6,800	7,770	2,300
Net assets		19,877	28,297	33,802	38,900
Equity					
Retained profits	11	19,877	28,297	33,802	38,900
Total equity		19,877	28,297	33,802	38,900

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

Statement of changes in equity for the year ended 31 December 2007

	Notes	Consolidated 2007 \$	2006 \$	Parent entity 2007 \$	2006 \$
Total equity at the beginning of the financial year		28,297	40,316	38,900	45,099
Loss for the year		(8,420)	(12,019)	(5,098)	(6,199)
Total recognised income and expense for the year		(8,420)	(12,019)	(5,098)	(6,199)
Total equity at the end of the financial year	11	19,877	28,297	33,802	38,900
Total recognised income and expense for the year is attributable to:					
Members of Australian Plant DNA Bank Limited		(8,420)	(12,019)	(5,098)	(6,199)

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

Cash flow statement for the year ended 31 December 2007

	Notes	Consolidated 2007 \$	2006 \$	Parent entity 2007 \$	2006 \$
Cash flows from operating activities					
Receipts from customers		3,537	2,094	3,537	2,094
Payments to suppliers and employees		(9,295)	(14,687)	(9,295)	(11,367)
Net GST paid / (received)		627	726	627	1,136
Net cash inflow/(outflow) from operating activities	19	(5,131)	(11,867)	(5,131)	(8,137)
Cash flows from investing activities					
Loans to related parties		-	-	-	(3,730)
Purchase of shares in wholly-owned subsidiary		-	-	-	-
Net cash inflow/(outflow) from investing activities		-	-	-	(3,730)
Net increase/(decrease) in cash and cash equivalents		(5,131)	(11,867)	(5,131)	(11,867)
Cash and cash equivalents at the beginning of the financial year		31,426	43,293	31,326	43,193
Cash and cash equivalents at the end of the financial year	6	26,295	31,426	26,195	31,326

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

Notes to the financial statements for the year ended 31 December 2007

Note 1. Summary of significant accounting policies

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

Australian Plant DNA Bank Limited is a company limited by guarantee which is incorporated and domiciled in Australia. The company's principal activities are 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 financial report was authorised for issue by the Directors on 11th April 2008.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the AASB interpretations), the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005 and the Corporations Act 2001. The financial report is presented in Australian Dollars.

Compliance with AIFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial statements and notes comply with the Australian Accounting Standards and have been prepared on a "not-for-profit" basis.

Historical Cost Convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. These areas require a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. No critical accounting estimates have been identified in these financial statements.

Going Concern Principle

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

Notes to the financial statements for the year ended 31 December 2007

b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries controlled by Australian Plant DNA Bank Limited as at 31 December 2007 and the results of all subsidiaries for the year then ended. Australian Plant DNA Bank Limited and its subsidiaries are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All controlled entities are audited by The Audit Office of New South Wales.

Minority interests in the equity and results of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

c) Significant revenues & expenses

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.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised by the Group as follows:

Rendering of services

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery to the customer.

Interest

Revenue is recognised as interest accrues using the effective interest method.

Notes to the financial statements for the year ended 31 December 2007

e) Cash and cash equivalents

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

f) Trade and other receivables

Trade receivables are recognised at the original invoice amount less a provision for impairment. Trade receivables are due for settlement generally no more than 30 days from invoice date.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision for impairment is recognised as a deduction to the carrying value of receivables in the balance sheet.

g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid on the creditors' payment terms.

h) 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 balance sheet 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 year ended 31 December 2007

i) Income tax

Australian Plant DNA Bank Limited 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 parent entity's financial report.

The controlled entity is subject to income tax.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Current and deferred taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Notes to the financial statements for the year ended 31 December 2007

j) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to settle. The asset or liability is classified as current if it is expected to settle within the next 12 months, being the company's operational cycle. In the case of liabilities where the company does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

k) New Australian Accounting Standards issued but not effective

The following new Accounting Standards have not been adopted and are not yet effective:

- AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (1 January 2008) as amended by AASB 2007-2 b, AASB 2007-4 and AASB 2007-7
- AASB 7 Financial Instruments: Disclosures (1 July 2007) as amended by AASB 2007-4
- AASB 101 Presentation of Financial Statements (1 January 2009) and AASB 2007-8 Amendments to Australian Accounting Standards from AASB 101 (1 January 2009)
- AASB 107 Cash Flow Statements (1 July 2007) as amended by AASB 2007-4, AASB 2007-7 and Erratum: Proportionate Consolidation
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (1 July 2007) as amended by AASB 2007-4
- AASB 110 Events after the Balance Sheet Date (1 July 2007) as amended by AASB 2007-4
- AASB 112 Income Taxes (1 July 2007) as amended by AASB 2007-4
- AASB 116 Property, Plant and Equipment (1 July 2007) as amended by AASB 2007-4
- AASB 117 Leases (1 July 2007) as amended by AASB 2007-4
- AASB 118 Revenue (1 July 2007) as amended by AASB 2007-4
- AASB 119 Employee Benefits (1 July 2007) as amended by AASB 2007-4
- AASB 127 Consolidated and Separate Financial Statements (1 July 2007) as amended by AASB 2007-4 and Erratum: Proportionate Consolidation
- AASB 132 Financial Instruments: Presentation (1 July 2007) as amended by AASB 2007-4
- AASB 136 Impairment of Assets (1 July 2007) as amended by AASB 2007-4
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2007) as amended by AASB 2007-4
- AASB 139 Financial Instruments: Recognition and Measurement (1 July 2007) as amended by AASB 2007-4
- Int 4 Determining whether an Arrangement contains a Lease (1 January 2008)

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Company

l) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

Notes to the financial statements for the year ended 31 December 2007

Note 2. Company Details

a) The parent entity is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 (2006:\$100) each towards meeting any outstanding obligations of the company. At 31 December 2007, the number of members was 1 (2006:1).

b) The registered office and principal place of business of the company is:

Centre for Plant Conservation Genetics

"Y" Block

Southern Cross University

Military Road

LISMORE NSW 2480

Tel: (02) 66203458

Consolidated		Parent entity	
2007	2006	2007	2006
\$	\$	\$	\$

Note 3. Revenue from continuing operations

Consulting fees	1,151	-	1,151	-
Storage Fees	1,904	1,795	1,904	1,795
	3,055	1,795	3,055	1,795

Note 4. Expenses from continuing operations

Accounting and audit fees	6,220	4,180	3,110	2,090
Collection activity	2,994	3,757	2,994	3,757
Domain name fees	-	193	-	(62)
Legal fees	424	3,263	212	-
Licences and subscriptions	(29)	692	(29)	480
Other expenses	57	24	57	24
Storage Costs	1,809	1,705	1,809	1,705
	11,475	13,814	8,153	7,994

Notes to the financial statements for the year ended 31 December 2007

Note 5. Income tax

Income tax expense

Income tax on loss from continuing operations at 30%
Add back non deductible expenses
Write-off deferred income tax as it is not probable
that it will be recovered by future operations
Income tax attributable to the entity

Consolidated		Parent entity	
2007	2006	2007	2006
\$	\$	\$	\$
(997)	(1,746)	-	-
-	979	-	-
997	767	-	-
-	-	-	-

The controlled entity, Biobank Pty Ltd is not exempt from income tax. The tax expense is based on the company tax rate for 2007.

Deferred tax assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 are satisfied.

- operating losses

3,199	2,202	-	-
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Franking account

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.

-	-	-	-
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Note 6. Cash and cash equivalents

Cash at bank

26,195 31,326 26,195 31,326

Cash on hand

100 100 - -

Total cash and cash equivalents

26,295 31,426 26,195 31,326

(a) Reconciliation to cash at the end of the year

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

Balances as above

26,295 31,426 26,195 31,326

Balance per cash flow statement

26,295 31,426 26,195 31,326

(b) Cash at bank

These bank accounts are non-interest bearing.

Notes to the financial statements for the year ended 31 December 2007

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Note 7. Trade and other receivables				
Current				
Amounts receivable from parent entity	-	210	-	210
Net goods and services tax receivable	1,352	1,218	1,042	808
	<u>1,352</u>	<u>1,428</u>	<u>1,042</u>	<u>1,018</u>
Non-current				
Amounts receivable from wholly-owned subsidiary	-	-	14,235	6,513
Total trade and other receivables	<u>1,352</u>	<u>1,428</u>	<u>15,277</u>	<u>7,531</u>
Note 8. Other non-financial assets				
Current				
Prepayments	-	2,244	-	2,244
	<u>-</u>	<u>2,244</u>	<u>-</u>	<u>2,244</u>
Note 9. Other financial assets				
Non-current				
Shares in wholly-owned subsidiary (unlisted)	-	-	100	100
	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
These financial assets are carried at cost. There are no fixed returns or fixed maturity dates attached to these investments.				
Note 10. Trade and other payables				
Current				
Payables and accrued expenses	7,770	4,600	7,770	2,300
Amounts payable to ultimate parent entity	-	2,200	-	-
	<u>7,770</u>	<u>6,800</u>	<u>7,770</u>	<u>2,300</u>
Note 11. Retained earnings				
Balance at the beginning of year	28,297	40,316	38,900	45,099
Net operating result for the year	(8,420)	(12,019)	(5,098)	(6,199)
Balance at end of financial year	<u>19,877</u>	<u>28,297</u>	<u>33,802</u>	<u>38,900</u>

Notes to the financial statements for the year ended 31 December 2007

Note 12. Key management personnel disclosures

Directors

The names of directors who held office during the financial period are:

Professor Paul Clark
Doctor Robert Jemison
Stephen Williams
Professor Robert Henry
Professor Peter Baverstock

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

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$	\$	\$	\$

Directors remuneration

Income paid or payable, or otherwise made available, to board members by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities:

	1,093,296	1,026,101	1,093,296	1,026,101
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	Number		Number	
Number of directors whose income was within the following bands:				
Nil to \$9,999	1	1	1	1
\$120,000 to \$129,999	-	1	-	1
\$140,000 to \$149,999	1	-	1	-
\$200,000 to \$209,999	-	1	-	1
\$210,000 to \$219,999	1	-	1	-
\$250,000 to \$259,999	1	-	1	-
\$280,000 to \$289,999	-	1	-	1
\$410,000 to \$419,999	-	1	-	1
\$480,000 to \$489,999	1	-	1	-

This remuneration does not just relate to the Directors role within Australian Plant DNA Bank Ltd. It includes remuneration from associated entities.

Notes to the financial statements for the year ended 31 December 2007

Note 12. Key management personnel disclosures (cont)

Responsible Officer remuneration

Income paid or payable to a staff member employed by Southern Cross University whose duties includes management responsibilities for the Company's operation.

	Consolidated 2007	2006	Parent entity 2007	2006
	\$	\$	\$	\$
	141,913	125,308	141,913	125,308
\$120,000 to \$129,999	-	1	-	1
\$140,000 to \$149,999	1	-	1	-

Key management personnel compensation

	Consolidated 2007	2006	Parent entity 2007	2006
Short-term employee benefits	114,836	109,386	114,836	109,386
Post-employment benefits	27,077	15,922	27,077	15,922
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	141,913	125,308	141,913	125,308

Notes to the financial statements for the year ended 31 December 2007

Note 13. Related party transactions

Ultimate parent entity

Southern Cross University is the ultimate parent entity.

Wholly-owned subsidiary

Biobank Pty Limited is the company's wholly-owned subsidiary. It is incorporated in Australia.

Related party transactions

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

Transactions with related parties:

i) Ultimate parent entity

Transactions with Southern Cross University for services provided are fully reimbursed by the company as charged however, financial services and administration assistance are provided by the University at no cost. The value of these costs are not readily quantified.

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
<i>Expenditure</i>				
Purchase of storage space	1,990	1,705	-	1,705
Payment of audit Fee	-	2,200	-	-

ii) Wholly-owned subsidiary

During the year the parent entity paid all costs on behalf Biobank Pty Ltd. Loan funds are provided on interest-free terms.

	-	-	7,722	6,513
--	---	---	-------	-------

On 9 February 2005 the parent entity purchased 100 ordinary shares at \$1 each in the wholly-owned subsidiary. Details of the wholly-owned subsidiary are disclosed at note 17.

	-	-	100	100
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Notes to the financial statements for the year ended 31 December 2007

	Consolidated 2007 \$	2006 \$	Parent entity 2007 \$	2006 \$
Note 13. Related party transactions (cont'd)				
Outstanding balances				
The following balances are outstanding at the reporting date in relation to transactions with related parties:				
<i>Current receivables</i>				
Ultimate parent entity	-	210	-	210
<i>Non-current receivables</i>				
Subsidiaries	-	-	14,235	6,513
<i>Current payables</i>				
Ultimate parent entity	-	2,200	-	-
A provision for impairment has not been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.				
Terms and Conditions				
Related party outstanding balances are unsecured and have been provided on interest-free terms. Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.				
Note 14. Remuneration of auditors				
During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:				
Assurance services				
Audit services				
Fees paid to <i>The Audit Office of New South Wales</i>				
Audit of financial report	6,210	4,180	3,100	2,090

Notes to the financial statements for the year ended 31 December 2007

Note 15. Contingencies

Contingent liabilities

Australian Plant DNA Bank Limited currently has no legal matters outstanding or other contingent liabilities which are expected to result in material claims against it (2006:Nil).

Note 16. Commitments for expenditure

(a) Capital expenditure commitments

There were no commitments for capital expenditure as at 31 December 2007 (2006:Nil).

(b) Other expenditure commitments

There were other expenditure commitments as at 31 December 2007 of \$2475.00 (2006:Nil).

(c) Lease commitments

There were no leasing commitments as at 31 December 2007 (2006:Nil).

Note 17. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Equity holding 2007	Equity holding 2006
Biobank Pty Ltd	Australia	% 100%	% 100%

Acquisition of controlled entity

The subsidiary was incorporated on 9 February 2005.

The parent entity purchased 100 ordinary shares at \$1 each in the company on the date of incorporation.

Parent Entity 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

Notes to the financial statements for the year ended 31 December 2007

Note 18. 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.

Note 19. Events after balance sheet date

There were no events subsequent to balance date that would have a material financial effect on the financial report as presented.

Note 20. Reconciliation of operating result for the year after income tax to net cash flows from operations

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Net operating result for the year	(8,420)	(12,019)	(5,098)	(6,199)
<i>Change in operating assets and liabilities</i>				
(Increase) / decrease in receivables	2,244	1,884	(5,478)	1,884
(Increase) / decrease in financial assets	-	(538)	-	(538)
Increase / (decrease) in GST receivable	76	936	24	1,346
Increase/(Decrease) in payables and other liabilities	969	(2,130)	5,421	(4,630)
Net cash inflow/(outflow) from operating activities	(5,131)	(11,867)	(5,131)	(8,137)

Note 21. Economic dependency

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

Notes to the financial statements for the year ended 31 December 2007

Note 22. Financial risk management

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices; market risk comprises currency risk, interest rate risk and other price risk.

(i) Currency risk

The consolidated entity does not undertake transactions in other currencies so does not have exposure to exchange rate fluctuations arise.

(ii) Price Risk

The Entity currently has no available -or-sale financial assets so is not exposed to price risk.

(iii) Interest rate risk

The company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial instruments.

There has been no variation to the objectives, policies and processes for market risk since the prior period.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the company intends to hold fixed rate assets and liabilities to maturity.

2007	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non- interest Bearing	Total
	2007 %	2007 \$	2007 \$	2007 \$	2007 \$
Financial assets					0
Cash	N/A	26,195	-	100	26,295
Receivables	N/A	-	-	1,352	1,352
		26,195	-	1,452	27,647
Financial liabilities					
Payables	N/A	-	-	7,770	7,770
		-	-	7,770	7,770

2006	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non- interest Bearing	Total
	2006 %	2006 \$	2006 \$	2006 \$	2006 \$
Financial assets					0
Cash	N/A	31,326	-	100	31,426
Receivables	N/A	-	-	1,428	1,428
		31,326	-	1,528	32,854
Financial liabilities					
Payables	N/A	-	-	6,800	6,800
		-	-	6,800	6,800

Notes to the financial statements for the year ended 31 December 2007

Note 22. Financial risk management (cont)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

The company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

There has been no variation to the objectives, policies and processes for credit risk since the prior period.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The consolidated entity manages liquidity risk by maintaining banking facilities and continuously monitoring forecast and actual cash flows.

There has been no variation to the objectives, policies and processes for liquidity risk since the prior period.

(d) Fair value of financial assets and liabilities

The carrying amounts of each asset and liability as stated in the balance sheet approximates their fair values.

(e) Other unrecognised financial assets and liabilities

The company has a contingent asset of \$100 arising from each member's guarantee in the event of winding-up the company's operations. Refer to note 2.

"End of Audited Financial Report"

BIOBANK PTY LTD
ABN 27 112 877 442

A CONTROLLED ENTITY OF AUSTRALIAN PLANT DNA BANK LIMITED

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' report

The directors of the company present their report on the company for year ended to 31 December 2007:

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)
Steve Williams	BAppSc(QUT)

The directors have been in office since the start of the financial year unless otherwise indicated.

Principal activities

The company has not traded since it incorporated on 9 February 2005.

Operating results

The operating result for the year ended to 31 December 2007 was a loss of \$3,322 (2006 loss: \$5,820).

Review of operations

During the period there was no significant change in the state of affairs of the company.

Matters subsequent to the end of the financial year

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

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

Proceedings on behalf of the company

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.

Future developments

Disclosure of information regarding likely developments, future prospects and business strategies of 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

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

Professor Baverstock is Pro Vice-Chancellor (Research) at Southern Cross University.

Appointed 9 February 2005.

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 9 February 2005.

Steve Williams, BAppSc(QUT)

Steve Williams is the Business Manager within the Graduate Research College at Southern Cross University.

Appointed 9 February 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	1	1
Robert Henry	1	1
Steve Williams	1	1

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:

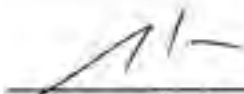
- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceeding; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Auditors independence declaration

The auditors independence declaration for the year ended 31 December 2007 has been received and is on the next page.

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

Dated this 11th day of April 2008


Directors' declaration

In accordance with a resolution of the directors of Biobank Pty Ltd 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 gives a true and fair view of the financial position as at 31 December 2007 and performance for the financial year ended on that date;
- 2 The financial report has been prepared in accordance with Australian Accounting Standards, the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005, the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 3 We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate; and,
- 4 At the date of this declaration, 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 11th day of April, 2008 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



GPO BOX 12
Sydney NSW 2001

To the Directors
Biobank Pty Limited

Auditor's Independence Declaration

As auditor for the audit of Biobank Pty Limited for the year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The independence requirements of the *Corporations Act 2001* in relation to the audit, and
- Any applicable code of professional conduct in relation to the audit.

Peter Carr, FCPA
Director, Financial Audit Services

4 April 2008
SYDNEY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Biobank Pty Limited

To Members of the New South Wales Parliament and Members of Biobank Pty Limited

I have audited the accompanying financial report of Biobank Pty Limited (the Company), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Auditor's Opinion

In my opinion the financial report of Biobank Pty Limited:

- is in accordance with the *Corporations Act 2001*, including:
 - ▷ giving a true and fair view of the Company's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
 - ▷ complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2005*.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

My opinion does not provide assurance:

- about the future viability of the Company,
- about the effectiveness of its internal controls, or
- that it has carried out its activities effectively, efficiently and economically.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Corporations Act 2001. The PF&A 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.

I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Biobank Pty Limited on 4 April 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.



Peter Carr
Director, Financial Audit Services

14 April 2008
SYDNEY

Income statement for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Expenses from continuing operations			
Audit Fees	10	3,110	2,090
Legal fees		212	3,263
Fees and licenses		-	467
Total expenses from continuing operations		3,322	5,820
Loss from continuing operations before income tax expense		(3,322)	(5,820)
Income tax expense	3	-	-
Loss from continuing operations after income tax		(3,322)	(5,820)
Loss for the year		(3,322)	(5,820)
Loss attributable to members of Biobank Pty Ltd		(3,322)	(5,820)

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet as at 31 December 2007

	Notes	2007 \$	2006 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	100	100
Trade and other receivables	5	310	410
Total current assets		410	510
Total assets		410	510
LIABILITIES			
Current liabilities			
Trade and other payables	6	-	4,500
Total current liabilities		-	4,500
Non-current liabilities			
Trade and other payables	6	14,235	6,513
Total non-current liabilities		14,235	6,513
Total liabilities		14,235	11,013
Net liabilities		(13,825)	(10,503)
Equity			
Contributed equity	16	100	100
Retained losses	7	(13,925)	(10,603)
Total equity		(13,825)	(10,503)

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

Statement of changes in equity for the year ended 31 December 2007

Notes	2007 \$	2006 \$
Total equity at the beginning of the financial year	(10,503)	(4,683)
Loss for the year	(3,322)	(5,820)
Total recognised income and expense for the year	(3,322)	(5,820)
Total equity at the end of the financial year	(13,825)	(10,503)
Total recognised income and expense for the year is attributable to:		
Members of Biobank Pty Ltd	(13,825)	(10,503)
	(13,825)	(10,503)

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

Cash flow statement for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers		-	-
Net cash inflow/(outflow) from operating activities	15	-	-
Cash flows from financing activities			
Proceeds from issue of capital		-	-
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		100	100
Cash and cash equivalents at the end of the financial year	4	100	100

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

Notes to the financial statements for the year ended 31 December 2007

Note 1. Summary of significant accounting policies

The principle accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Biobank Pty Limited is a small proprietary company limited by shares which is incorporated and domiciled in Australia. The company has not traded since it incorporated on 9 February 2005. The financial report was authorised for issue by the Directors on 11th April 2008.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including the AASB interpretations), the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005 and the Corporations Act 2001. The financial report is presented in Australian Dollars.

Compliance with AIFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial statements and notes comply with the Australian Accounting Standards and have been prepared on a "for profit" basis.

Historical Cost Convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. These areas require a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. No critical accounting estimates have been identified in these financial statements.

Going Concern Principle

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

b) Significant revenues & expenses

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.

Notes to the financial statements for the year ended 31 December 2007

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised by the Group as follows:

Rendering of services

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery to the customer.

Interest

Revenue is recognised as interest accrues using the effective interest method.

d) Cash and cash equivalents

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

e) Trade and other receivables

Trade receivables are recognised at the original invoice amount less a provision for impairment. Trade receivables are due for settlement generally no more than 30 days from invoice date.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision for impairment is recognised as a deduction to the carrying value of receivables in the balance sheet.

f) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid on the creditors' payment terms.

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

Notes to the financial statements for the year ended 31 December 2007

h) Income tax

Biobank Pty Ltd is subject to income tax.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Current and deferred tax balances relating to items recognised directly in equity are recognised in equity and not in the income statement.

Notes to the financial statements for the year ended 31 December 2007

i) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to settle. The asset or liability is classified as current if it is expected to settle within the next 12 months, being the company's operational cycle. In the case of liabilities where the company does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

j) New Australian Accounting Standards issued but not effective

The following new Accounting Standards have not been adopted and are not yet effective:

- AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (1 January 2008) as amended by AASB 2007-2 b, AASB 2007-4 and AASB 2007-7
- AASB 7 Financial Instruments: Disclosures (1 July 2007) as amended by AASB 2007-4
- AASB 101 Presentation of Financial Statements (1 January 2009) and AASB 2007-8 Amendments to Australian Accounting Standards from AASB 101 (1 January 2009)
- AASB 102 Inventories (1 July 2007) as amended by AASB 2007-4 and AASB 2007-5
- AASB 107 Cash Flow Statements (1 July 2007) as amended by AASB 2007-4, AASB 2007-7 and Erratum: Proportionate Consolidation
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (1 July 2007) as amended by AASB 2007-4
- AASB 110 Events after the Balance Sheet Date (1 July 2007) as amended by AASB 2007-4
- AASB 112 Income Taxes (1 July 2007) as amended by AASB 2007-4
- AASB 116 Property, Plant and Equipment (1 July 2007) as amended by AASB 2007-4
- AASB 117 Leases (1 July 2007) as amended by AASB 2007-4
- AASB 118 Revenue (1 July 2007) as amended by AASB 2007-4
- AASB 119 Employee Benefits (1 July 2007) as amended by AASB 2007-4
- AASB 132 Financial Instruments: Presentation (1 July 2007) as amended by AASB 2007-4
- AASB 136 Impairment of Assets (1 July 2007) as amended by AASB 2007-4
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2007) as amended by AASB 2007-4
- AASB 138 Intangible Assets (1 July 2007) as amended by AASB 2007-4
- AASB 139 Financial Instruments: Recognition and Measurement (1 July 2007) as amended by AASB 2007-4
- Int 4 Determining whether an Arrangement contains a Lease (1 January 2008)

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Company

k) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

Notes to the financial statements for the year ended 31 December 2007

Note 2. Company details

Biobank Pty Ltd is a small proprietary company, limited by shares which is incorporated and operates in Australia.

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

Centre for Plant Conservation Genetics

"Y" Block

Southern Cross University

Military Road

LISMORE NSW 2480

Tel: (02) 66203458

Note 3. Income tax

Income tax expense

Income tax on loss from continuing operations at 30%

Add back non deductible expenses

Write-off deferred income tax as it is not probable that it will be recovered by future operations

Income tax attributable to the entity

2007	2006
\$	\$

(997)	(1,746)
-	979

997	767
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-	-
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Deferred tax assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 are satisfied.

- operating losses

3,199	2,202
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Franking account

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.

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Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 4. Cash and cash equivalents		
Current		
Cash on hand	100	100
Reconciliation to cash at the end of the year		
The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:		
Balances as above	100	100
Balance per cash flow statement	100	100
Note 5. Trade and other receivables		
Current		
Net goods and services tax receivable	310	410
	310	410
Note 6. Trade and other payables		
Current		
Accounts payable to ultimate parent entity	-	2,200
Payables and accrued expenses	-	2,300
	-	4,500
Non-current		
Accounts payable to parent entity	14,235	6,513
	14,235	6,513
Note 7. Retained losses		
Balance at the beginning of year	(10,603)	(4,783)
Net operating result for the year	(3,322)	(5,820)
Balance at the end of year	(13,925)	(10,603)

Notes to the financial statements for the year ended 31 December 2007

Note 8. Key management personnel disclosures

Directors

The names of directors who held office during the financial period are:

Professor Peter Baverstock
Professor Robert Henry
Stephen Williams

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

Directors remuneration

Income paid or payable, or otherwise made available, to all board members by the Company in connection with the management of affairs of the Company:

Number of directors whose income was within the following bands:

\$110,000 to \$119,999
\$120,000 to \$129,999
\$140,000 to \$149,999
\$200,000 to \$209,999
\$210,000 to \$219,999
\$250,000 to \$259,999
\$280,000 to \$289,999

	2007 \$	2006 \$
	609,009	613,428
Number	Number	
-	-	
-	1	
1	-	
-	1	
1	-	
1	-	
-	1	

This remuneration does not just relate to the Directors role within Biobank Pty Ltd. It includes remuneration from associated entities.

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 Biobank Pty Ltd cannot be reliably determined.

Responsible Officer remuneration

Income paid or payable to a staff member employed by Southern Cross University whose duties includes management responsibilities for the Company's operation.

\$120,000 to \$129,999
\$140,000 to \$149,999

	2007 \$	2006 \$
	141,913	125,308
Number	Number	
-	1	
1	-	

Key management personnel compensation

Short-term employee benefits
Post-employment benefits
Termination benefits
Share-based payments

	2007 \$	2006 \$
	114,836	109,386
	27,077	15,922
	-	-
	-	-
	141,913	125,308

Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 9. Related party information		
Ultimate parent entity		
Southern Cross University is the ultimate parent entity.		
Parent entity		
Australian Plant DNA Bank Limited is the parent entity		
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.		
<i>Parent entity</i>		
During the year the parent entity paid all costs on behalf of Biobank Pty Ltd. Loan funds are provided on interest-free terms.		
Opening balance	6,513	2,783
Movement during year	7,722	3,730
Balance at the end of year	14,235	6,513
<i>Ultimate Parent entity</i>		
During the year Southern Cross University paid audit fees on behalf of Biobank Pty Ltd. Loan funds are provided on interest-free terms.		
	-	2,200
Outstanding balances		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
<i>Payables</i>		
Parent entity	14,235	6,513
Southern Cross University	-	2,200
	14,235	8,713
Terms and Conditions		
Related party outstanding balances are unsecured and have been provided on interest-free terms. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated		

Notes to the financial statements for the year ended 31 December 2007

	2007 \$	2006 \$
Note 10. Remuneration of auditors		
During the year the following fees were paid or payable for services provided by the auditor of the company, its related practices and non-related audit firms:		
Fees paid to the <i>Audit Office of New South Wales</i>		
Audit of financial report	<u>3,110</u>	<u>2,090</u>
Note 11. Commitments for expenditure		
(a) Capital expenditure commitments		
There were no commitments for capital expenditure as at 31 December 2007 (2006:Nil).		
(b) Other expenditure commitments		
There were no expenditure commitments contracted as at 31 December 2007 (2006:Nil).		
Note 12. Contingencies		
Biobank Pty Ltd currently has no legal matters outstanding or other contingent liabilities which are expected to result in material claims against it (2006:Nil).		
Note 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.		

Notes to the financial statements for the year ended 31 December 2007

	2007	2006
	\$	\$

Note 14. Events after balance sheet date

There were no events subsequent to reporting date that would have a material financial effect on the financial report.

Note 15. Reconciliation of net operating loss for the year after income tax to net cash flows from operations

Net operating loss for the period	(3,322)	(5,820)
<i>Change in operating assets and liabilities</i>		
(Increase) in receivables	100	(410)
Increase in payables	3,222	6,230
Net cash inflow/(outflow) from operating activities	-	-

Note 16. Contributed equity

Opening balance (100 shares, fully paid at \$1.00 each)	100	100
Closing balance (100 shares, fully paid at \$1.00 each)	100	100

Fully paid shares

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The company has the power to forfeit any shares upon which the call remains unpaid for a period specified by the directors.

The company has a first and paramount lien on every share not fully paid for all money, whether presently payable or not, called or payable at a fixed time in respect of that share.

Note 17. Economic dependency

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

Notes to the financial statements for the year ended 31 December 2007

Note 18. Financial risk management

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices; market risk comprises currency risk, interest rate risk and other price risk.

(i) Currency risk

The entity does not undertake transactions in other currencies so does not have exposure to exchange rate fluctuations arise.

(ii) Price Risk

The Entity currently has no available -or-sale financial assets so is not exposed to price risk.

(iii) Interest rate risk

The company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial instruments.

There has been no variation to the objectives, policies and processes for market risk since the prior period.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the company intends to hold fixed rate assets and liabilities to maturity.

2007	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non-interest Bearing	Total
	2007 %	2007 \$	2007 \$	2007 \$	2007 \$
Financial assets					
Cash	N/A	-	-	100	100
Receivables	N/A	-	-	310	310
		-	-	410	410
Financial liabilities					
Payables	N/A	-	-	14,235	14,235
		-	-	14,235	14,235

2006	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non-interest Bearing	Total
	2006 %	2006 \$	2006 \$	2006 \$	2006 \$
Financial assets					
Cash	N/A	-	-	100	100
Receivables	N/A	-	-	410	410
		-	-	510	510
Financial liabilities					
Payables	N/A	-	-	11,013	11,013
		-	-	11,013	11,013

Notes to the financial statements for the year ended 31 December 2007

Note 18. Financial risk management (cont)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

Trade accounts payable are carried in the financial statement at net fair value unless otherwise stated. They have normal business trading terms.

There has been no variation to the objectives, policies and processes for credit risk since the prior period.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company currently uses the cash management facilities of the parent company.

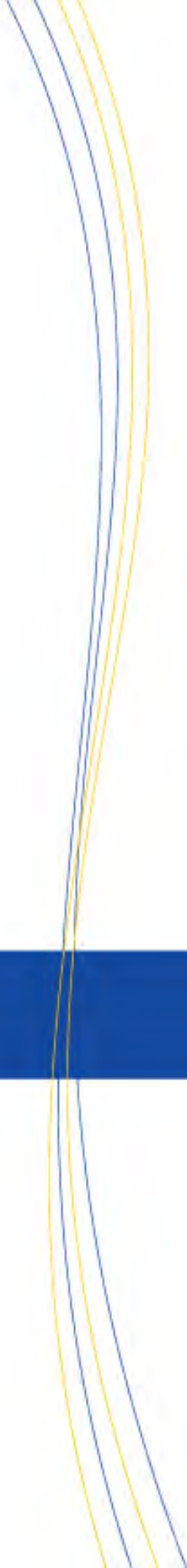
There has been no variation to the objectives, policies and processes for liquidity risk since the prior period.

(d) Fair value of financial assets and liabilities

The fair value of the company's financial assets and liabilities as presented in the balance sheet approximate their fair value.

"End of Audited Financial Report"





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