

23 April 2010

The Hon Verity Firth MP  
Minister for Education and Training  
Parliament House  
SYDNEY NSW 2000

Dear Minister

The Council of Southern Cross University presents the report of proceedings of the University and the audited financial statements for the year ended 31 December 2009.

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 Honourable John Dowd AO QC  
Chancellor Southern Cross University



Professor Peter Lee FTSE  
Vice Chancellor Southern Cross University



# Contents

## Part A (to be read in conjunction with Part B financial statements)

Message from the Chancellor .....	6
Message from the Vice Chancellor .....	7
Continuing development .....	8
Major works .....	8
Maximising access .....	9
Campuses and sites .....	10
Flexible delivery .....	11
Sustainability .....	12
Corporate development .....	14
The Southern Cross University Foundation .....	14
Alumni relations .....	15
Scholarships .....	16
Teaching and learning .....	16
Academic skills development .....	16
Academic staff achievements .....	17
Flexible Learning Development Service .....	18
Preparing for Success program .....	18
Projects .....	18
Quality assurance .....	19
International activity .....	19
Library .....	21
Research .....	23
Research funding .....	23
Research highlights .....	23
Regional engagement .....	26
External relationships .....	26
Internal developments .....	27
Additional activities .....	27
Faculty achievements .....	29
Faculty of Business and Law .....	29
Faculty of Arts and Sciences .....	32



Management functions and structure .....	36
Council report .....	37
Organisational development .....	37
Council performance review .....	37
Boards and Committees of Council .....	37
Committees of Council .....	37
Other committees and Tender Board.....	44
Principal officers .....	45
Council members .....	45
Executive officers .....	45
Report by the Executive Director (Corporate Services) .....	46
Management activities .....	46
Student services .....	46
Student accommodation .....	46
Lismore campus student centre .....	46
Office of Sport and Cultural Activities (OSCA) .....	46
Leisure Centre projects .....	47
Other activities and services .....	47
Advances in communications technology .....	47
Promotion .....	49
Events .....	49
Media .....	50
Human resource services .....	51
Recruitment .....	51
Staff development .....	52
Occupational health and safety .....	52
Risk management .....	53
Insurance .....	53
Facilities management and services .....	54
Environmental initiatives.....	54
Public access to University publications .....	55



Financial and resource management .....	55
Investment performance .....	57
Payment of accounts .....	57
Land disposal .....	57
Consultants .....	58
Budgets .....	59
Statutory reporting .....	61
Privacy Management Plan .....	61
Freedom of Information .....	61
Equity and Diversity .....	63
Equal employment opportunity .....	63
Trends in the representation of EEO target groups .....	63
Merit-based selection and flexible work practices .....	64
Online EEO training .....	64
Data extracts from reporting period 2008-2009 (excludes casual staff) .....	64
Development program for women .....	65
Equity and diversity contacts .....	66
Indigenous employment strategy .....	66
Southern Cross University Indigenous Events Coordinating Committee .....	67
2010 planned activities .....	68
Distribution Index .....	68

## **Part B (to be read in conjunction with Part A of the report)**

Report by members of the University Council .....	1
Financial reports .....	7
Southern Cross University .....	7
Norsearch Limited .....	69
Australian Plant DNA Bank Limited .....	101
Biobank Pty Ltd .....	127



## Tables, diagrams, graphics, appendices

Table 1: SCU international enrolment figures for 2006, 2007, 2008 and 2009 .....	19
Table 2: Consultancies costing less than \$30,000.....	58
Table 3: Consultancies costing more than \$30,000 .....	58
Table 4: Statement of comprehensive income.....	59
Table 5: Statement of financial position .....	60
Table 6: Academic staff (Data extracts) .....	64
Table 7: General staff (Data extracts).....	64
Table 8 : Academic staff (Distribution Index) .....	68
Table 9 : General staff (Distribution Index).....	68
Table 10: Number and full-time equivalence (FTE) of staff 2005 - 2009 .....	69
Table 11: Full-time and fractional full-time staff (persons) by gender and level 2000 - 2009 .....	69
Diagram 1: Organisation chart .....	36
Diagram 2: University Council .....	36
Graph 1: 2009 Revenue by type .....	56
Graph 2: 2008-2009 expenses .....	57

## Appendices

Ethnic Affairs Priorities Statement 2009 .....	70
1. Program and service delivery .....	70
Objective 1.1 .....	70
Objective 1.2 .....	71
Objective 1.3 .....	72
Highlights in 2009.....	73
2. Staffing .....	74
Objective 2.1 .....	74
Objective 2.2 .....	75
Objective 2.3 .....	75
3. Communication .....	75
Objective 3.1 .....	75
4. Planning and evaluation .....	75
Objective 4.1 .....	75
Plan for 2010.....	76
Index of compliance .....	77

## Message from the Chancellor

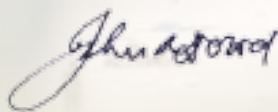
The Federal Government's response to the Bradley Review into Higher Education in Australia acknowledged education as the key to Australian prosperity, setting ambitious targets to improve participation generally and particularly among people from low socio-economic backgrounds. In 2009 Southern Cross University positioned itself ahead of the anticipated structural reform of the sector, including the lifting of enrolment caps which will see by 2012 all universities funded on the basis of student demand.

The Southern Cross University Council assessed the findings of stage one of the Feasibility Study into a new national university for regional Australia, conducted jointly by Southern Cross University and Charles Sturt University. The Council determined that on the basis of the first stage of the study, the Needs Analysis completed by PhillipsKPA, a merger of the two universities was not feasible. The Needs Analysis did however highlight the potential for more collaboration between regional universities, and the very valuable role regional universities play in their communities.

There was evidence of Southern Cross University's value to its regions, from the Coffs Coast to the southern Gold Coast, with the release of a report by the Southern Cross University Regional Futures Institute. The report estimated the value of the University to be worth more than \$483 million in 2010 to the regional economies of the Northern Rivers, Coffs Coast and the Gold Coast and Tweed Heads. The report also found that an estimated 2,774 jobs including direct employment, construction and student expenditure, can be attributed to the University across the region.

In August there was a change in leadership at Southern Cross University, following the retirement of Professor Paul Clark who was made an Emeritus Professor of the University. Professor Peter Lee was welcomed as Vice Chancellor.

Southern Cross University was named as a 2009 Employer of Choice for Women by the Federal Government's Equal Opportunity for Women in the Workplace Agency (EOWA). The Employer of Choice for Women citation is an acknowledgment by EOWA of organisations around the country that are recognising and advancing women in the workplace.



The Hon John Dowd AO QC  
Chancellor Southern Cross University



## Message from the Vice Chancellor

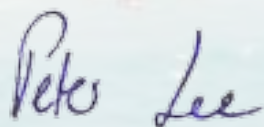
Increasing the opportunities for participation in higher education was a primary focus of Southern Cross University in 2009. Student demand continued to grow, with the University exceeding Commonwealth load targets by more than six per cent. The University's student population grew to more than 16,000 people, and more than 10,000 equivalent full-time students.

In 2009 the Department of Education, Employment and Workplace Relations released its national enrolment figures for 2008, which showed the University increased total enrolments by 3.4 per cent on the previous year compared with a 2.6 per cent increase for the sector as a whole. This represented an increase of 4.3 per cent when expressed as full-time students, higher than the national rate of 3.4 per cent.

This growth phase is set to continue, with the construction of the foundation building of the southern Gold Coast campus throughout 2009 ahead of the first intake of students in 2010. Located at the Gold Coast Airport Development Park and close to North Kirra, the campus is ideally situated to serve both the southern Gold Coast and Tweed, a region under-served by higher education provision. Only 18 per cent of people at the Gold Coast aged between 25-34 years hold a Bachelor's degree or above - around half the national average. By growing aspirations and participation, Southern Cross University will also be a key driver in the social and economic development of this region.

In 2009 Southern Cross University continued to draw on issues of relevance to its regions in developing internationally significant research capabilities, in areas as diverse as plant genetics, biofuels, children and young people and tourism. Research and research training income exceeded \$12 million in 2009. This included \$2.1 million from the ARC Discovery, LIEF and Linkage research projects. The University was a partner in three new successful Cooperative Research Centre (CRC) bids - CRC for Infrastructure and Engineering Asset Management, CRC for Remote Economic Participation, and Wound Management Innovation CRC, which will commence operations mid-2010. Currently Southern Cross University is an active participant in eight CRCs.

The University was proud of the five individual and team recipients of Australian Learning and Teaching Council Citations, reflecting a commitment to the quality of student learning and the overall student experience.



Professor Peter Lee FTSE  
Vice Chancellor Southern Cross University





## Continuing development

### Major works

A significant milestone was reached in the life of Southern Cross University with the completion by year's end of the foundation building of the new Gold Coast campus, in anticipation of opening for the 2010 academic year. The \$20 million building, supported by a \$7.66 million contribution from the Federal Government, is located adjacent to the Gold Coast International Airport and close to North Kirra Beach. The foundation building represents the first phase of a campus master plan to serve this fast-growing region of Australia, currently under-represented in higher education participation.

In constructing the foundation building, Woodhead Architects and Glenzeil building contractors excelled to create a contemporary building featuring quiet and attractive learning spaces, taking advantage of natural light, and ocean and hinterland views.

In November, The Hon Anthony Albanese, Minister for Infrastructure, Transport, Regional Development and Local Government approved the Major Development Plan for a second building on the site, to provide additional teaching spaces and student facilities.

At Lismore campus work commenced on new clinical and laboratory teaching spaces, and a Health and Wellbeing Clinic in P Block. Construction began on a swimming pool, funded by the Federal Government, as part of the Gymnasium and Aquatic Centre.

At Coffs Harbour campus the new Sports and Recreation Centre, comprising a gymnasium, sports courts and other student facilities, was completed. In July it was announced that in-principle agreement had been reached for Southern Cross University to purchase the University of New England's share of the National Marine Science Centre at Coffs Harbour, jointly owned by both universities since its inception in 2002.





## Maximising access

In 2009, more than 16,000 students accessed Southern Cross University degrees, studying at one of the University's eastern seaboard campuses or by distance education, through collaborating institutions within Australia or offshore.

In 2009 teaching was conducted on a session and trimester basis. The new teaching calendar was introduced for undergraduate degrees, providing three teaching sessions of equal length. The motivation for the calendar was to, over time, enable some students to pace their studies to accommodate work and other commitments and others to accelerate their degrees. In 2009 an independent review of the new calendar was conducted, resulting in some modifications for 2010 and further consideration of the 2011 calendar and beyond.

In 2009 the Department of Education, Employment and Workplace Relations national enrolment figures 2007-2008 were released, showing that Southern Cross University had a total of 15,128 students, an increase of 3.4 per cent on 2007, and 9,393 equivalent full-time Student load (EFTSL), an increase of 4.3 per cent on 2007.

The University's Preparing for Success Program, which provides a pathway to university education for students who have otherwise been precluded, repeated its success of previous years with an intake

of 475 students across all three campuses and by distance education in 2009.

The STAR Entry Scheme, again offered to students at senior secondary schools across the University's footprint, provided bonus points to Year 12 students to assist in gaining access to university study.

The STAR region spanned the greater Gold Coast and Darling Downs areas in Queensland, south to the NSW Central Coast and west to the NSW/SA border.

In 2009 the Equity High Schools Outreach Program continued to engage with students at Casino, Kyogle and Richmond River High Schools and Nimbin and Woodenbong Central Schools (Northern Rivers region), as well as Nambucca Heads and Kempsey High Schools (Mid North Coast region). The program is designed to demystify the university experience and encourage school students to see university as a real option available to them. It endeavours to overcome real and perceived barriers to enrolling in university and provides support to students from equity groups including financially disadvantaged students, regional and remote students, Indigenous Australian students, students with a disability, and students from non-English speaking backgrounds. Program staff worked with 208 students at these schools including 93 students who followed up with a visit to the University. This represents an increase in participation from 2008.



## Continuing development

### Campuses and sites

Southern Cross University operated three campuses on the Mid North and North Coast of New South Wales, as well as the Hotel School Sydney, in partnership with Mulpha Australia.

The Lismore campus in East Lismore was the University headquarters, housing most of its academic and research units. Specialist teaching facilities included environmental science laboratories, nursing and tactile therapy laboratories, exercise science facilities including a biomechanics laboratory, the law moot court, the medicinal plant herbarium and Health and Wellbeing Clinic. Construction commenced on the swimming pool within the Gymnasium and Aquatic Centre, and on new clinical laboratories and teaching spaces and new accommodation for the Health and Wellbeing Clinic.

The Lakeside facility at Caloola Drive, Tweed Heads welcomed students into the new degree in occupational therapy, and Bachelor of Early Childhood.

At Brett Street, Tweed Heads, undergraduate degrees were delivered in business, convention and event management, secondary education, social science and sport management (surfing studies), along with the preparatory program Preparing for Success. Postgraduate degrees were delivered via the Graduate College of Management

across a range of business studies, including the DBA and MBA programs.

At Coffs Harbour campus, construction of the Sport and Recreation Centre was underway throughout 2009. This facility will provide a venue for a range of sports and will house a gymnasium, as well as a versatile, covered space capable of seating more than 600 people. Other facilities at Coffs Harbour included a specialised nursing laboratory, complete with simulated wards. Coffs Harbour campus offered degrees in business, hotel and resort management, psychology, nursing, early childhood education, secondary education, arts, social sciences and information technology.

In July 2009 it was announced that Southern Cross University would purchase the University of New England's share of the National Marine Science Centre, reflecting the strategic directions of both universities. The National Marine Science Centre is located on the edge of the Solitary Islands and provides a base for undergraduate teaching and postgraduate research projects on conservation and sustainability of marine environments. The Centre has excellent facilities including a flow-through seawater system that supplies laboratories, a tank farm, aquarium room and hatchery. The Centre also operates a survey and research vessel, SCUBA support and analytical and sampling equipment.



Southern Cross University utilised a teaching space at the Port Macquarie Base Hospital to deliver its undergraduate nursing degree.

The University offered its Bachelor of Business in Hotel Management through The Hotel School Sydney, which is located adjacent to the five star InterContinental Hotel, in the heart of Sydney's central business district.

In 2009, a student accommodation agreement was reached with Campus Living Villages (CLV) for the ongoing management, refurbishment and expansion of its student accommodation in Lismore and Coffs Harbour.

The University's Student Services Unit provided support to students seeking off-campus accommodation in the private rental market close to campuses at Lismore, Coffs Harbour, the Gold Coast and Tweed Heads.

## Flexible delivery

In 2009, many of the University's degrees were offered by distance education, including online delivery, utilising an increasing range of technologies.

In 2009, the University's Flexible Learning and Development Services (FLDS) continued to support the University's provision of quality learning materials – including print and electronic text, video, audio and resources – to students in a range of media, including online.

FLDS produced materials for most units offered by the University across all sessions and campuses, and played a central role in supporting academic staff in implementing the University's converged delivery vision.

Its work was underpinned by extensive research and development practices that ensured staff were exposed to innovative uses of technology. The unit provided support and training for Elluminate Live – the University's adopted live classroom application for engaging students in online collaborative learning. FLDS also provided video production, publishing, editing and website development services for specialist activities across the wider University community.



## Continuing development

### Sustainability

Southern Cross University continued to participate in the Sustainability Advantage Program in partnership with the NSW Department of Environment and Climate Change (DECC) in 2009. The University completed the Vision, Commitment and Planning module by producing the Sustainability Functional Plan 2010-2012. The plan defines the University's vision and goals within environmental, social and economic sustainability contexts. A number of actions were identified in the plan and priorities assigned to achieve these goals in the coming years, with benchmarking of performance against others in our sector.

Commencement of the resource efficiency module of the program resulted in the formation of a Resource Efficiency Team consisting of a cross-section of general and academic staff, and students. The team identified high resource use areas and investigated ways to improve efficiencies. Solutions were investigated to improve lighting efficiency, reduce paper consumption in the printing of student materials, and recover and re-use furniture.

The University will commence the staff engagement module of the program in early 2010. This module will aim to engage key staff in the implementation of the priority actions identified in the Sustainability Functional Plan.

In 2009 staff participated in a number of professional development opportunities relating to sustainability including:

- Northern Rivers Regional Transition Leadership professional development program
- Environmental Management Systems training
- Using Research to Improve Sustainability Programs workshop
- Australasian Campuses Towards Sustainability Conference.

The teaching and research of the School of Environmental Science and Management remained focused on innovative approaches to contemporary issues including global warming, salinity, sustainable agriculture and forestry. The University-wide sustainability major provided additional opportunities for students of other disciplines to learn about sustainability.

Southern Cross University is a signatory to the Northern Rivers Climate Change Collaboration (NR3C) Agreement with partners Byron Shire Council, Catchment Management Authority, Local Community Services Association, North Coast Area Health Service, North Coast Institute of TAFE, Northern Rivers Social Development Council, Northern Rivers Tourism, Northern Star Pty Ltd, Richmond Valley Council,



North East Waste Forum and Youth Environment Society. Collaborative projects for SCU and other member organisations in 2009 included:

- The development and implementation of regional action plans for resource efficiency, food, transport and community resilience
- The development and implementation of the North Coast Travel to Work and Study survey to support better transport planning for the health of the community, the economy and the environment
- The development and implementation of the Northern Rivers Carpool project to reduce the number of cars on the road in our region
- Participation in AustCycle Cycle Proficiency Training to benefit the environment and the health of staff and students
- Determination and implementation of initiatives to increase the sustainability of the operations, exhibitors and visitors of Primex
- Participation in the Y Green Program, allowing students to be trained and employed to conduct home sustainability consultations in their local community.

SCU also participated in regional collaborations outlined below:

- The Mid North Coast Sustainability Alliance (MNCSA) provided a mechanism for sharing information, ideas and potential collaborations. Partners in the MNCSA included North Coast TAFE, North Coast Area Health Service, Mid North Coast Regional Council for Sustainable Development, Bellingen Council, Coffs Harbour City Council, Department of Premier & Cabinet, Regional Development Australia – Mid North Coast and Catchment Management Authority
- SCU worked with the Mid Rivers Group of Environmental Educators (MRGEE) to host the NSW Association of Environmental Education bi-annual Conference at Coffs Harbour campus in October 2009. MRGEE partners include dCascade Environmental Education Centre, North Coast TAFE, Mid North Coast Local and State Government and non-government organisations.



## Continuing development

Following is a snapshot of other SCU community engagement activities:

- SCU hosted the Michael Shuman workshop 'Getting down to business: The growth of local living economies in response to climate change'
- The School of Environmental Science and Management continued the popular public Science Conversation Series with informative and cutting edge presentations in Lismore, Coffs Harbour, Tweed Gold Coast and Byron Bay
- SCU and visiting academics across a range of disciplines gave public presentations which included 'Resilience and opportunity in ancient South East Asia and Papua New Guinea: Socio-environmental lessons in the face of climate change and other catastrophic events' by Professor Bill Boyd (SCU); and 'Australian energy and climate policy: Challenges and opportunities for regional Australia' by Dr Iain MacGill (Centre for Energy & Environmental Markets, UNSW).

### Corporate development The Southern Cross University Foundation

The University Council and members of the Southern Cross University Foundation extended their wholehearted appreciation to Marcus Blackmore AM, inaugural Chair of the SCU Foundation, who completed his two-year term in September 2009. Mr Blackmore was instrumental in helping the University enlist a team of outstanding volunteer leaders to assist the University in raising funds and reconnecting with its graduates.

The Southern Cross University Foundation launched a new fundraising program in support of the establishment of the Regional Futures Institute. The principle focus is to raise \$1.5 million to establish a professorial research position, the Chair in Innovative Regions, to lead innovative thinking on sustainable regional development. Connections with business leaders through the Vice Chancellor's Business Leaders Forum helped facilitate the development of a regionally specific research agenda and attracted new investors to commercial research.



In total, the Southern Cross University Foundation managed a portfolio of commitments in excess of \$1.5 million and contributed more than \$400,000 in 2009 to a range of programs including professorial chairs, scholarships, cultural events and special projects designed to enhance the learning experiences of our students.

These achievements were also due to the contributions of volunteers, alumni and staff who participated in SCU Foundation activities to raise awareness of and funds for the University.

### Alumni relations

Southern Cross University's alumni relations continued to grow significantly, with approximately 11,700 graduates in contact with the University. The University welcomed alumni involvement in 2009 through a variety of pathways including:

- Facilitating student placements through programs such as the School of Tourism and Hospitality Management's internship program
- Continuing professional development including the Graduate College of Management's *Business Insights* series
- Social and business networking at alumni chapter events in Sydney, Hong Kong, Singapore, Lismore and other locations

- As subscribers to *Discover SCU*, *What's New @ SCU*, *Managing Matters* and the *SCU Alumni e-news*
- As advocates to government, industry and the professions
- As members of School Industry Advisory Boards informing course development and research
- Fundraising events for athletics scholarships.

Outgoing Vice Chancellor, Paul Clark, hosted a group of outstanding alumni at the annual Alumni Recognition Gala event, held at the Norther Rivers Community Art Gallery in Ballina. An Outstanding Alumnus of the Year Award went to Lisa Messenger (Bachelor of Business in Tourism Management 1999), Managing Director of specialist publishing company, Messenger Group. Young Alumnus of the Year was awarded to Simon Kalinowski (Bachelor of Business 2001), entrepreneur and CEO of waste technology company, Mandalay Technologies. All nominees demonstrated excellence and achievement in their chosen career paths, and commitment to community through volunteer activities.

The University Council hosted a group of graduating students at the Coffs Harbour graduation ceremony to recognise their excellence and achievements.



## Continuing development

### Scholarships

The University's Rising Stars Scholarships scheme was a major focus of the SCU Foundation. In 2009, donors and sponsors supported 99 students. Scholarship contributions in 2009 totalled \$402,787 with a further \$366,350 pledged for new scholarships to be offered from 2010.

The Mandalay Technologies Indigenous PhD Scholarships were announced in 2009 to support two Aboriginal Torres Strait Islander students during their postgraduate studies. This will enable Gribi College to expand its research capabilities with the goal of building an evidence base to underpin policy and programs aimed at closing the gap on Indigenous disadvantage.

### Teaching and learning

The new appointment of the Director of Teaching and Learning resulted in closer collaboration between the three teaching and learning support providers: Teaching and Learning Centre, Academic Skills Development Unit and Flexible Learning Development Services.

### Academic skills development

#### **Foundations of University Teaching**

The annual Foundations of University Teaching engaged academic staff from across the University in professional learning to support their teaching. In 2009 42 participants across the three campuses participated in a two day event and completed an action learning project in their teaching workplaces.

#### **Graduate Certificate in Higher Education (Learning and Teaching)**

The University's professional teaching qualification for its academic staff, the Graduate Certificate in Higher Education (Learning and Teaching), had its sixth intake, with 46 enrolments in 2009.

Academic professional development for teaching was further supported by a suite of workshops, with an inaugural festival of teaching attracting more than 80 staff from across all campuses. National and international visiting scholars supplemented the breadth of professional learning opportunities offered to staff in 2009.





## Academic staff achievements

### **ALTC Promoting Excellence Initiative**

The following staff received Australian Learning and Teaching Council (ALTC) recognition in 2009.

#### *ALTC Citations for Outstanding Contribution to Student Learning*

Soenke Biermann, Associate Professor  
Baden Offord, Dr Rob Garbutt, Dr Shelagh Morgan

For developing and sustaining an innovative, holistic and transformative education practice that values social inclusion, cultural diversity and activated citizenship.

Murray Cullen

For more than 20 years commitment to inspirational, reflective and scholarly teaching of first-year Environmental Science and Management students.

Dr Kath Fisher

For empowering and inspiring students through nationally and internationally recognised expertise in research-led teaching and learning of critical self-reflection.

Professor Peter Harrison

For two decades of outstanding, research-infused teaching that inspires and motivates learning among Marine Science and Environmental Science and Management students.

Thea van de Mortel

For sustained leadership in curriculum design, practice and strategies to inspire and motivate students in the study of science within nursing.

Southern Cross University was the lead institution in an ALTC Competitive Grant: 'Building a stronger future: Balancing professional and liberal education ideals in tourism and hospitality education'. Associate Professor Diana Dredge from the School of Tourism and Hospitality Management leads the team of seven colleagues involved in this activity.

### **SCU Citations for Outstanding Contributions to Student Learning**

- Dr Rosanne Coutts, School of Health and Human Sciences
- Dr Ross Goldingay, School of Environmental Science and Management
- Leonie Lane, School of Arts and Social Sciences
- Dr Peter Vitartas, School of Commerce and Management
- The Student Mentoring Program Team, Equity and Diversity Office, headed by Rachel Callahan
- Student Services Team led by Sarah Beresford.



## Continuing development

### Teaching and Learning Small Grants Scheme

- Dr Elaine Nuske (SASS – Coffs Harbour campus)
- Associate Professor Heather Hancock (HAHS – Tweed Gold Coast)

The SCU Teaching and Learning Fellowship was awarded to Dr Amanda Reichelt-Brushett.

### Flexible Learning and Development Services

Flexible Learning and Development Services (FLDS) continued to support the University's provision of quality learning materials (see Flexible Delivery).

### Preparing for Success program

The Preparing for Success program, offered through the Academic Skills Development Unit, had an intake of 475 students across all three campuses and by distance education in 2009. This program provided access to students who had previously been unable to engage in university studies.

### Projects

#### Converged delivery

The Converged Delivery project continued to investigate ways to implement the University's vision for flexible learning that states 'every Southern Cross University student should have a range of

pedagogically sound study options to best suit their learning preferences and their work and life demands'. This vision would see all students, whether geographically in close proximity to a campus or not, provided with equitable learning opportunities through a single enrolment mode. Forty four academics were engaged across the University to explore the innovative delivery of flexible learning.

#### Turnitin plagiarism software

Following a successful pilot in 2008 the University implemented the use of plagiarism detection software, Turnitin. It is anticipated by the end of 2010 all students will have access to Turnitin for use on relevant assignments. The aim is to incorporate Turnitin as an integral tool for the development of student research and writing skills.

#### First Year @SCU

Following a successful forum of 80 academic and other interested staff in early 2009, the First Year @SCU project implemented a range of strategies to support students in their transition to undergraduate studies. It is expected that one of the first outcomes from this project will be the provision of online modules for academic and information literacy skill development. The Academic Skill Development Unit and the library worked collaboratively to support this new initiative.



## Quality assurance

The Australian Universities Quality Agency (AUQA) approved the action plan prepared by the University in response to the recommendations contained in the 2008 audit of SCU. Significant progress has been made on all recommendations and this was endorsed by AUQA.

A new organisational review policy was approved by the Vice Chancellor covering reviews of academic units (schools and colleges), support areas, functions (covering services, functions and processes) and educational collaborations. A five year review schedule was approved by the Quality Committee. Reviews were completed in 2009 for the School of Tourism and Hospitality Management, Office of Regional Engagement, Information Technology and Telecommunication

Services Group, Information and Communication Technologies Function, and educational collaborations at TMIS (Singapore), Naresuan University/SIC (Thailand), IBS (Papua New Guinea) and The Hotel School Sydney.

During 2009 Quality Assurance and Education Services for Overseas Students (ESOS) compliance audits and spot checks were completed by staff from the Office of Planning, Quality and Review at Sydney College of Business and IT (SCBIT) and the International Office. The audit reports were provided to the Executive Dean and the CEO or Director for information and to action any outstanding matters identified during the audit. Training sessions on quality assurance and ESOS were held for staff across the University.

## International activity

**Table 1:** Southern Cross University enrolment figures for 2006, 2007, 2008 and 2009 across all campuses and collaborations (The Hotel School Sydney, SCBIT, ASTHM and VBS for 2006 and 2007).

	2006	2007	% increase 06-07	2008	2009	% increase 08-09
inbound exchange	63	53	-16%	54	59	9%
study abroad	154	170	10%	172	127	-25%
full degree	958	1,188	24%	1,399	1,403	1%
total	1,175	1,411	20%	1,625	1,589	-2%
Outbound exchange	41	45	10%	50	41	-18%



## Continuing development

The number of international students dropped slightly in 2009 due primarily to a 60 per cent decrease in single semester study abroad students in session two which was attributed to a changed teaching calendar. However, Tweed Gold Coast student numbers increased by 25 per cent from 270 in 2008 to 337 in 2009.

The previously rapid growth of collaborating partner SCBIT in 2008 decreased by 15 per cent from 537 students in 2008 to 459 in 2009.

The percentage of international students compared with domestic students remained consistent at around 11.7 per cent while the on-campus international student population was approximately 18.5 per cent, contributing to the multicultural on-campus environment.

### **Outbound exchange**

The First Year Experience Grant benefited the outbound exchange program, raising the program profile within the University schools. This was partly offset by the global financial crisis and students' reluctance to self-fund their travel. Of the 41 outbound exchange students, 25 were awarded a scholarship and six inbound exchange students received scholarship funds. The Government's response to the Bradley Review resulted in the 20 per cent fee being lifted on all OS-HELP loans for outbound exchange from 2010. Sixteen of our exchange students took up OS-HELP in 2009.

### **International student safety**

Dominating Australia and overseas media in 2009 was the issue of international student safety. In August 2009 the Minister for Education and Deputy Prime Minister, The Hon Julia Gillard MP, asked the Hon Bruce Baird to review the Education Services for Overseas Students (ESOS) Act 2000 and report back to the Government with changes designed to ensure Australia continues to offer world class quality international education. Southern Cross University contributed to the review submission and on 3 December 2009 Mr Baird released an interim report on the review of the ESOS Act setting out his initial observations. It highlighted that two essential and complementary elements were needed to strengthen international education: More effective consumer protection and stronger, simpler regulation. The report referred to the need to toughen the gateway for organisations to register as international education providers, support student access to better information, improve student tuition protection arrangements and enhance student complaints handling and support mechanisms. Other issues raised in the report included links between education and migration and the long term sustainability of the international education sector. The interim report was made available through [www.deewr.gov.au](http://www.deewr.gov.au)



### **Gold Coast campus**

In November 2009 Southern Cross University received Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registration for the new southern Gold Coast campus.

### **Library**

#### **Gold Coast and Tweed Heads campus library**

Extensive planning took place for the new Gold Coast and Tweed Heads campus library in 2009, in preparation for the consolidation of its services to support programs offered at the three teaching locations – Gold Coast in Southern Cross Drive, Bilinga, SCU Riverside at Brett St, Tweed Heads and SCU Lakeside at Caloola Drive, Tweed Heads. The new library will offer unique student spaces including group work areas, study rooms and a balcony with views to the ocean and the mountains. It will be situated close to new University facilities such as the Student Hub and cafe. Enhanced services and resources, such as a larger range of print and electronic materials, will be offered from a single location. Extended staffed opening hours will provide greater flexibility for working students and those with family commitments during the day. Library staff will provide onsite information, skills training and consultations to students and staff at Gold Coast campus and Tweed Heads locations.

### **Support for research**

The institutional repository of research publications, ePublications@SCU, continued to grow, with a total of 3,846 citations, 972 full text articles, and more than 100 personal researcher pages by the end of 2009. There were more than 100,000 downloads of publications, indicating significant demand for the research and creative outputs of SCU. Repository staff played a key role in the Excellence in Research for Australia (ERA) trial, preparing and storing research outputs from Humanities and Creative Arts in the repository for peer review by ERA assessment panels. The repository also hosted its first open access online journal, the *Journal of Economic and Social Policy*, launched by the Vice Chancellor, Professor Peter Lee, in December.

### **eBooks**

The library continued to develop its ebook collection, with new subscriptions to Ebook Library (EBL) and a range of discipline-based collections expanding it to over 40,000 titles. Ebooks complement the library's print collections and provide 24/7 access to students at all locations and in all study modes. A project to integrate ebooks into unit reading lists was also initiated in collaboration with the Graduate College of Management.



## Continuing development

### **Higher Education Equity Support Program (HEESP)**

A HEESP-funded project to increase awareness of library services and to engage Indigenous Australian students was successfully completed during 2009.

The project objectives were to:

- Increase Indigenous students' awareness of, and access to, print and electronic library and information resources
- Enhance the information-seeking skills of Indigenous students
- Engage with Indigenous students to encourage more in-library use.

The project was successful in its overall objective of making the library and its spaces (both physical and electronic) a more welcoming and inclusive environment for Indigenous students at SCU.

### **Copyright**

The Copyright Office provided support and education to staff on the legal use of copyright materials. Southern Cross University is part of an agreement under Part VB Copyright Act (Education Licence) between Universities Australia and Copyright Agency Limited (CAL). It is a requirement of our Part VB Education Licence that the University reports a sample of the copyright materials used to the agency. The licence allows the University

to reproduce and communicate copyright material for educational purposes.

During 2009 the University was selected to participate in the electronic use monitoring survey. Monitoring required that any electronic copying or communication is recorded and reported to CAL. The purpose of the survey was to determine the quantity of material copied for educational purposes and identify the material so that payment could be distributed to copyright owners.

### **Services to alumni**

The library expanded its offerings to alumni during the year.

Successful negotiations with vendors enabled the University to offer alumnus free access to new online databases: CAB Leisure Tourism Database, Timebase and AustLit – Australian Literature Gateway. The new services provided off campus access to scholarly writings in the areas of law, tourism and hospitality, and Australian literature.

Southern Cross University alumni were able to register with the library for access to its services free of charge. Once registered, users have walk-in borrowing privileges and access to the library's full suite of electronic resources.



## Research

Southern Cross University continued to draw on regional issues to develop internationally significant research capabilities during 2009, specifically in the Cooperative Research Centre (CRC) Program, with success in three new CRCs which will commence in mid-2010:

- Wound Management
- Infrastructure and Engineering Asset Management
- Remote Economic Participation.

SCU is currently a core participant in the following eight CRCs:

- Tourism
- Grain Foods
- Contamination Assessment and Remediation of the Environment
- Desert Knowledge
- Sugar Industry Innovation
- Forestry
- National Plant Biosecurity
- Rail.

The University continued to support research expertise with the approval in late 2009 of two Special Research Centres (Plant Genetics; Geosciences), seven Research Centres (Phytochemistry and Pharmacology; Children and Young People; Gambling Education and Research; Environmental Management Research;

Tourism, Leisure and Work; Marine Ecology; and Coastal Biogeochemistry) and five Research Clusters (Health and Wellbeing; Higher Education Policy and Practice; Enterprise and Regional Development; Health eRegions; and Neuroscience).

## Research funding

Research and research training income to Southern Cross University exceeded \$12 million in 2009. This included more than \$3.1 million from CRC projects and \$2.1 million from the ARC Discovery, LIEF and Linkage research projects, representing a seven per cent increase on 2008 ARC funding.

## Research highlights

### ARC Future Fellow

Southern Cross University coastal geomorphologist Dr Anja Scheffers was named one of 200 Future Fellows, a prestigious national award for outstanding researchers. She received the Australian Research Council Future Fellowship, worth more than \$700,000 over four years, for a project which will explore tropical cyclone activity, dating back 7000 years in Western Australia.

Dr Scheffers spent the last seven years looking at the long-term history of natural hazards including cyclones, tsunamis, coastal erosion and storm inundation and the implications for coastal management and government policies. The Fellowship



## Continuing development

will fund a new project titled 'Unravelling Western Australia's Stormy Past – a precisely-dated sediment record of cyclones over the past 7000 years'.

### **Southern Cross GeoScience**

Southern Cross GeoScience received ARC Linkage Project funding to investigate the health of the internationally recognised Peel-Harvey wetland, a 100-kilometre long estuary located in an area of high population growth south of Perth in Western Australia. This project aims to unravel how these sediments form to such exceptional levels and assess the environmental hazards they pose in order to support better management practices. The accumulation of monosulfidic sediments, a black toxic sediment, impacts on major ports and waterways around Australia including the Murray-Darling system.

The Centre also secured a major Caring for Country grant (\$154,000) to help fund the development and implementation of six training courses individually tailored for each State and Territory in Australia on 'Acid Sulfate Soil Identification, Assessment and Management'.

Southern Cross GeoScience undertook a major study for the South Australian Government on the probable effects of seawater introduction into the Lower

Lakes (Lakes Alexandrina and Albert on the Lower Murray River). Recent research undertaken by the Centre indicated that the Lower Lakes were being impacted by a combination of low water levels caused by the prolonged drought and the presence of acid sulfate soils. Southern Cross GeoScience's research provided the South Australian Government with critical predictive capacity to evaluate the likely environmental impacts of seawater introduction to prevent the desiccation and acidification of the Lower Lakes.

The plantstone carbon research of Dr Jeff Parr and Professor Leigh Sullivan received international attention with the publication in leading international climate change journal *Global Change Biology*, of a paper titled *Carbon bio-sequestration within the phytoliths of economic bamboo species*. The paper was developed with colleagues from the Fujian Academy of Forestry Sciences in China. It demonstrated that simple agronomic changes could result in global bio-sequestration. The technology arising from this carbon biosequestration research program features in climate change policies being developed in Australia.





### **Centre for Plant Conservation Genetics**

In 2009, with funding awarded from the ARC LIEF program, the Centre for Plant Conservation Genetics established a facility for next generation DNA sequencing. This rapidly developing technology is set to revolutionize biology.

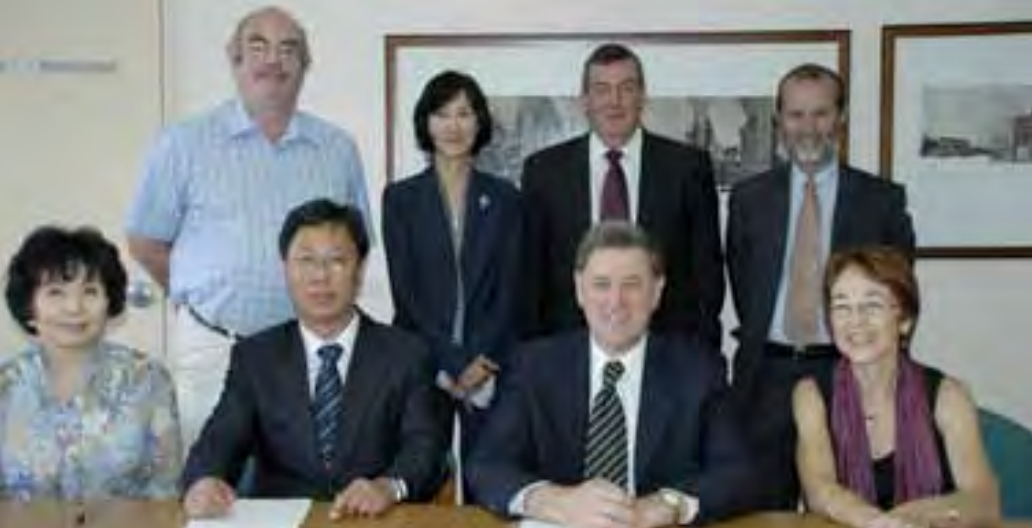
International collaborations were established to sequence the genomes of plant species of importance to humans such as wheat, rice, sugarcane and eucalypts.

The Centre's scientists collaborated on wheat research with a group of universities in the United Kingdom. Collaborations with Japan and other Asian countries advanced the sequencing of Australian wild relatives of rice, the other major food crop internationally. A consortium was formed with representatives from Brazil, the United States, France, China and South Africa to sequence sugarcane, the leading industrial crop internationally. Eucalypts were sequenced because of their relevance to forestry and the Australian landscape.

### **Research Training Unit (RTU)**

Professor Phil Hayward commenced in January as the Director of the newly established Research Training Unit (RTU) in the Division of Research.

The RTU prioritised the facilitation and recruitment of Higher Degree Research (HDR) students in areas of recognised research strength. A new 'International Research Excellence Scholarship' scheme was established to recruit high-performing international students to priority areas. The University has also taken over the National Marine Science Centre with the goal of establishing it as a national centre for HDR study in the field.



## Continuing development

### Regional engagement

During 2009 the University's Office of Regional Engagement (ORE) worked with colleagues across SCU's three campuses to address its engagement agenda. Staff and students were active in collaborations with business, regional agencies, communities, individuals and government at all levels. These partnerships met the core objectives of the University's teaching and research programs by offering focused challenges. The University is committed to initiatives that grow the region's capacity to deal with change and deliver increased investment in the region's intellectual capital by encouraging robust engaged scholarship. University staff were prominent on advisory boards, as mentors, as volunteers at various levels of regional enterprises and as coordinators of major initiatives including the regional implementation for the national broadband network.

Some important regional relationships maintained and monitored by the ORE through specific Memorandums of Understanding (MOUs) with local government and regional agencies delivered notable practical outcomes of mutual benefit. Opportunities were created for student engagement through industry and professional internships, as well as the delivery of short courses for staff professional development and targeted research projects with local government

entities such as Tweed Shire Council and Connecting Southern Gold Coast (CSGC), part of the Gold Coast City Council's economic development structure. The ORE worked with the Institute of Business Leaders and CSGC to conduct a series of industry sector workshops to develop a strategic plan for future prosperity of the area in which SCU's new Gold Coast campus will be located.

In 2009 the ORE was the subject of a review. Recommendations from the review will influence how the University's engagement agenda is addressed into the future.

### External relationships

The University maintained MOUs with Lismore City Council, Tweed, Ballina and Byron Shire Councils, Clarence Valley Council, Richmond Valley, Coffs Harbour City Council and Bellingen Councils. The Northern Rivers Social Development Council and Arts Northern Rivers also provided valuable connections. Educational partnerships with TAFE Gold Coast and North Coast Institute of TAFE continued to target regional needs. A growing relationship with the Scenic Rim Regional Council in South East Queensland through agritourism and arts and cultural tourism projects will be consolidated with a MOU.



## Internal developments

The ORE delivered an internal audit of engagement activities across academic and corporate units. It documented evidence of increased activity in the design and delivery of curriculum and research linked to regional needs and aspirations. ORE staff based at each campus – Lismore, Coffs Harbour and Tweed Gold Coast – worked with colleagues, facilitating regular meetings internally and with regional partners. Staff from all disciplines met as an internal reference group to locate and highlight individual and group achievements within the University and to identify collaborative opportunities outside. The office provided comprehensive coverage of this activity through the regularly updated ORE website [engagement.scu.edu.au](http://engagement.scu.edu.au)

ORE staff worked closely with Marketing and Media, and Development and Alumni to present a holistic approach to raising the profile of the University and to celebrate its effective engagement with the regional community.

Staff and students developed valuable links with professional agencies on a range of projects including: Student support for residents' tax returns, connecting curriculum through the Lismore Neighbourhood Centre for small business challenges during the Global Financial Crisis, community-based gaming research, exhibitions of student artwork at the North Coast National Show and support for the Lismore Lantern Festival, Rainbow Masters

Games, Byron Bay Writers Festival, Gold Coast Sport Business Forums and local Chambers of Commerce.

## Additional activities

In 2009 ORE staff conducted the inaugural Professorial Lecture Series. Newly appointed senior staff offered free public presentations on topics of current interest and attracted solid audiences to the Lismore campus and via video conferencing to the Coffs Harbour campus. A schedule of professorial lectures will be held at all campuses in 2010. Most academic units provided seminars on contemporary issues that were open to the public, representing the latest research initiatives of SCU and visiting national and international academics. These were promoted on the University's home page diary

[www.scu.edu.au](http://www.scu.edu.au)

The ORE continued to represent the University at major regional initiatives including the National Landscapes project for cross border tourism, the Northern Rivers Creative Industries Consortium, the Arts Mid North Coast Creative Industries Research Project and the Northern Rivers Social Development Council projects. University staff were involved with the newly appointed Regional Development Australia committees in the Mid North Coast and Northern Rivers regions.



## Continuing development

The 2009 ORE project portfolio included a collaboration between the office and Coffs Harbour City Council to conduct community consultation in preparation for Council's Cultural Strategic Plan. More than 100 interested residents participated in the project.

The Living Library program based at the Coffs Harbour campus attracted more than 15 "books" and 60 "readers" from the campus and the wider community. The ORE worked with colleagues to make this a dynamic part of the University's annual Fusion Multicultural Festival, held in September for the second successive year.

Southern Cross University was an active member of the Australian Universities Community Engagement Alliance (AUCEA). In 2009 ORE staff attended the annual AUCEA Conference at the Whyalla campus of the University of South Australia. All staff presented papers at the conference and Jan Strom was presented with the Best Presentation Prize. The University will host

the AUCEA national secretariat for the next two years with the recent recruitment of an Executive Officer and Administrative Manager to share good practice ideas and issues with national and international partners. The ORE continued to represent SCU at regular meetings with colleagues at Queensland universities within the (Northern) AUCEA.



## Faculty achievements Faculty of Business and Law

### School of Commerce and Management

- Domestic and international student numbers increased at all three Australian campuses in 2009, as did the number of students studying through domestic and offshore partnerships. This growth is expected to continue and will be underpinned by an emphasis on the use of technology to improve accessibility and the standard of delivery in all locations
- The School continued to engage with the region to provide students with opportunities to undertake university study. Pathways into the Bachelor of Applied Computing from the North Coast Institute of TAFE (NCIT) and supported pathways into Information technology and business programs from NCIT and the Gold Coast Institute of TAFE, provided students with the opportunity to build on prior studies. The School continued to work closely with high schools in the region through programs such as *Women in Technology* and through engagement with Year 11 and 12 students, head teachers and careers advisers
- School research performance was strong. Journal and conference publications grew substantially with a number of articles in A\* and A journals

accepted for publication. Similarly, competitive grants grew to more than one million dollars with funding from successful CRC Rail and ARC Discovery applications

- The School established the Regional Futures Institute (RFI), which is committed to producing innovative, interdisciplinary research on key developments in the enterprises, economies, societies and cultures of regional Australia. Two specialised research clusters were established within the RFI; the Health-e-Regions Cluster and the Enterprise and Regional Development Cluster.

### Graduate College of Management (GCM)

- Drs Dave Arthur and Simon Pervan were appointed to continuing Senior Lecturer positions. Dr James Cowley was appointed as an Adjunct Professor
- Dr Nguyen The Tho, Director of the State Securities Commission of Vietnam, researched Vietnamese corporate governance practices and global best practice, as a Post-Doctoral Fellow
- The GCM hosted many visitors from international universities including the United States, New Zealand, China and Indonesia



## Continuing development

- Steen Holck (MBA 2008) was awarded School Alumnus of the Year for his work in management of global organisations and his role in assisting environmentally sustainable development in Mongolia
- Vice Chancellor's funding enabled research into international delivery of GCM Masters programs and a feasibility study into the establishment of an Asia-Pacific football academy in Lismore
- An external review of the Business Administration doctoral program (DBA) led to new governance arrangements to improve its quality and align it with the University's other doctoral programs.
- The GCM co-hosted *Business Insight* events, further building engagement with the business community in the region
- The NSW Minister for Finance addressed the GCM and invited guests on the Coalition of Australian Governments' work on Federal/State harmonisation of business laws and regulations, with special emphasis on NSW/Queensland issues
- The GCM produced more than 40 refereed papers and eight books, and participated in numerous international conferences. Funding was received from several CRC Rail Innovation projects
- As a member of the Corporations and Markets Advisory Committee, Professor Ian Eddie advised the Federal Government on development of Australia's corporate law and financial markets regulation.

### School of Law and Justice

- Dr Jennifer Nielsen was appointed Head of School
- Kirby Lecture Series keynote speaker, Professor Adrien Wing from the University of Iowa, gave an address on global commitment to human rights
- The Year 12 Legal Studies Day attracted 150 students from 21 high schools
- The School co-hosted a public forum on workplace bullying, with a presentation by Dr Jennifer Nielsen
- Associate Professor Sam Garkawe was elected as an Executive Member of the World Society of Victimology
- The NSW Law Deans elected Senior Lecturer Richard Harris to membership of the Legal Qualifications Committee. He facilitated a public forum on domestic violence and family law, presented in conjunction with the Centre for Children and Young People
- Lecturer Andy Gibson facilitated seminars in NSW and the Northern Territory for the Standing Committee on Recreation and Sport



- Lecturer Anne Schillmoller, with law student Amber Hall, received a \$5000 grant from Voiceless, the animal protection institute, to support a joint project with the Northern Rivers Community Legal Centre
- Eight teams participated in the inaugural Honourable John Dowd High School Mooting Competition, won by Coffs Harbour Senior College
- Law students participated in the ALSA moot competition and the AAT moot competition, with one team winning the first round
- The annual Byron Bay Summer Law School included notable guest lecturers by SCU Chancellor the Hon John Dowd AO QC, Janelle Saffin MP, and the Hon Michael Kirby AC CMG. Two units were offered in collaboration with the US Chapman Law School.
- Australian communities: An innovative public health analysis'
- The School received more than \$1.5 million in research funding for a variety of research projects, and significantly increased both the quantity and quality of its research publications, with excellent success in A/A\* publications
- Several staff completed PhDs including Dr Grant Cairncross, Dr Kay Dimmock, Dr Matt Lamont and Dr Mieke Witsel. Together with the School's recruitment strategies, this has contributed to the research and training capacities of the School and its research centres
- Research Centre status was granted to the Centre for Tourism, Leisure and Work and the Centre for Gambling Education and Research
- The School strengthened relationships with a variety of institutions, including NSW TAFE colleges, and developed advanced standing models to provide streamlined education pathways
- The School implemented the recommendations of the 2009 school review and launched a new degree – the Bachelor of Business in International Tourism Management (BBITM), which incorporates a specialised international curriculum and student exchange opportunities.

### **School of Tourism and Hospitality Management**

- The School's academic profile was strengthened with the appointments of Dr Gui Lohmann (Lecturer), Dr Kaye Walker (Lecturer) and Dr Matt Lamont (Associate Lecturer)
- Professor Nerilee Hing, Director of the Centre for Gambling Education and Research, and a team of SCU researchers received an ARC Discovery Grant (\$365,000 over four years) for a project entitled: 'Gambling problems, risks and consequences in Indigenous



Jessica Hammond

## Continuing development

### Faculty of Arts and Sciences

#### School of Education

- The delivery of education programs was consolidated across all three University campuses and the postgraduate program was expanded
- The School maintained its strong foothold in the international market, particularly through its continuing recruitment of full-fee-paying students from Canada
- The School offered programs across every level of education, from early childhood through to higher education
- The School supported two research centres. The Centre for Children and Young People continued to make a significant contribution to the faculty's interdisciplinary profile – regionally, nationally and internationally – through its output of publications (22 journal articles, four books, 27 book chapters and several large project reports); public seminars; a national conference; and outreach activities. The Centre's 'Young People, Big Voice' youth advisory group attracted increased national and international interest as an exemplar of the inclusion of young people in policy discussions and research
- The Centre for Higher Education Policy and Practice was established during

2009. It secured a large grant for an investigation of higher education policy issues in Southeast Asia, and demonstrated great promise for attracting research higher degree students and producing research publications.

#### School of Arts and Social Sciences

- The School continued to support staff involvement at international conferences. Leonie Lane and Dr Maree Brecker presented conference papers at the Third International Conference on Design Principles and Practices in Berlin in February
- Closer to home, Fiona Fell presented her published paper 'Collaboration as a Design Tool' at the Australian National Ceramic Triennale in July and Dr Moya Costello chaired two sessions at the Byron Bay Writers Festival
- The School's Cultural Studies and Visual Arts Team - Soenke Biermann, Dr Rob Garbutt, Associate Professor Baden Offord and Dr Shelagh Morgan, won an Australian Learning and Teaching Council Citation for Excellence in Higher Education Learning and Teaching for sustaining an innovative, holistic and transformative education practice that values social inclusion, cultural diversity and activated citizenship at SCU





- Students with achievements of note included James Smythe, whose recycled metal sculpture, 'Ilium Momentica' was exhibited at the 2009 North Coast National Show in Lismore. Belle Paterson's book *Finding the Shelf Within: Spiritual Development through Home Improvement* was published by New Holland. The band, *Downstairs Mix-Up*, featuring the School's Contemporary Music students, won the 2009 National University Battle of the Bands competition
- Visiting guest speakers of particular note included Professor Nicholas Jose of Harvard University and independent scholar, Humphrey McQueen.

### **School of Health and Human Sciences**

- Significant changes were made to the School's academic staffing and infrastructure development in 2009. The introduction of the Bachelor of Occupational Therapy and development of a Bachelor of Midwifery degree began the process of renewal of the School's curriculum portfolio. Academic staff were heavily involved in implementing new approaches to course delivery and actively participating in the University's converged delivery project
- A number of staff obtained their doctorates during 2010, and a range of research grants were secured. From the highly competitive national grant

schemes, Professor Colleen Cartwright achieved an Australian Research Council (ARC) grant and Professor Stephen Myers a National Medical and Health Research Council (NMHRC) grant

- The School continued to work closely with industry partners and a number of joint strategic development initiatives were agreed and acted upon during 2009. Jak Carroll completed a strategic planning document for Surfworld Gold Coast and continued to provide consultancy services to the surfing industry. Associate Professor John Stevens led a consultancy for the Health Administration Corporation NSW into Need Assessment for Aged Care Assessment Teams (ACAT). Dr Hans Wohlmuth secured international registration for the Medicinal Plant Herbarium.



## Continuing development

### **Gnibi College of Indigenous Australian Peoples**

- Two new courses were developed and delivered; the Diploma of Community Recovery and the Graduate Certificate in Working with Indigenous Communities. These new courses were developed in response to clearly articulated community and professional requests for coursework which is relevant to their needs
- The Diploma of Community Recovery was delivered in Timor Leste. This was an exciting, challenging and successful offshore project for the College, with the first cohort of students set to graduate in 2010
- Gnibi employed a new Director of Research, Associate Professor Jeff Nelson, with a key role to develop the College's postgraduate research profile. During the year two full PhD scholarships for Indigenous Australian candidates were negotiated with the NSW Mining and Energy Council. The focus of research development will be on Indigenous community capacity building
- Work continued in a professional and community development capacity to deliver Indigenous family and community wellbeing programs across a number of regions in Australia including Northern-Western Australia, Central Australia and South Australia.

### **School of Environmental Science and Management**

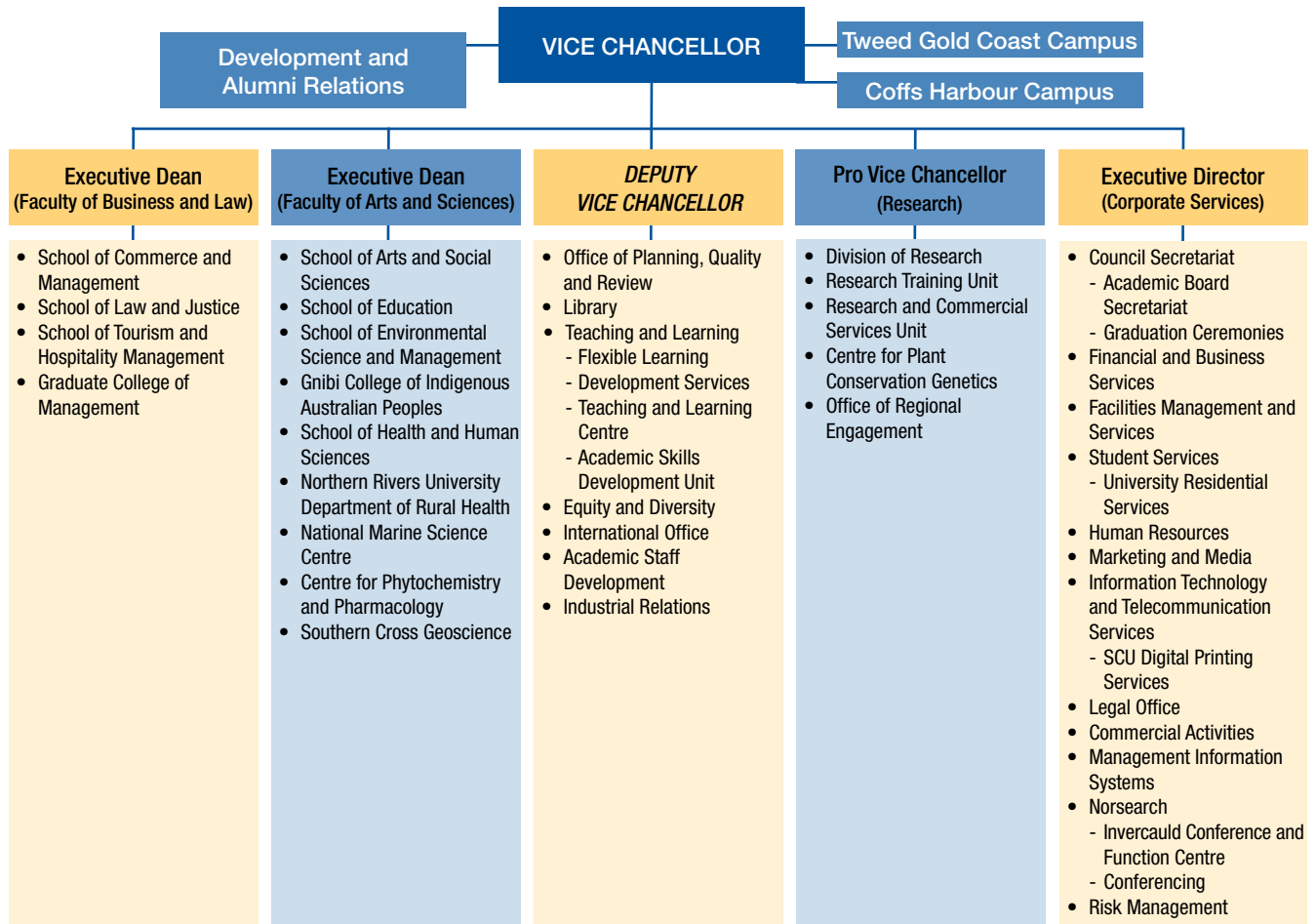
- Dr Ross Goldingay received a VC's citation for Outstanding Contribution to Student Learning, while Professor Peter Harrison and Murray Cullen received Australian Learning and Teaching Council citations for Outstanding Contributions to Student Learning. Professor Jerry Vanclay received an International Union of Forest Research Organisations Scientific Achievement Award
- The School received significant research funding, including an Australian Research Council Future Fellowship worth more than \$700,000 won by Dr Anja Scheffers. More than 100 postgraduate research students also contributed to the School's research effort
- Regional engagement activities included a successful 'Science Conversations' series in Lismore and Byron Bay, the Northern Rivers Science and Engineering Challenge, Science in the Bush, and a clean-up of the Tweed River by some of the School's scuba divers
- The School's Environmental Analysis Laboratory provided environmental services to government agencies and the private sector, expert testimony and commercial consultancies. Staff also sat on a variety of national, State and regional advisory bodies including the Australian Threatened Species Scientific Committee and the Expert Independent Advisory Panel to the Victorian Minister for Sustainability.





# Management functions and structure

**Diagram 1** Organisation chart



**Diagram 2** University Council

## Committees of Council

- Chancellor's Committee
- Audit Committee
- Appeals Committee
- Finance Committee
- Governance Committee
- Honorary Awards Committee
- Nominations Committee
- Remuneration Committee
- Risk Management Committee
- Academic Board

- Committees of Academic Board
- Strategic Standing Committee of Academic Board (SSCAB)
- Programs Committee
- Research Advisory Committee (RAC)
- Higher Degrees Research Committee (HDRC)
- Learning and Teaching Advisory Committee (LTAC)
- School Boards
- Academic Board Appeals Committee
- Boards of Assessors

## Vice Chancellor Committees

- Vice Chancellor's Executive Committee
- Occupational Health & Safety Committee
- Art Acquisition Committee



## Council report

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

## Organisational development Council performance review

During 2009 the University Council finalised action in relation to the 38 recommendations proposed in the consultant's report associated with a mid-2007 external review of its performance.

## 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.

## 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 four times in 2009.

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

Deputy Chancellor: Dr D.V. Cody OAM

Vice Chancellor: Professor P.E. Clark  
(January - August 2009)

Vice Chancellor: Professor P. Lee

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 2009.

#### Chair

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

#### Deputy Chair

Dr A. Wessell BA(Hons)(UNSW), PhD(UNSW)

Dr A. Coco DipT(BCAE), BA(Hons)(UQ), PhD(UQ), CELTA (Cam) (from January 2008)

#### Members

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

B. Bailey (from August 2009)



## Management functions and structure

Associate Professor K. Brooks BA(Hum)  
(LATROB), BA(Hum)(Hons)(LATROB),  
PhD(UOW)(up to March 2009)

Professor P.E. Clark BSc(Hons) (Exe),  
PhD(Exe), DipEd(Tert)(Monash), FAIP, FIICA  
(up to August 2009)

Professor A. Cashin DipNurs(UTS),  
BHlthSc(UTS), GCertPTT(NEWCASTLE),  
MN(UTS), PhD

Dr C. Catterall PhD(SCU)

Professor I. Eddie PhD(NE)

Dr J. Edelman PhD(MACQU),  
MBA(MACQUARIE), PostGradDipHosp&To  
urismMgt(MACQUARIE)

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

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

Associate Professor W. Gilleard  
BAppSc(UTS), MSc(Hons)(UOW), PhD(Syd)

Professor B. Chen Goh LLB(Hons)(Malaya),  
LLM(Camb), SJD(Bond) (until August 2009)

Professor J.M. Graham  
DipOccThpy(NSWCollOccuTher),  
MSc(Bradford)

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

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

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

Professor J. Jenkins BA(Hons)(NE),  
PhD(UNE)

Associate Professor S. Kelly BAdmin(Griff),  
MBus(SCU), PhD(SCU)

L. Lane DipA(Preston), MA(SCU), Cert.  
DTP(UTS)

Professor P. L. Lee BE(Chemical)(RMIT),  
PhD(Monash) (from October 2009)

Dr M. Longstaff BSc(Hons)(Newcastle),  
PhD(Newcastle)

Professor W. MacGillivray BSc(Hons)(Qld),  
PhD(UQ)

A. Malipu

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

Professor J. McKay (from April 2009 to  
August 2009)

D. Moffitt BCom(Griffith),  
MStratHRM(UOW) (from December 2009)

Dr J. Nielsen BSc(Monash), LLB(Hons)  
(Monash), PhD(Melb) (from October 2009)

G O'Flynn

C. Rallings BCom(Wollongong) (to June  
2009)

Dr G. Ray BBus(NE), MPA(SCU), DBA(SCU)

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

Dr W. Smart BAppSci(InfoSys)



(SCU), BAppSci(Comp)(Hons)(SCU),  
GradCertHE(L&T)(SCU), PhD

D. Stewart BA(LibSc)(KCAE),  
GradCertBA(SCU)

Professor J. Taylor BSc(Syd), DipEd(Syd),  
MSc(Syd), PhD(UNE)

Associate Professor M. Wallace BA(Hons)  
(Syd), DipEd(WillBalmColl), MEd(NE),  
PhD(Deakin)

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

G. Woods BAppSc(SCU), GradDipEd(SCU)

F. Wright BA(MACQU), GradDipIT(IS)  
(CSturt) (August 2009 to October 2009)

#### ***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.

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

This Committee 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.

#### ***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.

#### ***Research Advisory Committee***

This Committee was formerly known as the  
Research and Research Training Advisory  
Committee (RRTAC). In November 2009  
Council approved that RRTAC be renamed  
the Research Advisory Committee (RAC)  
and be the principal advisory committee of  
the Academic Board on issues of research  
across the University.

#### ***Higher Degrees Research Committee***

Formerly known as the Higher Degree  
Committee (Research) (HDC(R)), this  
Committee was a sub-committee of  
RRTAC. As part of the restructuring of  
research committees it was recommended  
the Committee become a direct sub-  
committee of Academic Board and be  
renamed Higher Degrees Research



## Management functions and structure

Committee (HDRC). The Higher Degrees Research Committee is the advisory committee to Academic Board on issues of Higher Degree Research training (including Masters, PhDs and Professional Doctorates) across the University.

### *School Boards*

School Boards are sub-committees of the 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.

### *Boards of Assessors*

These Boards operate at a School level for session assessment and across the University for trimester and Asian session assessment. They meet to determine grades, monitor student progress and ensure quality in assessment processes.

### *Summary of major activities in 2009*

New course approvals

- Master of Osteopathic Medicine
- Reinstatement of the Associate Degree of Arts (Writing) as a stand-alone degree, including a name change to Associate Degree of Creative Writing.
- Master of Child and Youth Studies; Graduate Diploma of Child and Youth Studies; and Graduate Certificate of Child and Youth Studies
- Master of Clinical Exercise Physiology

- Bachelor of Midwifery
- Bachelor of Business in International Tourism Management

Course removals

- Bachelor of Natural Therapies
- Master of Public Health Leadership; Graduate Diploma of Public Health Leadership; and Graduate Certificate in Public Health Leadership will be discontinued from September 2010

Approval of University-wide majors

- Natural Medicine
- Indigenous Australian Studies

Course reviews and re-accreditations

- Master of Education (MEd)
- Master of Indigenous Studies and the Bachelor of Indigenous Studies (Trauma and Healing)
- Graduate Diploma in Information Technology; Bachelor of Information Technology; Bachelor of Applied Computing; and Associate Degree in Information Technology
- Master of Environmental Science and the Bachelor of Environmental Science, including two exit points, the Associate Degree of Environmental Science and Diploma of Environmental Science
- Bachelor of Media





- A Quality Review Panel Report for Southern Cross University programs offered with Naresuan University/ Sirinsiam International Corporation Limited was received. The courses reviewed were Master of International Tourism and Hotel Management and Master of Business Administration.

Major policy and rule amendments and revisions

- Removal of the Terminating Pass grade
- Amended PhD and Masters by Thesis Rules
- New PhD Qualifying and Masters Qualifying Rules
- Review of Award Abbreviations
- Implementation of Turnitin and amendments to Chapter 2.10 of Academic Policy to reflect this
- Amendment to Academic Policy 2.13.5 so there is a requirement for Schools/ Colleges to obtain approval prior to offering an existing course in a new location or by a new mode of delivery
- Amendment to University Rules Relating to Awards
- Addition of a new Chapter to Academic Policy: Chapter 1.60 Community Engaged Learning
- Amendment to Rules and Constitution of Research Committees
- Amendment to the Student Assessment Chapter of Academic Policy; and amendments to Rule 3: Coursework Awards: Student Assessment
- Self-Review of the Learning and Teaching Advisory Committee (LTAC) resulting in amendments to the Rules for the Academic Board and its Committees; and the Terms of Reference and membership of LTAC.
- Amendment to Rule 2.1(d) Deferment – Rules Relating to Awards
- Amendment to Rule 7.11 for the Masters by Thesis – candidature duration
- Addition of a New Chapter to Academic Policy: Chapter 6 Research and Research Training
- Amendment to Chapter 5.15 of Academic Policy: Chancellor’s Medal for Outstanding PhD Thesis
- Amendment to Masters by Thesis and PhD Rules to include clear guidelines if a student exceeds the maximum tenure without an approved extension.

Articulation or education collaboration agreements were approved as follows:

- School of Arts and Social Sciences and Macleay College
- SCU and the Australian Institute of Translation and Interpretation



## Management functions and structure

- School of Tourism and Hospitality Management and Dalian University and TAFE/RTO
- Amendment to the existing Education Collaboration Agreement between the School of Commerce and Management and Institute of Business Studies (IBS)
- Existing articulation agreements under the School of Commerce and Management were approved
- Graduate College of Management and Australian Human Resources Institute (AHRI)
- School of Tourism and Hospitality Management and Hostec International
- School of Tourism and Hospitality Management and Strathfield College
- Education Collaboration Agreement between the School of Tourism and Hospitality Management and Management Development Institute of Singapore (MDIS) Uzbekistan.
- Received, disseminated to Schools/ Colleges and commented on the first Student Services Timetable Report which will become a regular report following the review of class timetabling (Holman 2007)
- Academic staff working profiles and proposed amendments to policies were discussed and feedback sought
- Approved the offering of the Diploma of Community Recovery in Timor Leste as a program that may be taught and assessed in Tetum, provided that the testamur and official documentation include as a minimum the words “This award was taught in Tetum”
- Discussions were held regarding the development of the Australian Higher Education Graduate Statement (AHEGS) for SCU.

### Academic Board elections

At its first meeting in 2009, the Academic Board elected Dr Adele Wessell to the position of Deputy Chair of Academic Board for the two year term to the first meeting of 2011.

### 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 four times in 2009.

### Other

- Training provided to Schools by the Deputy Chair of Academic Board and PQR representatives in relation to the new course and school review policy, specifically unit report processes
- Recommendations made to the Vice Chancellor's Executive from the Exclusion and Standing Working Party and the Vice Chancellor's response were received and noted



M.R. Sweeny (Chair)

Four/five external members of Council:

The Hon J. Dowd AO QC (Chancellor)

W. Grimshaw AM

N. Newell

J.B. Shanahan

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 (3) members of Council and not more than five (5), with one being the Student Member of Council.

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

M.R.Sweeny

Assoc Prof S. Parry

N. Newell

Student member of Council

#### **Finance Committee**

This Committee was established to oversee the capital, financial and budgetary arrangements of the University. The Finance Committee met seven times in 2009.

J. Shanahan (Chair)

Dr D.V. Cody OAM (Deputy Chancellor)

Vice Chancellor: Professor P.E. Clark  
(January - August 2009)

Vice Chancellor: Professor P. Lee

R. Dowell

W.A. Grimshaw AM

Professor J. Jackson (Chair, Academic Board)

P. Lewis

M.R. Sweeny

J. Saffin MP

#### **Governance Committee**

The Committee has been established to assist the University Council in fulfilling its responsibilities in relation to overall governance of the University including its compliance with recommended best-practice governance protocols.

T.S. Wilson (Chair)

I. Harrington

N. Newell

W.A. Grimshaw AM

M. Marshall

#### **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 four times in 2009.



## Management functions and structure

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

Dr D.V. Cody OAM (Deputy Chancellor)

Vice Chancellor: Professor P. E. Clark  
(January - August 2009)

Vice Chancellor: Professor P. Lee

Professor J. Jackson (Chair, Academic  
Board)

Professor W. MacGillivray (Deputy Vice  
Chancellor)

Associate Professor S. Parry

J. Saffin MP

### **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 OAM (Deputy Chancellor)

T. Wilson (one external member of Council)

### **Risk Management Committee**

This Committee ensures 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 OAM (Chair),  
I. Harrington

Associate Professor S. Parry  
M. Marshall and P. Cordery (two members of the University management)

### **Other committees and Tender Board**

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.

#### **Art Acquisition Committee**

The Art Acquisition Committee deals with all art acquisitions made by the University.

#### **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

Vice Chancellor: Professor P.E. Clark  
(January - August 2009)

Vice Chancellor: Professor P. Lee  
(Commenced 31 August, 2009)

Professor Jim Jackson

Warren Albert Grimshaw AM

Irene Harrington

Trevor Stanley Wilson

Neville Newell

John B Shanahan

Margot Ruth Sweeny

David Vincent Cody OAM

Associate Professor Sharon Parry

Toni Ledgerwood

Peter Lewis

Janelle Saffin MP

Ronald Dowell

Glenn Davey

Susan Christie (resigned 17 March 2009)

## Executive officers

### Vice Chancellor

Professor Paul Ernest Clark BSc(Hons),  
PhD(Exe), DipEd(Tert)(Monash), FAIP, FIICA  
(January – August 2009)

Professor Peter Lee BE(Chemical)(RMIT),  
PhD(Monash) (Commenced 31 August,  
2009)

### Deputy Vice Chancellor

Professor William MacGillivray BSc,  
PhD(Qld)

### Pro Vice Chancellor (Research)

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

### Executive Dean, Faculty of Arts and Sciences

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

### Executive Dean, Faculty of Business and Law

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

### 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 (Corporate Services)

### Management activities

During 2009 management activities focused on continuing management information system development and capital activities.

System development focused on the final implementation of the Aurion Human Resource/Payroll System and the Client Relationship Management System. The University also completed the development of an in-house risk management system and initiated planning for the business continuity process. The student and finance systems were continually upgraded during the year.

Capital works were a major focus of the University with construction in progress on three campuses.

During 2009, the University recruited a new Vice Chancellor, Professor Peter Lee, and also participated in the initial stages of a feasibility study with Charles Sturt University investigating education opportunities in regional Australia.

A new budget process was implemented in 2009, which focused on drivers and activity-based costing. Previously the budget methodology and allocation basis was driven by revenue percentages.

### Student services

#### Student accommodation

A student accommodation agreement was reached with Campus Living Villages (CLV) for the ongoing management, refurbishment and expansion of its student accommodation in Lismore and Coffs Harbour. With more than 460 student beds between both campuses, significant upgrades are planned for accommodation facilities to include wireless internet connection to all rooms, landscaping and general room improvements. This partnership will see the number of student beds double over the next few years.

#### Lismore campus student centre

The student centre at the Lismore campus opened in early 2009, providing a one-stop shop for students. The new facility features self-help computers, study areas and a spacious student lounge. The student centre will be complemented in 2010 with a new contact centre phone system that will allow for more effective management and analysis of student enquiries.

#### Office of Sport and Cultural Activities (OSCA)

OSCA built on existing sport and cultural programs to increase student engagement. These activities included coordination of the National Campus Band competition, a race day at Lismore Turf Club and participation of more than 115 athletes at the Northern University Games. In addition, the SCU



OSCA awards were launched to recognise achievements of students who excel in areas of student leadership, contribution to campus community, excellence in the arts, and sports person/team of the year.

### Leisure Centre projects

Conversion and redevelopment of the gymnasium at the Lismore campus was completed, resulting in a number of enhancements to facilities and services.

### Other activities and services

The Shared Services Hub is expected to be operational for Session 1, 2010. The services to support delivery have been fully integrated and will provide a one-stop-shop for students at the new Gold Coast campus.

### Advances in communications technology

Information Technology and Telecommunications Services (IT&TS) maintained its focus on a number of key strategic areas including risk management, student learning environments including physical space, online learning, Rapidprint development, state-of-the-art audio-visual conferencing facilities and Google search engine appliance. IT&TS also ensured its involvement in regional engagement.

Work continued on the Lismore Computing Data Centre redevelopment and the IT&TS Disaster Recovery Plan and Business Continuity (DRPBC) projects. The DRPBC project will enhance the robustness and

recoverability of the University's critical IT services, leveraging the Tweed Heads-Riverside location data centre as the recovery site.

The Data Centre redevelopment project will mitigate environmental risks associated with the Lismore facility in regard to power supply, temperature, fire and expansion for the next 10-12 years. This project builds on the reserve electricity supply (diesel generator) completed in 2008.

A new open and collaborative learning space created at the Lismore campus provides students with an environment to freely conduct small group activities or work independently. The space brings together a combination of technologies such as wireless, wall mount LCD screens, desktop workstations and ergonomically designed spaces. It is envisaged that the space will be replicated across the University.

The Rapidprint student print-on-demand system was extended to provide online payment and postage of study materials, enabling distance students to access printed copies of documents held in eReserve.

The University's website search engine was replaced with the Google search engine which provides improved accuracy and faster searches. Additional analytical features to be added in 2010 will enable the tracking of site usage and development of trending data that will assist in the ongoing development of the University's websites.



## Report by the Executive Director (Corporate Services)

The corporate video conferencing facility at the Lismore campus was significantly redeveloped in mid 2009. The new facility provides sufficient capacity for events such as University Council, Academic and School board meetings.

Short, online learning and training movies developed in 2009 that enable 'just in time' help on the use of different functionalities within Blackboard are set for release in the first quarter of 2010. This capability, combined with Elluminate!, provides an effective approach to training academic and general staff regardless of their physical location.

A major redevelopment of the Course and Unit database [www.scu.edu.au/courses](http://www.scu.edu.au/courses) puts in place robust processes, including streamlined approvals, for updating course information on the University's website. Information from a single authoritative source (the student system) is used to generate website information, ensuring consistency and accuracy. A single authorisation point for publication of information is a key element. A second phase of this development has improved the processes for the online publication of the Student Handbook. The third phase will focus on better mechanisms for publishing fee information on the website.

The unit feedback questionnaire was enhanced to include feedback on teaching, replacing an existing paper-based system. This expands the existing feedback on

units, and provides a single web-based survey for students for each unit in each teaching period. These enhancements have provided greater granularity in the data collected, feeding into existing feedback and benchmarking activities on teaching and unit performances, which are managed by the University's Office of Planning, Quality and Review.

IT&TS provided major input to the upgrade of the University's student system, referred to as Connected Intelligence (Ci). The upgrade was necessary to ensure continued support from the vendor. The new version provides a more business role-based presentation of the system, a contemporary and familiar look and feel, and is based on more modern web-compatible technical components.

IT&TS participated in organisational and functional reviews as part of the University's quality, planning and review processes. Outcomes of the review are expected for release in the first quarter, 2010.

A significant number of websites within the SCU domain were developed and released during 2009. These sites were developed to assist staff and students to form new networks (or expand existing ones), within SCU and the wider community.

- The Regional Futures Institute [www.scu.edu.au/regionalfutures](http://www.scu.edu.au/regionalfutures)  
It is anticipated that this site will be expanded significantly during 2010





- A suite of sites for the Development and Alumni Relations office including SCU Alumni  
[www.scu.edu.au/alumni](http://www.scu.edu.au/alumni)  
Communities for the Future  
[www.scu.edu.au/future](http://www.scu.edu.au/future)  
The Healing Circle  
[www.thehealingcircle.org.au](http://www.thehealingcircle.org.au)
- Women in Music  
[www.scu.edu.au/womeninmusic](http://www.scu.edu.au/womeninmusic)  
Women in Technology  
[www.scu.edu.au/wit/](http://www.scu.edu.au/wit/)  
Both sites are designed to showcase the contribution of women in these disciplines and provide access to support resources through a selection of online materials and information
- Mixed Methods Research Network  
[www.scu.edu.au/mixedmethodsresearch](http://www.scu.edu.au/mixedmethodsresearch)
- Toastmasters  
[www.scu.edu.au/toastmasters](http://www.scu.edu.au/toastmasters)
- Northern Rivers Carpool  
[study.scu.edu.au/nrcarpool](http://study.scu.edu.au/nrcarpool)  
This is the first stage of a new site for environmental sustainability at SCU.

## Promotion

In anticipation of the opening of the new Gold Coast campus in early 2010, a student recruitment officer was located at the Southern Gold Coast to build relationships with secondary schools in this region, participate in expos and activities, and raise awareness of Southern Cross University. This position brought

the number of student recruitment staff to three, with a staff member located at each campus. Promotional activity conducted throughout the regional footprint included presentations to secondary schools, senior schools days, tertiary education expos and campus tours by student ambassadors.

Marketing activity occurred throughout the year, reflecting the opportunity for enrolment for certain courses across three teaching periods. Campaigns featured electronic and print advertising, internet, cinema and outdoor advertising.

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

## Events

For the second year, the University had naming rights to the Gold Coast Airport Marathon 10km Run and supported the Kokoda Challenge Youth Program, surf lifesaving clubs close to the new Gold Coast campus, and the Coffs Coast Swim, a major community event. The University showcased the works of graduating visual arts, contemporary music and media students in TRANSIT09, with several hundred people attending the undergraduate art exhibition at the Lismore campus in November. The University was the education partner of Northern Rivers Performing Arts (NORPA), and supported



## Report by the Executive Director (Corporate Services)

the Byron Bay Writers Festival, Byron Bay Film Festival, and Light'n Up Festival in Lismore.

In 2009 the University again supported the North Coast Area Health Service's Reduce Risk Increase Student Knowledge (RRISK) initiative at Lismore, Coffs Harbour, Port Macquarie and Tweed Heads.

### Media

Southern Cross University continued to gain coverage of its research, teaching and community-related activities in regional, national and international media.

During 2009 there were 4,341 mentions of the University, recorded through Media Monitors and other monitoring tools, in print, broadcast and online media. This represented an increase of 16 per cent in media mentions compared with 2008.

The development of the Gold Coast campus and the introduction of new courses generated increased interest in SCU in the Tweed Heads and Gold Coast region. In 2009, the number of mentions in Tweed and Gold Coast media increased by 21 per cent. Coverage across New South Wales experienced a 59 per cent increase in media mentions compared with 2008.

Research activities conducted by Southern Cross University generated widespread coverage in regional, State and national media during 2009. Highlights included coverage in metropolitan print and online media of a new study led by Associate

Professor Rick van der Zwan on the use of Nintendo Wii games to improve muscle strength in older people and research through the School of Tourism and Hospitality Management and the Regional Futures Institute to assist remote communities in becoming more sustainable.

Other activities which attracted media interest included Professor Judy Atkinson's community recovery work in Papua New Guinea; the development of a new generation of biofuel – led by Professor Robert Henry; and the success of a tourism development program in regional communities in Queensland and New South Wales.

Southern Cross University academics provided expert comment on a wide range of topics from climate change to business and health. The Whale Research Centre provided ongoing comment on the debate over so-called "scientific" whaling and the annual migration of humpback whales along the east coast of Australia. This resulted in coverage in national and international media. Academics also had regular segments on radio and in print media. The University maintained an Experts Register, providing access to academics for journalists and members of the public.

The University's support of and participation in major community events, conferences, public lectures and guest speakers,



which were hosted on campus, attracted coverage.

During 2009, the Southern Cross University's quarterly printed publication *what'snew@scu* was distributed to stakeholders throughout the Mid North, North Coast and Tweed and Gold Coast regions, as well as to SCU Alumni. Discover SCU, the University's monthly e-newsletter, was distributed via email to all staff and students in addition to around 4,000 individual subscribers. A quarterly e-newsletter for the School of Tourism and Hospitality Management was produced and distributed to industry stakeholders. During 2009 the SCU Media Unit responded to daily requests from media and produced an average of four media releases per week.

## Human Resource Services

The University's first Strategic Workforce Plan was completed in the first half of 2009. The Plan focused on the nine academic schools and identified a range of actions to ensure the University has the academic staff it requires to meet future demands. These actions included increasing flexibility in recruitment processes, increasing management and leadership development capacity, effectively managing and supporting sessional staff, increasing doctoral qualifications for

academic staff and ensuring the University retains a strong focus on retaining and engaging high performing staff through effective management and development programs.

The Aurion HR Information System was successfully implemented with additional modules, Timekeeper and Recruitment, rolled out during 2009. Preparation for the roll out of a Career Planning module, capturing performance management information, commenced and is continuing.

Enterprise bargaining negotiations for a new certified agreement continued during 2009 with significant progress being made.

## Recruitment

A total of 93 job vacancies were advertised in 2009 comprising 45 academic staff vacancies and 48 general staff vacancies. A number of senior appointments were made including Vice Chancellor; Professor of Nursing; Professor of Childhood Studies; Director of Teaching and Learning; Head of School, Education; Professor of Information Technology/Information Systems; Head of School, Arts and Social Sciences; Professor of Psychology; Director of Higher Degree Research Unit; and Director of Student Services.



## Report by the Executive Director (Corporate Services)

### Staff development

A number of new programs and initiatives were implemented in 2009 as a result of the 2008 SCU staff survey, including workshops in managing change, career planning and development, and the establishment of a focus group to identify ways the University can improve cross-unit communication and cooperation. Professional writing skills and resilience workshops were introduced.

The management development strategy for Heads of Schools was updated to include new initiatives for enhancing management and leadership capacity in this key group of senior managers. A new succession planning program for general staff future leaders was conducted for the first time. A pilot program to improve managers' skills in providing effective performance feedback was also conducted.

Ten academic employees were granted Special Studies Leave and five academic employees were granted Internal Release. The University's investment in this program was approximately \$760,000 compared with \$600,000 in 2008.

### Occupational health and safety (OHS)

The proactive approach by the University during 2009 to health, safety and injury management reduced the number of workers' compensation claims. In 2009 there were 17 claims compared with 22 claims in 2008 (excluding "journey" claims).

The University participated in the annual Human Resources Benchmarking Program and achieved a better-than-sector average in relation to 'average time lost and OHS incident rate measures'.

An internal University-wide audit of the OHS management system was conducted during 2009. The purpose of the audit was to provide the University with evidence-based data and information for use in the review, and to assist development and updating of workplace health and safety strategies and plans.

Health and safety training programs delivered in 2009 included workstation assessments and group training for Tweed Gold Coast employees and Senior First Aid training and refresher training. A new program – Online Contractors Induction – commenced development in 2009. Successful completion of the induction program will be compulsory for all suppliers of services to the University.

New employee representatives were elected for OHS committees at Lismore, Coffs Harbour and Tweed Gold Coast campuses. The representatives provide a consultative link between University management and employees, and provide advice on OHS policies and procedures.



## 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 its exposure to risk, in a timely fashion and at an appropriate level.

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 unacceptably high risks have been developed. A review of the University's Strategic Risk Profile was progressively undertaken during 2009.

A Risk Management Report was provided 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.

At the end of 2009, the highest rated risks faced by the University related to quality of student intake; demand for programs;

academic fraud; rates of attrition; loss of or damage to a major capital asset; failure of IT systems and security, and IT business continuity issues.

The risk management process was extended to include Operational Risk Management Plans for academic and administrative units of the University, while the process of business continuity planning across the University commenced.

## Insurance

In 2009 the University effected the following forms of insurance cover:

- industrial special risk (property)
- general & products liability (including casual hirers)
- professional indemnity
- directors and officers
- medical malpractice
- clinical trials
- motor vehicle
- corporate travel
- marine hull
- workers' compensation.

Premiums for the University's core insurance protections and most ancillary classes remained relatively stable for the 2009/10 protection period. The Motor Vehicle insurance premium, however, fell approximately 10 per cent for the upcoming year despite a small increase in



## Report by the Executive Director (Corporate Services)

the number of vehicles (but fewer claims) while the cost of corporate travel insurance increased marginally due to the increased number of trips during the year.

The University's claims record remained very good but risk management issues and the structure of the insurance portfolio continued to be priority areas for consideration into the future. New and emerging risks and the degree to which the University is exposed to such risks were taken into account when determining the limits of insurance, policy deductibles and forms of cover during the annual renewal process.

### Facilities management and services

#### Environmental initiatives

The University conducted a planting day involving international students at which approximately 200 rainforest and native tree species were planted in strategic places throughout the Lismore campus.

Recycling efforts were increased since the establishment of a dedicated Recycling Officer. Approximately 70 tonne of waste paper was recycled together with approximately 50 tonne of cardboard. Approximately eight tonne of shredded confidential waste paper was mixed with green waste to make compost for the University's gardens. The volume of co-mingled waste totalled 450m<sup>3</sup>.

Individual water and electrical energy metering was installed at most buildings on Lismore campus to increase monitoring of usage. Full implementation, including a building management system, will occur in 2010.



## Public access to University publications

Copies of official University documents, publications and other correspondence are held in a number of locations including central file, the University library, the Vice Chancellor's Office and the Office of the Executive Director (Corporate Services).

The agenda 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 (Corporate Services).

The Human Resource Services department maintains personal files of staff.

These 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](http://www.scu.edu.au/publications).

## Financial and resource management

Southern Cross University and its controlled entities (the Economic Entity) is comprised of the following:

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

The Financial Statements (See Part B) 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 \$2.064 million for the year ending 31 December 2009 (2008 \$14.074 million), and a net operating surplus of \$2.990 million (2008 \$14.334 million).

The 2009 financial performance included \$2.04m (2008 \$7.196m) in non-recurrent grants. The adjusted consolidated result is a profit of \$0.02m (2008 adjusted consolidated result \$6.878m) which reflects \$2.01m in expenses on prior year grant revenue, loss on disposal of assets of \$1.743m and increases in salaries and non-salary expenses due to the strategic expansion into the Gold Coast campus and renovation and revitalisation at the Lismore and Coffs Harbour campuses.



## Report by the Executive Director (Corporate Services)

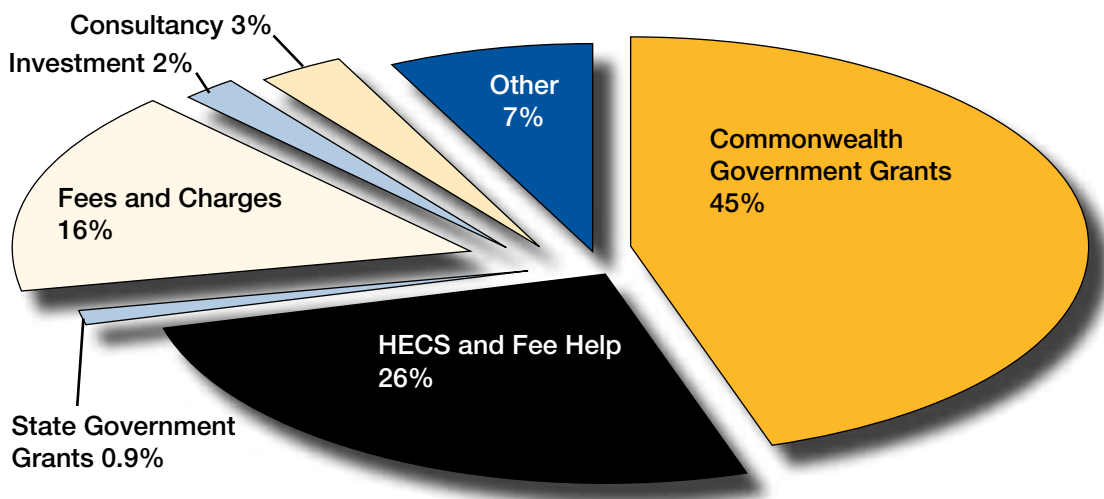
Total consolidated revenue from continuing operations was \$164.06m reflecting an increase of 5.7 percent on 2008. The majority of the increase in revenue and flow-on to operating surplus arose from Commonwealth Grants and student fees and charges (refer Graph 1 for revenue by type). Commonwealth Grants included the Capital Development Pool, Higher Education Loan programs and the Commonwealth Grant Scheme (CGS).

The University's CGS enrolment target of 6,150 EFTSL was exceeded by 390 EFTSL resulting in 6,540 EFTSL or a 6.3 per cent increase. Commonwealth Government funding remains an important revenue stream, representing 44.6 per cent of revenue. Fees and charges increased by 5.2 per cent on 2008 largely due to increased international tuition fees.

Consolidated expenses from continuing operations increased by 14.03 per cent on 2008. Graph 2 provides an analysis of expenditure by type. Salary costs increased by 9.6 per cent due to higher staffing numbers and increases in enterprise bargaining.

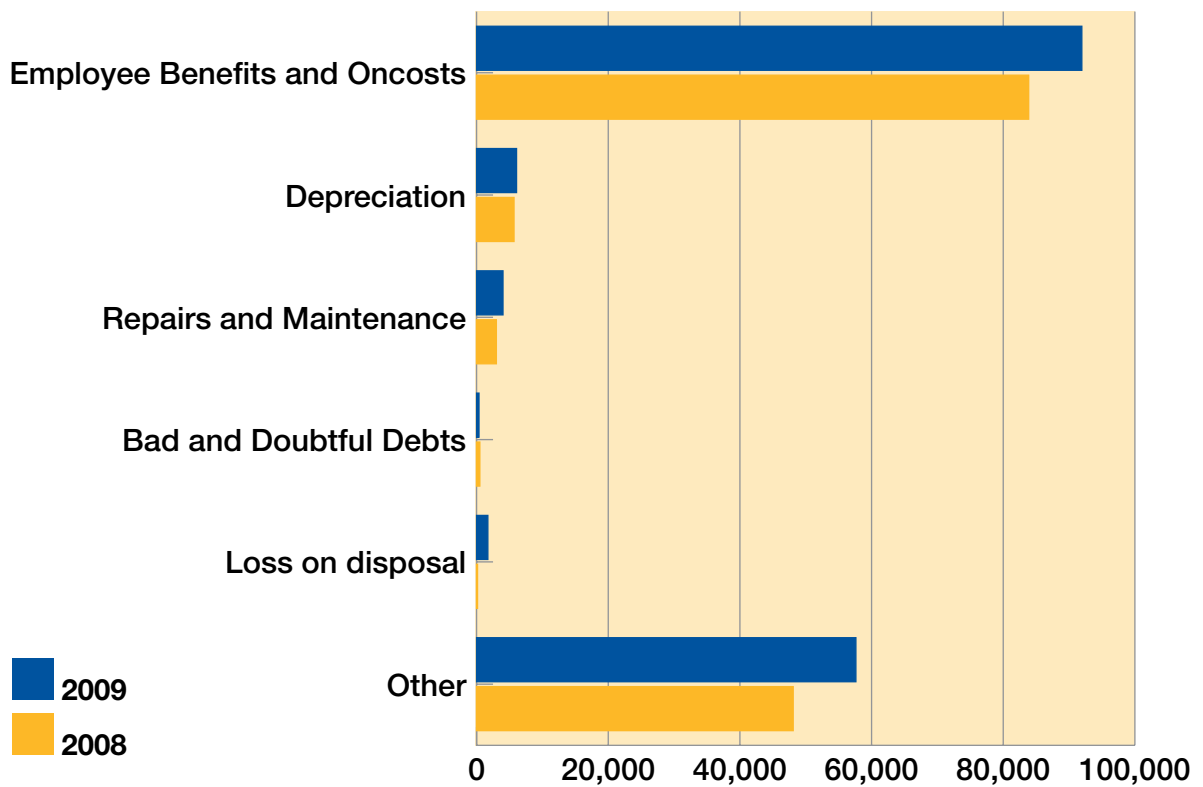
Other expenses increased by 20.8 per cent. These include the cost of new non-capitalised equipment of \$3.862m. Significant increases were also made in fees for education providers, external consultants and rent.

These increases were in line with the implementation of strategic initiatives and increased operating activity in specific areas.



Graph 1: 2009 Revenue by Type





**Graph 2: 2008-2009 Expenses**

### Investment performance

The University's investment funds of \$45.11m as at 31st December 2009 were made up of cash investments (maturing less than 3 months) and short-term investments (maturing within 12 months).

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

Cash Investments	4.93%
TCorp Hourglass Facility - Cash	2.09%
Short-term Investments	6.93%
TCorp Hourglass Facility – Strategic Cash	2.22%

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

### Payment of accounts

Due to timely payment of accounts, no interest was incurred during 2009.

### Land disposal

No land was disposed in 2009.

## Report by the Executive Director (Corporate Services)

### 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 2 lists the consultants used by the University and the fees paid for their services during the year ended 31 December 2009. Table 3 lists those consultancies costing greater than \$30,000.

**Table 2: Consultancies costing less than \$30,000**

Consultant	No	\$'s
Management Services	10	98,073
Information Technology	4	22,561
Legal (Other Fees)	1	2,000
Planning and Environment	1	21,250
Architectural, Engineering and Related Costs	5	27,024
<b>Total consultancies costing less than \$30,000</b>		<b>170,908</b>

**Table 3: Consultancies costing more than \$30,000**

Name	Title	\$'s
Phillips K P A	Feasibility Study National Regional University	503,721
Dimension Data	Disaster Recovery and Sharepoint Planning and Design	255,586
Oneva Holdings	Financial Business Planning	76,060
<b>Total consultancies costing more than \$30,000</b>		<b>835,367</b>



## Budgets

**Table 4: Statement of comprehensive income**

Southern Cross University Statement of Comprehensive Income	Actual 2009 \$'000	Budget 2009 \$'000	Budget 2010 \$'000
<b>Revenue from continuing operations</b>			
<b>Australian Government financial assistance</b>			
Australian Government grants	72,962	62,646	72,972
HECS-HELP – Australian Government payments	33,262	32,074	34,154
FEE-HELP	6,264	5,268	6,488
State and local Government financial assistance	1,460	0	
HECS-HELP – Student Payments	3,502	3,562	4,203
Fees and charges	25,622	27,558	23,512
Investment revenue	4,024	3,450	3,250
Royalties, trademarks and licences	3	0	0
Consultancy and contracts	5,269	7,249	5,804
Other revenue	11,270	5,717	8,404
<b>Total revenue from continuing operations</b>	<b>163,638</b>	<b>147,523</b>	<b>158,787</b>
Investments accounted for using the equity method	426	0	0
<b>Total revenue and income from continuing operations</b>	<b>164,064</b>	<b>147,523</b>	<b>158,787</b>
<b>Expenses from continuing operations</b>			
Employee related expenses	91,938	89,552	100,943
Depreciation and amortisation	6,090	6,200	6,500
Repairs and maintenance	4,011	4,200	4,000
Impairment of assets	365	0	0
Losses on disposal of assets	1,711	0	0
Other expenses	57,885	47,571	47,344
<b>Total expenses from continuing operations</b>	<b>162,000</b>	<b>147,523</b>	<b>158,787</b>
<b>Operating result from continuing operations</b>	<b>2,064</b>	<b>0</b>	<b>0</b>
<b>Total operating result attributable to members of Southern Cross University</b>	<b>2,064</b>	<b>0</b>	<b>0</b>



## Report by the Executive Director (Corporate Services)

**Table 5: Statement of financial position**

Southern Cross University Statement of financial position	Actual 2009 \$'000	Budget 2009 \$'000	Budget 2010 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	34,171	41,888	21,871
Receivables	9,778	7,200	19,000
Inventories	28	0	0
Other financial assets	11,500	0	0
Other non-financial assets	2,748	1,800	2,300
<b>Total current assets</b>	<b>58,225</b>	<b>50,888</b>	<b>43,171</b>
<b>Non-current assets</b>			
Receivables	30,668	49,100	37,946
Investments accounted for using the equity method	6,625	7,300	6,900
Property, plant and equipment	174,021	179,800	184,000
<b>Total non-current assets</b>	<b>211,314</b>	<b>236,200</b>	<b>228,846</b>
<b>Total assets</b>	<b>269,539</b>	<b>287,088</b>	<b>272,017</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14,830	15,571	16,000
Provisions	17,043	17,000	18,000
Other liabilities	6,611	6,800	6,900
<b>Total current liabilities</b>	<b>38,484</b>	<b>39,371</b>	<b>40,900</b>
<b>Non-current liabilities</b>			
Trade and other payables	5	0	0
Provisions	32,793	51,100	34,500
<b>Total non-current liabilities</b>	<b>32,798</b>	<b>51,100</b>	<b>34,500</b>
<b>Total liabilities</b>	<b>71,282</b>	<b>90,471</b>	<b>75,400</b>
<b>Net assets</b>	<b>198,257</b>	<b>196,617</b>	<b>196,617</b>
<b>EQUITY</b>			
<b>Parent entity interest</b>			
Retained surplus	198,257	196,617	196,617
<b>Parent entity interest</b>	<b>198,257</b>	<b>196,617</b>	<b>196,617</b>
<b>Total equity</b>	<b>198,257</b>	<b>196,617</b>	<b>196,617</b>



## Statutory reporting Privacy Management Plan

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

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

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

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

- 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**

There were no reviews conducted under Part 5 of the Act during 2008 or 2009.

### **Freedom of Information**

Under the Freedom of Information Act 1989 (NSW) (“FOI Act”) the University is required to include in its Annual Report information on the processing of Freedom of Information (FOI) requests received by the University.

In 2008 the University received nil requests for access to documents under the FOI Act. In 2009, the University received one new request for access to documents. This application was granted in full and provided to the applicant. This application was completed within the statutory



## Report by the Executive Director (Corporate Services)

determination period of 0-21 days. The total amount of fees received for FOI applications in 2009 was \$30.

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. As much information regarding the University's affairs is publicly available or accessible through administrative mechanisms.

A Summary of Affairs identifying policy documents and the contact details for requesting access to the University's documents is published in the Government Gazette.



## Equity and Diversity

### Equal employment opportunity

The University employs data collection processes to identify and analyse issues related to equal employment opportunity. Data collected is analysed annually for patterns which impact on equal opportunity within the University and across the sector.

In 2009 the University achieved the Equal Opportunity for Women in the Workplace Agency (EOWA) Employer of Choice for Women citation. The citation is an acknowledgement of the University's work to increase the representation of women at senior management level and provide support for the development of their careers.

### Trends in the representation of EEO target groups

The University continued to maintain numbers of Indigenous Australian staff significantly above the NSW benchmark. The representation of academic staff from non-English speaking backgrounds was 11 per cent in 2009 while the representation of general staff from non-English speaking backgrounds was five per cent. Women comprise 66 per cent of general staff and 52 per cent of academic staff. Women hold 40 per cent of senior positions (academic Level C and above, General HEW 10 and above) within the University, an increase from 34 per cent in 2008. In 2009, six per cent of general staff and seven per cent of academic staff reported disabilities.

In alignment with its Strategic Plan 2005-2010, the University's Equity and Diversity Plan (2008-2010) contains specific goals, strategies, performance indicators and completion dates to respond to key equity and diversity matters at SCU. The development and implementation of the University's Equity and Diversity Plan 2008-2010 was a significant step in addressing issues of equal opportunity and diversity across the University.



## Equity and Diversity

### Merit-based selection and flexible work practices

The University employs flexible work practices that 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. The University's Flexible Work Practices Guidelines were reviewed in 2009, and replaced with the Work, Family and Life Balance: A Framework for Flexible Work Practices at Southern Cross University.

### 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 website. The online training program is a compulsory aspect of induction for all staff.

### Data extracts from reporting period 2008-2009 (excludes casual staff)

**Table 6: Academic staff**

Academic Staff	Benchmark or Target	2006	2007	2008	2009
Women	50%	44%	45%	51%	52%
Aboriginal people and Torres Strait Islanders	2%	3.7%	4.2%	4.2%	3.7%
People whose first language was not English	19%	6%	9%	9%	11%
People with a disability	12%	6%	7%	6%	7%
People with a disability requiring work-related adjustment	7%	1.5%	1.9%	2%	1.7%

**Table 7: General staff**

General Staff	Benchmark or Target	2006	2007	2008	2009
Women	50%	64%	65%	65%	66%
Aboriginal people and Torres Strait Islanders	2%	4.5%	4.1%	4.1%	3.8%
People whose first language was not English	19%	7%	5%	5%	5%
People with a disability	12%	6%	6%	6%	7%
People with a disability requiring work-related adjustment	7%	0.7%	0.4%	0.2%	0.6%





## Development program for women

### **Research Workshops for Women**

**Academic Staff:** A full day workshop in May 2009 was facilitated by the Associate Dean of Research Studies and the Manager, Equity and Diversity, with 24 women academic staff and PhD students attending. The aim of the workshop was to provide information, strategies and tips from experienced researchers on how to establish a research career. The workshop was targeted at all women academic staff, but particularly those in the early stages of developing a research career. The workshop provided an opportunity for academic researchers to form peer networks and begin the process of framing a research plan.

### **University Mentoring Program for Women Academic and General Staff:**

This comprehensive scheme targeted female academic and general staff on all three campuses and was implemented in the second half of 2008. Approximately 30 academic and general staff across the University had been matched with mentors as part of the program.

### **Academic Promotion Workshops:**

An Academic Promotion Information session was held in June for all staff. An additional session was held for academic women staff focusing on the specific issues and challenges faced by women in developing research careers and applying

for promotion. The workshop included five speakers who shared their expertise and experience with other academic women who may be considering applying for promotion at the University.

### **Promoting SCU's Women Lunchtime Networking Forum:**

Lunchtime forums were held at Lismore, Coffs Harbour and Tweed Gold Coast with approximately 100 women attending across the campuses. The forums provided an opportunity for women staff to hear from interesting and inspirational speakers, connect and network with colleagues, exchange ideas on topics that are of interest to women in the workplace and discuss development and support opportunities for women staff. The structure for each forum included presentations from internal and external key speakers followed by a facilitated discussion, providing women staff with the opportunity to provide input and feedback on issues relating to the promotion and support of women at SCU.

**International Women's Day:** International Women's Day was celebrated on Monday 9 March on the Lismore and Coffs Harbour campuses and Tuesday 10 March on the Tweed Gold Coast campus. The Equity and Diversity Office held lunches, a morning tea, displays and music across the three campuses which were attended by more than 100 staff and students.



## Equity and Diversity

### Equity and diversity contacts

In line with the University's commitment to providing an environment for staff and students that embraces and supports a knowledge of and respect for equity and cultural diversity, and which is free from harassment and discrimination (Objective 4 of the Equity and Diversity Plan), an Equity and Diversity Contact Scheme was implemented in 2009.

In April 2009 expressions of interest were sought from staff for the voluntary roles of Equity and Diversity Contacts on the Tweed Gold Coast, Lismore and Coffs Harbour campuses. Equity and Diversity Contacts act as a point of contact for staff and students who may have a query or concern about an equity or diversity matter. They also play an active role in promoting equity and diversity within the University.

Eleven staff attended training over two days. Information about the Contacts is available at the University's equity website [www.scu.edu.au/equity/](http://www.scu.edu.au/equity/) and posters were placed around the campuses promoting the scheme and providing details for the Equity and Diversity Contacts.

### Indigenous employment strategy

#### **The Indigenous Employment Strategy**

**Focus Group:** This group was established in 2008 to develop and implement Indigenous Cultural Awareness and Safety Training across the University. During February 2009, 27 executive and senior management staff participated in an Indigenous Cultural Safety Workshop. This important workshop was addressed by the Commissioner for Human Rights from the Australian Human Rights Commission, Tom Calma, who updated the group on key diversity changes and strategies for Indigenous employment within the University sector.

#### **Courageous Conversations about Race:**

Workshops were held for those staff taking on the role of Equity and Diversity Contact across the University. Additionally two workshops, open to all staff across the three campuses, were held and around 50 members of staff attended. The workshops enabled staff to increase their understanding of working with, and providing services to, people from a range of cultural backgrounds. The workshop examined the concepts of culture, coming to grips with a new culture, the impact of body language and areas of misconception and why they might occur. It explored opportunities to reflect upon and practice strategies for communicating across cultures.



**Harmony Day and Fusion Festival:** In 2009 SCU's Fusion Committee organised successful events on Harmony Day in March and the four day Fusion Festival in September. Events included cultural and social events, sporting events and public lectures, forums and other ways of engaging with, and deepening understanding of diversity. The aim of these events was to bring together students, staff and the community to celebrate and embed diversity. Events in 2009 included a photographic competition open to all staff and students with the theme Colours of Life, an international film night, a showcase of cultural dress and music, salsa workshops and a public lecture.

All events were free for staff, students and the community. The committee will continue in 2010 to work with local community groups to organise events on the University campuses.

### **Southern Cross University Indigenous Events Coordinating Committee**

Southern Cross University's Indigenous Events Coordinating Committee (SCUIECC) held a public lecture to mark Sorry Day on 26 May 2009. Professor Judy Atkinson, Director of Gnibi College of Indigenous Australian Peoples, gave a presentation, *Sharing a Journey of Healing...More Than Sorry*.

NAIDOC week was celebrated across the Lismore, Coffs Harbour and Tweed Gold Coast campuses from 27 to 31 July with staff, students and the community participating in many activities. Events included a fundraising dinner with Indigenous comedian Sean Choolburra; an Indigenous art exhibition; Indigenous music and dance; a public lecture by Professor S. Neyooxet Greymorning, from the Department of Anthropology and Native American Studies at the University of Montana, Indigenous film, children's activities and traditional games, an Elders choir, Indigenous language and a Hip Hop workshop.



# Equity and Diversity

## 2010 planned activities

- Continue to implement strategies from the University's Equity and Diversity Plan 2008-2010
- Continue to promote staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events
- Continue to collect and analyse equal employment information for patterns which impact on equal opportunity
- Continue to expand and enhance the University's Development Program for Women
- Implement Indigenous Cultural Safety workshops for all staff.

## Distribution Index

**Table 8 : Academic Staff #**

EEO Target Group	Distribution Index				
	Benchmark or Target	2006	2007	2008	2009
Academic staff					
Women	100	71	73	74	80
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	n/a	103	90	93
People with a disability	100	n/a	n/a	n/a	84
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

**Table 9 : General Staff #**

EEO Target Group	Distribution Index				
	Benchmark or Target	2006	2007	2008	2009
General Staff					
Women	100	85	88	88	88
Aboriginal people and Torres Strait Islanders	100	112	71	74	75
People whose first language was not English	100	99	106	103	105
People with a disability	100	93	95	93	95
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

\*A Distribution Index of 100 indicates that the centre of the distribution of the EEO groups across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.



**Table 10 : Number and full-time equivalence (FTE) of staff 2005 - 2009**

	Persons					FTE				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
<b>Academic Staff</b>										
Full-time	253	249	235	232	278	253	249	235	232	278
Fractional	36	46	57	57	65	22	28	34	36	39
<b>Subtotal</b>	<b>289</b>	<b>295</b>	<b>292</b>	<b>289</b>	<b>343</b>	<b>275</b>	<b>277</b>	<b>269</b>	<b>268</b>	<b>317</b>
<b>General Staff</b>										
Full-time	371	383	386	423	446	371	383	386	423	446
Fractional	109	120	136	133	141	66	76	84	88	93
<b>Subtotal</b>	<b>480</b>	<b>503</b>	<b>522</b>	<b>556</b>	<b>587</b>	<b>437</b>	<b>459</b>	<b>470</b>	<b>511</b>	<b>539</b>
<b>All Staff</b>										
Full-time	624	632	621	655	724	624	632	621	655	724
Fractional	145	166	193	190	206	88	104	117	124	132
<b>TOTAL</b>	<b>769</b>	<b>798</b>	<b>814</b>	<b>845</b>	<b>930</b>	<b>712</b>	<b>736</b>	<b>738</b>	<b>779</b>	<b>856</b>

**Table 11 : Full-time and fractional full-time staff (persons) by gender and level 2000 - 2009**

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
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
2008	18	45	27	42	68	34	36	19	149	140	289	360	196	556	509	336	845
2009	26	51	34	40	79	50	40	23	179	164	343	389	198	587	568	362	930

## Ethnic Affairs Priorities Statement 2009

Southern Cross University is committed to fostering equity for its staff and student community and to reflecting the multicultural diversity of Australia.

As reflected in its *Strategic Plan 2005 – 2010*, the University espouses a safe, inclusive and supportive learning community and workplace where individuals are respected and diversity is encouraged.

The University's *Equity and Diversity Plan 2008-2010* contains goals and strategies which support and promote cultural diversity for staff and students across the University.

### 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 and global 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.

- In line with the University's policy on Learning, Teaching and Curriculum, the University designs its courses to meet the learning needs of its diverse student body which includes but is not limited to international students, mature age students, school-leavers and a wide variety of ethnic, regional and remote students. Additionally, in the delivery of courses, the University requires that consideration is given to the diverse range of backgrounds and learning needs of students.
- All University course reviews 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.
- Regular cultural diversity training is provided for staff, incorporating the elements of cultural awareness, cultural sensitivity and cultural safety. The training includes a core component for all staff, with specific additional components for academic staff. This enables staff to gain a broader knowledge of diversity issues and subsequently, to discuss strategies for increasing sensitivity and awareness of diversity issues within the workplace and in the University's programs and activities. The goal is to create inclusive and culturally safe work environments.
- Students in the School of Education participate in the 'Beyond the Line' program which involves immersing students in regional and rural contexts that include a diverse cultural population of students.

## Objective 1.2

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

- Student Peer Mentor programs are available to students in all on-campus and distance education courses across the University. A specific target group is students from non-English speaking backgrounds.
- A wide range of support services is available for students including counselling, medical and dental, childcare, chaplaincy, disability services, students loans and careers advice.
- The Office of Sport and Cultural Activities (OSCA) helps students to become fully engaged with university life by organising cultural events, social sports and clubs and societies.
- Staff from the School of Arts and Social Sciences and Centre for Peace and Social Justice (CPSJ) undertook a project titled “Enhancing a Culture of Equity: Understanding the Student Experience”. The project aimed to gauge how well SCU’s culture supports students in equity groups, and explored ways to further develop SCU’s ‘equity culture’. As part of this project a one day symposium titled Inclusive Futures: Visions for Student Equity in Higher Education was held on Friday 17 July 2009. Participants included University students, academic and general staff, some local high school students and community members. The symposium included a report of the research findings: Enhancing a Culture of Equity, a student panel on Student Perspectives on Equity and Inclusiveness, and a panel on Visions for Equitable and Inclusive University Cultures.
- 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 throughout the year with the University community including student volunteers and students from non-English speaking backgrounds.
- The Academic Skills Development Unit implemented a program in 2009 to assist students from non-English speaking backgrounds to develop their English language skills. The program works with the students through group and individual tutorials.

## Objective 1.3

### **Social harmony – multiculturalism**

- The University promotes staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- The worship needs of students are accommodated with the provision of an appropriate multi-faith space on campus. The University facilitates meetings and informal discussion groups which are held for students from different faith backgrounds. A multi-faith advisory committee oversees the coordination and facilitation of Chaplaincy activities.
- The University Centre for Peace and Social Justice (CPSJ) is an interdisciplinary community of scholars, focusing on difference. Researchers in the Centre are 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. Throughout the year the CPSJ holds regular lunchtime seminars open to staff, students and the public. These seminars focus on social justice and harmony, including issues and ideas that spring from the multicultural Australian and SCU context.
- In August the CPSJ, in conjunction with the Byron Bay Writers' Festival, organised a public lecture in Lismore by Imran Ahmad titled *Unimagined: A Muslim boy meets the West*. This event was well attended by students, staff and the general public.
- In September the CPSJ organised The Peace Lecture to mark the International Day of Peace. The lecture, *Indigenous Perspectives on Peace, Power and Equity*, was given by Professor Stephen Neyooxet Greymorning from the Department of Anthropology and Native American Studies, University of Montana.
- The CPSJ was contracted in 2008 by the Lismore City Council to conduct an evaluation of the National Living Library Strategy, a Living in Harmony Partnership Project between the Council and the Department of Immigration and Citizenship. This evaluation, through the documentation of project outcomes and learnings, was completed in March 2009 and will contribute to the ongoing development of living libraries as an anti-racist and anti-discrimination strategy.
- In October 2008 the CPSJ was asked by the Lismore Men and Family Centre to participate in the evaluation of an African Leadership project funded by the area assistance scheme. This project, which is ongoing to mid-2010, is designed to bring leaders from a range of communities in Lismore together to discuss culture and styles of leadership, with the specific aim of developing cross-cultural leadership skills for participating members from the Lismore-African community. Throughout 2009 the CPSJ participated in committee meeting and events in order to document the learnings of the project. A report will be available in late 2010.
- As part of the University's Equity and Diversity website a Cultural Diversity Annual Calender was developed with links to local, national and international cultural activities.



## Highlights in 2009

- Southern Cross University's annual **Fusion Festival** celebrates the University's diverse and multicultural community. The Fusion Festival was held from 1-4 September in 2009 on its Lismore campus, with activities on 2 September on its Tweed Gold Coast campus. The theme for the 2009 festival was again 'UNlty in diVERSITY: The coming together of cultures and communities'. This theme promoted intercultural understanding and communal harmony through interaction in various forms – from cultural and educational to social and sporting events. Events in 2009 included a photographic competition open to all staff and students with the theme Colours of Life, an international film night, a showcase of cultural dress and music, and a public lecture. The Coffs Harbour Education Campus (CHEC) that includes Southern Cross University, TAFE and the Senior College also celebrated its Multicultural Week with international food, movies, presentations, a concert and salsa workshops. The Living Library event was held during the week on the Coffs Harbour campus with 17 Living Books which attracted around 60 readers. At a Living Library, the "books" are people who engage in one to one conversation with readers. There was a diverse representation of ethnic and cultural groups and regions including Sierra Leone, Iran, the Sikh Community, the Jewish community, China, Indonesia, France and Canada. The Living Library idea originated in Denmark in 2000 and was designed as an anti-racism project. It provides a safe space for people to come together and explore notions of difference while learning what life is like from another's perspective. Specific aims of the Living Library include promoting acceptance, empathy and understanding through conversation.
- Harmony Day was celebrated across the three campuses with a range of activities for staff, students and the community including the sharing of international food, music and dancing, posters and literature which promoted and celebrated a culturally diverse society.
- During the year the library held a number of exhibitions open to students, staff and the community celebrating the University's multicultural community.

## 2. Staffing

### Objective 2.1

#### **Provide ongoing training and education in cultural diversity to university staff**

- A Cultural Diversity Training Program, incorporating the elements of cultural awareness, cultural sensitivity and cultural safety workshops was provided for staff. Workshops titled Courageous Conversations about Race were held during 2009 for staff across the three campuses with around 50 staff attending. The workshops provided an opportunity for staff to increase their understanding of working with and providing services to people from a range of cultural backgrounds.
- The University continues to ensure employment related policies and practices promote and support work and life balance, Equal Employment Opportunity (EEO) and cultural diversity, safety and security principles.
- 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).
- EEO online anti-discrimination training modules are provided for completion as part of staff selection and interview training, and completion is requested for new and existing staff.
- The New Employees Guide (induction manual) contains comprehensive staff equity information including EEO, non-discriminatory language guidelines, and staff responsibilities for international students.
- Staff selection panels may include a representative from Human Resources or Equity and Diversity which is a resource that provides additional support to ensure 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.

## Objective 2.2

### **Ensure staffing profile is analysed and reported annually**

- The staffing profile of people from culturally diverse backgrounds was analysed and is reported in Part A of the University's 2009 Annual Report.

## Objective 2.3

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

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

## 3. Communication

### Objective 3.1

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

- 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.
- The University promotes staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- Media coverage and University publications reflect and celebrate cultural diversity and inclusion at the University.
- Cultural diversity resources and electronic links are available via the Equity and Diversity website.
- All externally advertised staff vacancies express the University's commitment to cultural diversity.

## 4. Planning and evaluation

### Objective 4.1

#### **Incorporate cultural diversity into University plans**

The University's Strategic Plan 2005-2010 reflects the University's commitment to equity and diversity within its values, objectives and strategies. In alignment with the Strategic Plan, the University's Equity & Diversity Plan 2008- 2010 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. Objective 1 of the plan outlines that all heads of schools and organisational units are required to incorporate equity goals, strategies and targets into University operational plans.

## Plan for 2010

- Continue to implement the strategies and targets within the University's Equity and Diversity Plan 2008-2010 which strongly support and promote an inclusive culture for staff and students that embraces and supports a knowledge of, and respect for, equity and cultural diversity.
- Continuation of curricula that is inclusive and considerate of cultural diversity.
- Cultural Diversity Lecture in 2010 open to staff, students and the community.
- Provide Student Peer Mentoring to support students in the transition to university life across all the University's academic 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 at Lismore, Coffs Harbour, Gold Coast and Tweed Heads, bringing together students, staff and community members to consider cultural diversity and celebrate communal harmony.
- Continue to improve the University's Indigenous and Equity profiles (as per the University's Strategic Plan).
- Continue to promote a positive culture that is free from discrimination and harassment and recognises and values cultural diversity.
- 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 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.
- Continue to analyse and report on the staffing profile of people from culturally diverse backgrounds.
- Continue to build on successes in diversity initiatives and achievements and promote these within the University and in the local community.
- 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.

## Index of compliance

### Part A

Access, pp 9, 55  
Aims and objectives, pp 6, 7  
Budgets, pp 59-60  
Committees, pp 37-44  
Consultants, p 58  
Continuing development, pp 8-34  
Disclosure of controlled entities, p 55  
Electronic service delivery, pp 11, 21, 22, 61, 75  
Energy, p 54  
Equal employment opportunity, p 63  
Ethnic affairs, p 70  
Financial and resource management, p 55  
Freedom of information, p 61  
Guarantee of service, (see quality assurance, p 19)  
Human resources, p 51  
Industrial relations policies and practices, p 51  
Insurance activities, p 53  
International activity, p 19  
Investment performance, p 57  
Land disposal, p 57  
Letter of submission, p 1  
Management and activities, p 46  
Management and structure, p 36-45  
Occupational health and safety, p 52  
Organisational chart, p 36  
Payment of accounts, p 57  
Personnel policies and practices, pp, 51-52  
Privacy management plan, p 61  
Promotion, p 49  
Research and development, p 23,  
Risk management, p 53  
Senior officers, p 45  
Staff numbers, pp 64, 69  
Statutory reporting, p 61  
Waste, p 54  
Women, p 65

### Part B

#### Audited financial statements

Australian Plant DNA Bank Limited, p 101  
Biobank Pty Ltd, p 127  
Council report, p 1  
Environmental regulation and performance, p 5  
Future developments, p 4  
Insurance of officers, p 5  
Legal proceedings on behalf of Southern Cross University, p 5  
Meetings of members, p 2  
Members of the University Council, p 1  
Norsearch Limited, p 69  
Principal activities, p 4  
Report by members of the University Council, p 1  
Significant changes in state of affairs, p 4  
Statement by Members of the Council, p 8  
Subsequent matters affecting operations, p 4  
Summary review of operations, p 4

Southern Cross University Annual Report 2009  
Also available at [www.scu.edu.au/publications](http://www.scu.edu.au/publications)  
ISSN: 1324-1001  
Design and Layout by John Waddell  
Photos by SCU,  
Printing: SCU Digital Printing Service  
Copies printed: 600  
Total production cost: \$20,000



# 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 2009.

## 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 OAM 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 (January to August 2009)

### Vice Chancellor

Professor Peter Lee BE(Chemical)(RMIT), PhD(Monash) (From August 2009)

### 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 BBSoc, DipEd, PhD(LaT)

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

John B Shanahan MCom(Hons)(NSW), FCA, MAICD, SF Fin

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

Trevor Stanley Wilson BSc(Griff)

Susan Christie (resigned 17 March 2009)

Toni Ledgerwood

### Chair of Academic Board

Professor Jim Jackson BCom, LLB(UNSW), LLM(Hons)(Syd), GradDipEd(Tertiary)(DDIAE), PhD(Syd)

### 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 2009, and the numbers of meetings attended by each member are given in the tables below:

Members	Council		Extraordinary Council		Combined Council	
	Meetings		Meeting		Meetings	
	A	B	A	B	A	B
J R Dowd AO QC	6	6	1	1	2	2
P E Clark	4	4	1	1	2	2
D V Cody OAM	6	6	1	1	2	2
S Christie	0	1	0	1	0	0
G Davey	2	2	0	1	1	2
R J Dowell	6	6	1	1	2	2
W A Grimshaw AM	4	4	1	1	2	2
I Harrington	2	2	1	1	0	2
J Jackson	6	6	1	1	2	2
T Ledgerwood	6	6	1	1	2	2
P Lee	2	2	0	0	1	1
P Lewis	5	5	1	1	1	2
N Newell	5	5	1	1	1	2
S Parry	6	6	0	1	2	2
J A Saffin MP	4	4	1	1	2	2
J B Shanahan	6	6	1	1	2	2
M R Sweeny	5	5	1	1	2	2
T S Wilson	6	6	1	1	2	2

Members	Meetings of Committees							
	Chancellor's		Audit		Finance		Special Finance	
	A	B	A	B	A	B	A	B
J R Dowd AO QC	4	4	2	4			2	2
P E Clark	3	3	4	4	3	3	2	2
D V Cody OAM	4	4			4	5	1	2
G Davey								
R J Dowell					4	5	2	2
W A Grimshaw AM			2	4	2	5	1	2
I Harrington								
J Jackson	4	4			4	5	2	2
T Ledgerwood								
P Lee	1	1	2	2	2	2	0	0
P Lewis					1	5	1	2
N Newell			3	4				
S Parry								
J A Saffin MP					1	5	2	2
J B Shanahan			4	4	5	5	2	2
M R Sweeny			4	4	5	5	2	2
T S Wilson			4	4				

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 continued									
	Governance		Honorary Awards		Nominations		Remuneration		Risk Management	
	A	B	A	B	A	B	A	B	A	B
J R Dowd AO QC			4	4	1	1	1	1		
P E Clark			3	3	1	1				
D V Cody OAM			4	4	1	1	1	1	0	0
W MacGillivray			4	4						
S Christie										
G Davey										
R J Dowell										
W A Grimshaw AM	0	0								
I Harrington	0	0							0	0
J Jackson			4	4						
T Ledgerwood										
P Lee			1	1						
P Lewis					1	1				
N Newell	0	0								
S Parry			4	4					0	0
J A Saffin MP			4	4	1	1				
J B Shanahan										
M R Sweeny										
T S Wilson	0	0					1	1		
M Marshall	0	0								

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 \$2.06 million for the year ending 31 December 2009 (2008 \$14.07 million).

The University reported a net operating surplus of \$2.99 million for the year ending 31 December 2009 (2008 \$14.33 million).

Financial performance was heavily influenced by expenditure arising from a number of non-recurrent capital grants received in previous reporting periods (\$7.196m) and one off items including asset disposals, however the underlying result from core activities remains strong and reflects consistent progress against the key objectives of the Strategic Plan 2005-2010. The University exceeded the CGS load for student enrolments in 2009 by 6.3% which shows a favourable result against the below load result for 2008 of 0.6%.

Significant capital projects have been completed or are nearing completion in 2009 including enhancements to the student facilities in both Lismore and Coffs Harbour, teaching and research laboratories and our new campus at the Gold Coast. These projects have been enabled by funding from various federal sources including the Capital Development Pool, and Better Universities Renewal Funding which supplement the Universities capital expenditure.

## Significant Changes in State of Affairs

No significant changes were actioned during the year.

## Subsequent Matters Affecting Operations

Southern Cross University will be conducting due diligence on the purchase of all shares in National Marine Science Centre Pty Limited. Southern Cross University is not aware of any other 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 is subject to various Commonwealth and State environmental regulations. The University Council is unaware of any breach of environmental regulations as they apply to the operations of the University.

## Insurance of Officers

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

Litigation is in progress 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.

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  
20 April 2010

---

This page intentionally blank

---

**SOUTHERN CROSS UNIVERSITY**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

### 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 2009 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 2009 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. Lee**  
Vice-Chancellor

20th April 2010



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 statements of Southern Cross University (the University), and the University and its controlled entities (the consolidated entity), which comprise the statement of financial position as at 31 December 2009 including a statement of financial position as at the beginning of the earliest comparative period, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 statements:

- present fairly, in all material respects, the financial position of the University and the consolidated entity as of 31 December 2009, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are 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
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2009 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*.

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

#### Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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.

*S Bond*

Sally Bond, CA  
Director, Financial Audit Services

20 April 2009  
SYDNEY



## Income Statement for the year ended 31 December 2009

	Notes	Consolidated		Parent entity	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
<b>Revenue from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	72,962	70,445	72,962	70,445
HECS-HELP – Australian Government payments	2	33,262	27,837	33,262	27,837
FEE-HELP	2	6,264	5,263	6,264	5,263
State and local Government financial assistance	3	1,460	523	1,460	523
HECS-HELP – Student Payments		3,502	3,465	3,502	3,465
Fees and charges	4	25,622	24,351	25,419	24,168
Investment revenue	5	4,024	4,839	4,946	5,643
Royalties, trademarks and licences	6	3	6	3	6
Consultancy and contracts	7	5,269	6,803	5,242	6,803
Other revenue	8	11,270	10,750	10,526	10,115
Total revenue from continuing operations		163,638	154,282	163,586	154,268
Investments accounted for using the equity method	19	426	936	-	-
Total revenue and income from continuing operations		164,064	155,218	163,586	154,268
<b>Expenses from continuing operations</b>					
Employee related expenses	9	91,938	83,866	91,198	83,180
Depreciation and amortisation	10	6,090	5,687	6,083	5,676
Repairs and maintenance	11	4,011	3,003	3,963	2,980
Impairment of assets	12	365	353	351	351
Losses on disposal of assets		1,711	142	1,711	142
Other expenses	13	57,885	48,093	57,290	47,605
Total expenses from continuing operations		162,000	141,144	160,596	139,934
<b>Operating result before income tax</b>		2,064	14,074	2,990	14,334
Income tax expense	14	-	-	-	-
Operating result from continuing operations		2,064	14,074	2,990	14,334
<b>Operating result after income tax for the period</b>		2,064	14,074	2,990	14,334
<b>Operating Result attributable to members of Southern Cross University</b>	26	2,064	14,074	2,990	14,334

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

## Statement of comprehensive income for the year ended 31 December 2009

Notes	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Operating result after income tax for the period</b>	<b>2,064</b>	14,074	<b>2,990</b>	14,334
Net Actuarial gains (losses) recognised in respect of Defined Benefit Plans	<b>260</b>	(1,252)	<b>260</b>	(1,252)
<b>Total comprehensive income</b>	<b>2,324</b>	12,822	<b>3,250</b>	13,082
<b>Total comprehensive income attributable to members of Southern Cross University</b>	<b>2,324</b>	12,822	<b>3,250</b>	13,082

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

## Statement of financial position as at 31 December 2009

	Notes	Consolidated			Parent entity		
		2009 \$'000	2008 restated \$'000	As at 1-Jan 2008 restated \$'000	2009 \$'000	2008 restated \$'000	As at 1-Jan 2008 restated \$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	15	34,171	67,188	47,284	33,610	66,415	46,067
Receivables	16	9,778	6,819	8,717	10,082	6,995	9,022
Inventories	17	28	33	17	6	-	-
Other financial assets	18	11,500	-	-	11,500	-	-
Other non-financial assets	20	2,748	1,885	1,646	2,748	1,885	1,644
<b>Total current assets</b>		<b>58,225</b>	<b>75,925</b>	<b>57,664</b>	<b>57,946</b>	<b>75,295</b>	<b>56,733</b>
<b>Non-current assets</b>							
Receivables	16	30,668	40,080	12,384	30,668	40,080	12,384
Investments accounted for using the equity method	19	6,625	7,146	7,069	283	283	283
Property, plant and equipment	21	174,021	149,197	144,541	173,977	149,159	144,505
<b>Total non-current assets</b>		<b>211,314</b>	<b>196,423</b>	<b>163,994</b>	<b>204,928</b>	<b>189,522</b>	<b>157,172</b>
<b>Total assets</b>		<b>269,539</b>	<b>272,348</b>	<b>221,658</b>	<b>262,874</b>	<b>264,817</b>	<b>213,905</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables	22	14,830	11,898	7,163	14,693	11,829	7,083
Provisions	23	17,043	15,705	13,437	16,991	15,659	13,413
Other liabilities	25	6,611	6,497	5,189	6,611	6,470	5,189
<b>Total current liabilities</b>		<b>38,484</b>	<b>34,100</b>	<b>25,789</b>	<b>38,295</b>	<b>33,958</b>	<b>25,685</b>
<b>Non-current liabilities</b>							
Trade and other payables	22	5	5	6	5	5	6
Provisions	23	32,793	42,310	12,752	32,780	42,310	12,752
<b>Total non-current liabilities</b>		<b>32,798</b>	<b>42,315</b>	<b>12,758</b>	<b>32,785</b>	<b>42,315</b>	<b>12,758</b>
<b>Total liabilities</b>		<b>71,282</b>	<b>76,415</b>	<b>38,547</b>	<b>71,080</b>	<b>76,273</b>	<b>38,443</b>
<b>Net assets</b>		<b>198,257</b>	<b>195,933</b>	<b>183,111</b>	<b>191,794</b>	<b>188,544</b>	<b>175,462</b>
<b>EQUITY</b>							
Parent entity interest							
Retained surplus	26	198,257	195,933	183,111	191,794	188,544	175,462
Parent entity interest		198,257	195,933	183,111	191,794	188,544	175,462
<b>Total equity</b>		<b>198,257</b>	<b>195,933</b>	<b>183,111</b>	<b>191,794</b>	<b>188,544</b>	<b>175,462</b>

Southern Cross University has a correction of an error that, as outlined in note 37, has caused restatement of Receivables and Retained earnings. As such in accordance with AASB 101.39 a third consolidated statement of financial position plus notes to the restated amounts have been presented.

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## Statement of changes in equity for the year ended 31 December 2009

	Notes	Retained Surplus \$'000	Minority Interest \$'000	Total \$'000
<b>Consolidated</b>				
Balance at 1 January 2008		182,543		182,543
Retrospective application/restatement	37	568		568
Balance as restated		183,111	-	183,111
Total Comprehensive income				
Parent entity		12,822	-	12,822
Minority interest		-	-	-
Total		12,822	-	12,822
Distributions to owners		-	-	-
Contributions from owners		-	-	-
Balance at 31 December 2008		195,933	-	195,933
Balance at 1 January 2009		195,933	-	195,933
Total Comprehensive income				
Parent entity		2,324	-	2,324
Minority interest		-	-	-
Total		2,324	-	2,324
Distributions to owners		-	-	-
Contributions from owners		-	-	-
<b>Balance at 31 December 2009</b>		<b>198,257</b>	<b>-</b>	<b>198,257</b>
<b>Parent entity</b>				
Balance at 1 January 2008		174,894	-	174,894
Retrospective application/restatement	37	568	-	568
Balance as restated		175,462	-	175,462
Total Comprehensive income				
Parent entity		13,082	-	13,082
Minority interest		-	-	-
Total		13,082	-	13,082
Distributions to owners		-	-	-
Contributions from owners		-	-	-
Balance at 31 December 2008		188,544	-	188,544
Balance at 1 January 2009		188,544	-	188,544
Total Comprehensive income				
Parent entity		3,250	-	3,250
Minority interest		-	-	-
Total		3,250	-	3,250
Distributions to owners		-	-	-
Contributions from owners		-	-	-
<b>Balance at 31 December 2009</b>		<b>191,794</b>	<b>-</b>	<b>191,794</b>

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

## Statement of cash flows for the year ended 31 December 2009

	Notes	Consolidated 2009 \$'000	2008 \$'000	Parent entity 2009 \$'000	2008 \$'000
<b>Cash flows from operating activities</b>					
Australian Government					
CGS and Other DEEWR Grants	40.1	58,773	53,830	58,773	53,830
Higher Education Loan Programmes	40.2	36,956	35,577	36,956	35,577
Scholarships	40.3	4,479	3,213	4,479	3,213
DEEWR Research	40.4	5,715	5,649	5,715	5,649
Better Universities Renewal funding	40.5	-	5,169	-	5,169
ARC grants - Discovery	40.6(a)	712	552	712	552
ARC grants - Linkages	40.6(b)	747	617	747	617
Other Australian Government Grants		2,490	1,806	2,490	1,806
OS-Help Loan (net)		(1)	24	(1)	24
State Government Grants received		1,894	764	1,894	764
HECS-HELP – Student payments		3,490	3,465	3,490	3,465
Receipts from student fees and other customers		23,410	22,274	23,205	22,090
Dividends received		1,132	-	1,132	-
Joint venture partnership distributions received		946	860	946	860
Interest received		3,130	5,017	3,106	4,957
Student Accommodation		1,766	2,152	1,766	2,152
Other Operating Receipts		23,105	17,033	22,248	16,507
Payments to employees		(72,621)	(64,758)	(72,025)	(64,206)
Salary related costs		(18,065)	(11,439)	(17,579)	(16,062)
Payments to suppliers (inclusive of goods and services tax)		(67,018)	(51,535)	(66,815)	(46,250)
<b>Net cash provided by / (used in) operating activities</b>	36	<b>11,040</b>	<b>30,270</b>	<b>11,239</b>	<b>30,714</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		1,033	1,468	1,033	1,468
Payments for property, plant and equipment		(33,659)	(11,932)	(33,646)	(11,932)
Payments for other financial assets		(11,500)	-	(11,500)	-
<b>Net cash provided by / (used in) investing activities</b>		<b>(44,126)</b>	<b>(10,464)</b>	<b>(44,113)</b>	<b>(10,464)</b>
<b>Cash flows from financing activities</b>					
Receipts from advances repaid		69	98	69	98
<b>Net cash provided by / (used in) financing activities</b>		<b>69</b>	<b>98</b>	<b>69</b>	<b>98</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(33,017)</b>	<b>19,904</b>	<b>(32,805)</b>	<b>20,348</b>
Cash and cash equivalents at the beginning of the financial year		67,188	47,284	66,415	46,067
<b>Cash and cash equivalents at the end of the financial year</b>	15	<b>34,171</b>	<b>67,188</b>	<b>33,610</b>	<b>66,415</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the financial statements for the year ended 31 December 2009

<b>Note</b>	<b>Contents of the notes to the financial statements</b>
1	Summary of significant accounting policies
	Income
2	Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes
3	State and Local Government financial assistance
4	Fees and charges
5	Investment income
6	Royalties, trademarks and licenses
7	Consultancy and contracts
8	Other revenue
	Expenses
9	Employee related expenses
10	Depreciation and amortisation
11	Repairs and maintenance
12	Impairment of assets
13	Other expenses
14	Income tax
	Assets
15	Cash and cash equivalents
16	Receivables
17	Inventories
18	Other financial assets
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	Defined benefit plans
25	Other liabilities
	Equity
26	Retained surplus
27	Monies held on behalf of third party
28	Key management personnel disclosures
29	Remuneration of auditors
30	Contingencies
31	Commitments
32	Related parties
33	Subsidiaries
34	Jointly controlled operations and assets
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	Disaggregated information
39	Correction of error
40	Acquittal of Australian Government financial assistance

## Notes to the financial statements for the year ended 31 December 2009

### 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 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 20th April 2010.

#### 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 IFRSs*

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 requirements.

##### *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 Southern Cross Universities accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

- Defined benefit superannuation positions
- Provisions for employee entitlements
- Depreciation

#### 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 2009 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.

## Notes to the financial statements for the year ended 31 December 2009

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

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.

### **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.

#### *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 19.

### **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.



## Notes to the financial statements for the year ended 31 December 2009

### 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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

### 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, 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, 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.

#### 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.

#### Other Grants

Reciprocal grant income is recognised in the year to which it applies.

## Notes to the financial statements for the year ended 31 December 2009

### e) Income tax

Southern Cross University, Norsesearch Limited and Australian Plant DNA Bank Limited are exempt from the payment of income tax, and accordingly, no provision for income tax liability or 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 in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### f) 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 cost. 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. The University currently has no finance 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 31). 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.

## Notes to the financial statements for the year ended 31 December 2009

### **g) Business combinations**

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments 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(q)). 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.

### **h) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. 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.

### **i) 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 2009

### j) 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.

Collectability 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 impairment expense 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 impairment expense account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the income statement.

### k) Inventories

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

### l) 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 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.

### m) Investments and other financial assets

#### Classification

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.

## Notes to the financial statements for the year ended 31 December 2009

### ***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 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.

### ***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.

### ***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 non-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.

## Notes to the financial statements for the year ended 31 December 2009

### n) 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 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.

### o) 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 \$10,000 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 \$10,000 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.

## Notes to the financial statements for the year ended 31 December 2009

### p) 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	1-13
Infrastructure	1-15
Leasehold Improvement	37.74
<i>Plant &amp; equipment</i>	%p.a.
Research equipment	33.3
Vehicles	20
Computer equipment	33.3
Medical, audio visual equipment	15
General equipment	5-10
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.

### q) Intangible assets

#### Research and development

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

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.

## Notes to the financial statements for the year ended 31 December 2009

### r) **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 Statement of Financial Position 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 2009. 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 2009 are disclosed in note 24.

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.

### s) **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.

### t) **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.

### u) **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 probable 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.



## Notes to the financial statements for the year ended 31 December 2009

### v) Employee benefits

#### 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 2009 was 4.22% (2008:2.88%).

#### 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. The Actuarial assessment gives consideration to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Commonwealth government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### 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 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 recognised in the period in which they occur, outside the income statement, in the Statement of comprehensive income.

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.

## Notes to the financial statements for the year ended 31 December 2009

### **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.

### **w) Rounding of amounts**

The Group is of a kind referred to in Class order 98/0100, as amended by Class order 04/667, 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.

### **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.

### **y) Goods and services tax (GST)**

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

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

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

### **z) Comparative amounts**

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

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that is reclassified; and
- (c) the reason for the reclassification.

When it is impracticable to reclassify comparative amounts, the University shall disclose,:

- (a) the reason for not reclassifying the amounts; and
- (b) the nature of the adjustments that would have been made, if the amounts had been reclassified.

## Notes to the financial statements for the year ended 31 December 2009

### aa) New accounting standards and interpretations

The following new Accounting Standards and Interpretations, although issued, may not yet be effective.

- AASB 3 Business Combinations (1 July 2009) as amended by AASB 2008-11;
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations (1 July 2009) as amended by AASB 2008-3, 2008-6, 2008-13 and 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 7 Financial Instruments: Disclosures (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7;
- AASB 8 Operating Segments (1 January 2010) as amended by AASB 2009-5;
- AASB 101 Presentation of Financial Statements (1 July 2009) as amended by AASB 2008-3 and (1 January 2010) as amended by AASB 2009-5;
- AASB 107 Cash Flow Statements (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 110 Events after the Balance Sheet Date ((1 July 2009) as amended by AASB 2008-13;
- AASB 112 Income Taxes (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7;
- AASB 116 Property, Plant and Equipment (1 July 2009) as amended by AASB 2008-3;
- AASB 118 Revenue (1 January 2010) as amended by AASB 2009-5;
- AASB 124 Related Party Disclosures (1 January 2011) as amended by AASB 2009-12;
- AASB 127 Consolidated and Separate Financial Statements (1 July 2009) as amended by AASB 2008-3;
- AASB 128 Investments in Joint Ventures (1 July 2009) as amended by AASB 2008-3;
- AASB 131 Interests in Joint Ventures (1 July 2009) as amended by AASB 2008-3;
- AASB 132 Financial Instruments: Presentation (1 July 2009) as amended by AASB 2008-3 and (1 February 2010) as amended by AASB 2009-10;
- AASB 136 Impairment of Assets (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2009) as amended by AASB 2008-3;
- AASB 138 Intangible Assets (1 July 2009) as amended by AASB 2008-3 and AASB 2009-4;
- AASB 139 Financial Instruments: Recognition and Measurement (1 July 2009) as amended by AASB 2008-3, 2008-8, 2009-3 and 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 1048 Interpretation and Application of Standards – March 2009 (31 March 2009);
- AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and 127 (1 July 2009)
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (1 July 2009)
- AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners (1 July 2009);
- AASB 2009-3 Amendments to Australian Accounting Standards – Embedded Derivatives (30 June 2009);
- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 July 2009);
- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 January 2010);
- AASB 2009-7 Amendments to Australian Accounting Standards to correct AASBs 2008-12, 2008-13 and Interpretation 17 (1 July 2009);
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues amends AASB 132 Financial Instruments: Presentation (1 January 2011);
- AASB 2009-12 Amendments to Australian Accounting Standards amends the requirements of AASB 124 Related Party Disclosures(1 January 2011);
- Interpretation 17 Distributions of Non-cash Assets to Owners (1 July 2009);

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.

## Notes to the financial statements for the year ended 31 December 2009

	Notes	Consolidated		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 2. Australian Government financial assistance including HECS-HELP and FEE-HELP</b>					
<b>(a) Commonwealth Grant Scheme and Other Grants</b>					
	40.1				
Commonwealth Grants Scheme #		52,672	48,254	52,672	48,254
Indigenous Support Programme		739	738	739	738
Equity Support Programme		323	301	323	301
Disability Support Programme		67	141	67	141
Workplace Reform Programme		679	644	679	644
Workplace Productivity Programme		199	459	199	459
Learning & Teaching Performance Fund		603	2,212	603	2,212
Capital Development Pool		2,042	-	2,042	-
Diversity and Structural Adjustment Fund #2		679	-	679	-
Improving the Practical Component of Teacher Education Initiative		358	407	358	407
Transitional Cost Programme		412	674	412	674
<b>Total Commonwealth Grant Scheme and Other Grants</b>		<b>58,773</b>	<b>53,830</b>	<b>58,773</b>	<b>53,830</b>
<b>(b) Higher Education Loan Programmes</b>					
	40.2				
HECS-HELP		33,262	27,837	33,262	27,837
FEE-HELP #3		6,264	5,263	6,264	5,263
<b>Total Higher Education Loan Programmes</b>		<b>39,526</b>	<b>33,100</b>	<b>39,526</b>	<b>33,100</b>
<b>(c) Scholarships</b>					
	40.3				
Australian Postgraduate Awards		820	678	820	678
International Postgraduate Research Scholarship		109	159	109	159
Commonwealth Education Cost Scholarships #4		1,073	897	1,073	897
Commonwealth Accommodation Scholarships #4		2,427	1,388	2,427	1,388
Indigenous Access Scholarships		50	57	50	57
Indigenous Staff Scholarships		-	34	-	34
<b>Total Scholarships</b>		<b>4,479</b>	<b>3,213</b>	<b>4,479</b>	<b>3,213</b>
<b>(d) DIISR Research</b>					
	40.4				
Institutional Grants Scheme		1,544	1,592	1,544	1,592
Research Training Scheme		3,494	3,442	3,494	3,442
Research Infrastructure Block Grants		393	348	393	348
Implementation Assistance Programme		66	67	66	67
Australian Scheme for Higher Education Repositories		180	166	180	166
Commercialisation Training Scheme		38	34	38	34
<b>Total DIISR Research Grants</b>		<b>5,715</b>	<b>5,649</b>	<b>5,715</b>	<b>5,649</b>

# Includes the basic CGS grant amount, CGS – Regional Loading and CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Collaboration and Structural Adjustment Programme.

#3 Programme is in respect of FEE-HELP for Higher Education only excludes funds received in respect of VET FEE-HELP.

#4 Includes National Priority and National Accommodation Priority Scholarships respectively.

**Notes to the financial statements  
for the year ended 31 December 2009**

	Notes	Consolidated		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 2. Australian Government financial assistance including HECS-HELP and FEE-HELP (cont)</b>					
<b>(e) Other Capital Funding</b>					
Better Universities Renewal Funding	40.5	-	5,169	-	5,169
Total Other Capital Funding		-	5,169	-	5,169
<b>(f) Australian Research Council</b>					
<b>(i) Discovery</b>					
Project	40.6(a)	625	552	625	552
Fellowships		87	-	87	-
Total Discovery		712	552	712	552
<b>(ii) Linkages</b>					
Infrastructure	40.6(b)	220	-	220	-
International		7	-	7	-
Projects		520	617	520	617
Total Linkages		747	617	747	617
<b>(g) Other Australian Government financial assistance</b>					
Department of Education, Employment and Workplace Relations (ITAS)		236	156	236	156
Foreign Affairs and Trade		211	188	211	188
Innovation, Industry, Science & Research		608	-	608	-
Other		1,481	1,071	1,481	1,071
Total other Australian Government financial assistance		2,536	1,415	2,536	1,415
<b>Total Australian Government financial assistance</b>		<b>112,488</b>	<b>103,545</b>	<b>112,488</b>	<b>103,545</b>
<b>Reconciliation</b>					
Australian Government grants [a + c + d + e + f + g]		72,962	70,445	72,962	70,445
HECS-HELP payments		33,262	27,837	33,262	27,837
FEE-HELP payments		6,264	5,263	6,264	5,263
<b>Total Australian Government financial assistance</b>		<b>112,488</b>	<b>103,545</b>	<b>112,488</b>	<b>103,545</b>

**Notes to the financial statements  
for the year ended 31 December 2009**

Notes	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 2. Australian Government financial assistance including HECS-HELP and FEE-HELP (cont)</b>				
<b>(h) Australian Government Grants received - cash basis</b>				
CGS and Other DEEWR Grants	58,773	53,830	58,773	53,830
Higher Education Loan Programmes	36,956	35,577	36,956	35,577
Scholarships	4,479	3,213	4,479	3,213
DIISR Research	5,715	5,649	5,715	5,649
Other Capital Funding	-	5,169	-	5,169
ARC grants - Discovery	712	552	712	552
ARC grants - Linkages	747	617	747	617
ARC grants - Networks and Centres	-	-	-	-
Other Australian Government Grants	2,490	1,731	2,490	1,731
<b>Total Australian Government Grants received - cash basis</b>	<b>109,872</b>	<b>106,338</b>	<b>109,872</b>	<b>106,338</b>
OS-Help (Net)	(1)	24	(1)	24
<b>Total Australian Government funding received - cash basis</b>	<b>109,871</b>	<b>106,362</b>	<b>109,871</b>	<b>106,362</b>

**Note 3. State and Local Government financial assistance**

New South Wales State and Local Government	548	291	548	291
Queensland Government	303	137	303	137
Western Australian Government	9	3	9	3
Victorian Government	159	68	159	68
South Australian Government	431	24	431	24
Northern Territory Government	10	-	10	-
<b>Total State and Local Government financial assistance</b>	<b>1,460</b>	<b>523</b>	<b>1,460</b>	<b>523</b>

**Notes to the financial statements  
for the year ended 31 December 2009**

Notes	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>Note 4. Fees and charges</b>				
<b>Course fees and charges</b>				
Fee-paying overseas students	19,645	17,429	19,645	17,429
Continuing education	9	13	9	13
Fee-paying domestic postgraduate students	2,756	2,807	2,756	2,807
Fee-paying domestic undergraduate students	270	726	270	726
Fee-paying domestic non-award students	67	180	67	180
<b>Total course fees and charges</b>	<b>22,747</b>	<b>21,155</b>	<b>22,747</b>	<b>21,155</b>
<b>Other non-course fees and charges</b>				
Amenities and service fees	102	80	102	80
Late fees	122	72	122	72
Catering Income	378	-	175	165
Rental charges	302	364	302	363
Student accommodation	1,766	2,152	1,766	2,152
Other fees and charges	205	528	205	181
<b>Total other fees and charges</b>	<b>2,875</b>	<b>3,196</b>	<b>2,672</b>	<b>3,013</b>
<b>Total fees and charges</b>	<b>25,622</b>	<b>24,351</b>	<b>25,419</b>	<b>24,168</b>
<b>Note 5. Investment revenue</b>				
Interest	2,892	4,839	2,868	4,783
Dividends	1,132	-	1,132	-
Partnership distributions	-	-	946	860
<b>Total investment revenue</b>	<b>4,024</b>	<b>4,839</b>	<b>4,946</b>	<b>5,643</b>
<b>Note 6. Royalties, trademarks and licences</b>				
Royalties, trademarks & licenses	3	6	3	6
<b>Total royalties, trademarks and licences</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>6</b>
<b>Note 7. Consultancy and contracts</b>				
Consultancy	796	849	769	849
Contract research	4,473	5,954	4,473	5,954
<b>Total consultancy and contracts</b>	<b>5,269</b>	<b>6,803</b>	<b>5,242</b>	<b>6,803</b>

## Notes to the financial statements for the year ended 31 December 2009

Notes	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 8. Other revenue</b>				
Donations and bequests	209	265	209	265
Scholarships and prizes	325	517	325	517
Foreign exchange gains (net) (note (b))	-	29	-	29
Scientific testing	3,146	2,688	3,146	2,688
Sale of goods	35	24	35	23
Cost recoveries	4,896	4,522	4,896	4,522
Miscellaneous sales	1,012	1,250	630	833
Library sales	68	83	68	83
Licence Fee	178	-	178	-
Printery sales	287	248	293	259
Conferences and workshops	416	640	260	506
Facilities hire	129	155	125	151
Immersion program	125	139	125	139
Other revenue	444	190	236	100
<b>Total other revenue</b>	<b>11,270</b>	<b>10,750</b>	<b>10,526</b>	<b>10,115</b>
<b>Note 9. Employee related expenses</b>				
<b>Academic</b>				
Salaries	35,248	30,915	35,248	30,915
Contribution to funded superannuation and pension schemes:				
Emerging cost	660	653	660	653
Funded	4,118	3,592	4,118	3,592
Payroll tax	2,371	2,182	2,371	2,182
Worker's compensation	289	218	289	218
Long service leave expense	919	1,465	919	1,465
Annual leave	323	341	323	341
Other	574	318	574	318
<b>Total academic</b>	<b>44,502</b>	<b>39,684</b>	<b>44,502</b>	<b>39,684</b>
<b>Non-academic</b>				
Salaries	37,373	33,843	36,777	33,291
Contribution to funded superannuation and pension schemes:				
Emerging cost	440	435	440	435
Funded	4,934	4,455	4,873	4,395
Payroll tax	2,661	2,395	2,609	2,350
Worker's compensation	324	239	318	235
Long service leave expense	980	1,816	966	1,810
Annual leave	182	465	173	449
Other	542	534	540	531
<b>Total non-academic</b>	<b>47,436</b>	<b>44,182</b>	<b>46,696</b>	<b>43,496</b>
<b>Total employee related expenses</b>	<b>91,938</b>	<b>83,866</b>	<b>91,198</b>	<b>83,180</b>
Deferred superannuation expense	-	-	-	-
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>	<b>91,938</b>	<b>83,866</b>	<b>91,198</b>	<b>83,180</b>



## Notes to the financial statements for the year ended 31 December 2009

Notes	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 10. Depreciation and amortisation</b>				
<b>Depreciation</b>				
Buildings and infrastructure	3,746	3,679	3,746	3,679
Leasehold Improvements	150	-	150	-
Plant and equipment	1,717	1,474	1,710	1,463
Library collection	477	534	477	534
Total depreciation	6,090	5,687	6,083	5,676
<b>Total depreciation and amortisation</b>	<b>6,090</b>	<b>5,687</b>	<b>6,083</b>	<b>5,676</b>
<b>Note 11. Repairs and maintenance</b>				
Buildings and grounds	4,011	3,003	3,963	2,980
<b>Total repairs and maintenance</b>	<b>4,011</b>	<b>3,003</b>	<b>3,963</b>	<b>2,980</b>
<b>Note 12. Impairment of Assets</b>				
Bad and doubtful debts	365	353	351	351
<b>Total impairment of assets</b>	<b>365</b>	<b>353</b>	<b>351</b>	<b>351</b>
<b>Note 13. Other expenses</b>				
Scholarships, grants and prizes	5,038	4,728	5,038	4,727
Non-capitalised equipment	6,562	2,962	6,546	2,942
Equipment maintenance, rental and hire charges	665	563	650	551
Advertising, marketing and promotional expenses	3,275	3,061	3,262	3,048
Audit fees, bank charges, legal costs, insurance and taxes	2,364	2,449	2,319	2,409
Printing and stationery	1,117	1,033	1,110	1,030
Postage, freight and courier	673	610	672	611
Property and facility costs	4,318	3,334	4,121	3,129
Subscriptions to Industry	426	492	423	490
Software purchases, licences, consultancy	1,981	2,020	1,975	2,013
Books, serials and library subscriptions	2,051	1,945	2,051	1,943
Operating lease rental expense - minimum lease payments	1,611	1,496	1,610	1,489
Telecommunications	1,540	1,048	1,539	1,044
Travel and related staff development and training	5,147	5,158	5,091	5,052
Write down of investments	100	100	100	100
Fees paid	9,710	8,705	9,574	8,689
Contributions to Collaborative Research Centres	868	815	868	815
Education providers	6,821	4,355	6,821	4,274
Laboratory consumables	948	681	948	681
Other expenses	2,670	2,538	2,572	2,568
<b>Total other expenses</b>	<b>57,885</b>	<b>48,093</b>	<b>57,290</b>	<b>47,605</b>

## Notes to the financial statements for the year ended 31 December 2009

Notes	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 14 . Income tax</b>				
<b>(a) Income tax expense</b>				
Current tax	-	-	-	-
Aggregate income tax expense	-	-	-	-
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>				
Operating result from continuing operations before income tax expense	5	(4)	-	-
Tax at the Australian tax rate of 30% (2008 30%)	(1)	(1)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	-	-	-
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	-	-	-	-
<b>(c) Deferred tax assets</b>				
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	5	4	-	-
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.	-	-	-	-
<b>Note 15. Cash and cash equivalents</b>				
Cash at bank	5,649	2,159	5,593	2,100
Petty cash	22	19	17	15
Bank interest bearing and at call deposits	28,500	65,010	28,000	64,300
<b>Total cash and cash equivalents</b>	<b>34,171</b>	<b>67,188</b>	<b>33,610</b>	<b>66,415</b>
<b>(a) Reconciliation to cash at the end of the year</b>				
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	34,171	67,188	33,610	66,415
Balance per cash flow statement	34,171	67,188	33,610	66,415
<b>(b) Cash at bank and on hand</b>				
These are at variable interest rates.				
<b>(c) Interest bearing deposits and deposits at call</b>				
The deposits are bearing interest rates between 5.0% and 5.40% (2008 – 4.90% and 7.35%).				
These deposits have an average maturity of 80 days (2008:94 days)				

## Notes to the financial statements for the year ended 31 December 2009

Notes	Consolidated			Parent entity		
	As at 1-Jan			As at 1-Jan		
	2009 \$'000	2008 restated* \$'000	2008 restated* \$'000	2009 \$'000	2008 restated* \$'000	2008 restated* \$'000
<b>Note 16. Receivables</b>						
<b>Current</b>						
Student fees	1,052	1,085	1,558	1,052	1,085	1,558
Trade debtors	6,985	5,743	5,230	7,276	5,922	5,541
Less: Provision for impaired receivables	(964)	(1,251)	(1,061)	(948)	(1,251)	(1,060)
	<b>7,073</b>	<b>5,577</b>	<b>5,727</b>	<b>7,380</b>	<b>5,756</b>	<b>6,039</b>
Other debtors	2,705	1,242	2,990	2,702	1,239	2,983
<b>Total current receivables</b>	<b>9,778</b>	<b>6,819</b>	<b>8,717</b>	<b>10,082</b>	<b>6,995</b>	<b>9,022</b>
<b>Non-current</b>						
Deferred government contribution for superannuation	30,259	39,477	11,837	30,259	39,477	11,837
Other debtors	50	214	120	50	214	120
Tweed Heads land	359	389	427	359	389	427
<b>Total non-current receivables</b>	<b>30,668</b>	<b>40,080</b>	<b>12,384</b>	<b>30,668</b>	<b>40,080</b>	<b>12,384</b>
<b>Total receivables</b>	<b>40,446</b>	<b>46,899</b>	<b>21,101</b>	<b>40,750</b>	<b>47,075</b>	<b>21,406</b>

\* Southern Cross University has an error that, as outline in Note 37, has caused a restatement of Receivables

Notes	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000

### (a) Impaired receivables

As at 31 December 2009 current receivables of the group with a nominal value of \$963,736 (2008:\$1,250,805) were impaired. The amount of the provision was \$947,852 (2008: \$1,250,805). The individually impaired receivables relate to student fees not yet collected and a wide variety of trade debtors.

The ageing of these receivables is as follows:

	2009	2008	2009	2008
0 to 3 months	8	33	8	33
3 to 6 months	142	78	132	78
Over 6 months	814	1,140	808	1,140
	<b>964</b>	<b>1,251</b>	<b>948</b>	<b>1,251</b>

As of 31 December 2009, current receivables of \$1,121,622 (2008: \$584,364) were past due but not impaired.

The ageing of these receivables is as follows:

	2009	2008	2009	2008
3 to 6 months	709	345	702	345
Over 6 months	413	239	413	239
	<b>1,122</b>	<b>584</b>	<b>1,115</b>	<b>584</b>

Movements in the provision for impaired receivables are as follows:

	2009	2008	2009	2008
At 1 January	1,251	1,061	1,251	1,060
Provision for impairment recognised during the year	964	184	948	184
Receivables written off during the year as uncollectable	(669)	(169)	(669)	(168)
Unused amount reversed	(582)	175	(582)	175
	<b>964</b>	<b>1,251</b>	<b>948</b>	<b>1,251</b>

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

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

## Notes to the financial statements for the year ended 31 December 2009

Notes	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 17. Inventories</b>				
<b>Current</b>				
At cost	<u>28</u>	<u>33</u>	<u>6</u>	<u>-</u>

### Note 18. Other financial assets

<b>Current</b>				
Term Deposits	<u>11,500</u>	<u>-</u>	<u>11,500</u>	<u>-</u>
	<u>11,500</u>	<u>-</u>	<u>11,500</u>	<u>-</u>

Changes in fair values of other financial assets at fair value through profit or loss are recorded in

### Note 19. Investments accounted for using the equity method

Investments in jointly controlled entities	<u>6,625</u>	<u>7,146</u>	<u>283</u>	<u>283</u>
<b>Total investments accounted for using the equity method</b>	<u>6,625</u>	<u>7,146</u>	<u>283</u>	<u>283</u>
<b>Reconciliation</b>				
Balance at 1 January	7,146	7,069	283	283
Share of profit for the year	426	937	-	-
Dividends	(946)	(860)	-	-
Additions/disposals	-	-	-	-
<b>Balance at 31 December</b>	<u>6,625</u>	<u>7,146</u>	<u>283</u>	<u>283</u>

#### Jointly controlled entities

Name of Entity	Description	Ownership Interest	
		2009 %	2008 %
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
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.	6.62	6.69
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.	41.3	39.78
CRC Care Pty Ltd	Research and development in contamination assessment and remediation of the environment.	6.83	6.74
Rail CRC Limited	Research and development in the Australian rail industry.	6	-
CRC Forestry Limited	Research and development in forestry management.	4	4

## Notes to the financial statements for the year ended 31 December 2009

	Notes	Consolidated		Parent entity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 19. Investments accounted for using the equity method (cont)</b>					
Summarised financial information in respect of jointly controlled entities is set out below.					
<b>Financial Position</b>					
Current assets		4,646	3,802	283	283
Non-current assets		5,192	7,039	-	-
<b>Total assets</b>		<b>9,838</b>	<b>10,842</b>	<b>283</b>	<b>283</b>
Current liabilities		1,529	1,536	-	-
Non-current liabilities		-	19	-	-
<b>Total liabilities</b>		<b>1,529</b>	<b>1,555</b>	<b>-</b>	<b>-</b>
<b>Share of jointly controlled entities' net assets</b>		<b>8,309</b>	<b>9,287</b>	<b>283</b>	<b>283</b>
<b>Financial Performance</b>					
Income		8,602	8,204	-	-
Expenses		(8,176)	(7,268)	-	-
<b>Profit/(loss)</b>		<b>426</b>	<b>936</b>	<b>-</b>	<b>-</b>
<b>Share of jointly controlled entities' profit/(loss)</b>		<b>426</b>	<b>936</b>	<b>-</b>	<b>-</b>

Capital commitments and contingent liabilities arising from the entities interests in joint ventures are disclosed in notes 30 and 31 respectively.

## Note 20. Other non-financial assets

<b>Current</b>					
Prepayments		2,748	1,885	2,748	1,885
<b>Total current other non-financial assets</b>		<b>2,748</b>	<b>1,885</b>	<b>2,748</b>	<b>1,885</b>

## Notes to the financial statements for the year ended 31 December 2009

### Note 21. Property, plant and equipment

	Construction in progress	Land	Buildings	Plant and equipment	Leasehold improvements	Library	Other plant and equipment*	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>								
<b>At 1 January 2008</b>								
- Cost	533	11,796	125,100	19,881	-	9,122	14,722	181,154
Accumulated depreciation	-	-	(13,915)	(13,743)	-	(7,753)	(1,202)	(36,613)
Net book amount	533	11,796	111,185	6,138	-	1,369	13,520	144,541
<b>Year ended 31 December 2008</b>								
Opening net book amount	533	11,796	111,185	6,138	-	1,369	13,520	144,541
Additions	8,135	-	16	3,394	-	341	60	11,946
Assets included in a disposal group classified as held for sale and other disposals	-	(13)	(418)	(1,961)	-	-	-	(2,392)
Depreciation charge	-	-	(3,366)	(1,475)	-	(534)	(312)	(5,687)
Depreciation written back	-	-	57	731	-	-	-	788
Transfers	(1,344)	-	857	487	-	-	-	-
Write-offs	-	-	-	1	-	-	-	1
Closing net book amount	7,324	11,783	108,331	7,315	-	1,176	13,268	149,197
<b>At 31 December 2008</b>								
- Cost	7,324	11,783	125,555	21,802	-	9,462	14,783	190,709
Accumulated depreciation	-	-	(17,224)	(14,487)	-	(8,286)	(1,515)	(41,512)
Net book amount	7,324	11,783	108,331	7,315	-	1,176	13,268	149,197
<b>Consolidated</b>								
<b>Year ended 31 December 2009</b>								
Opening net book amount	7,324	11,783	108,331	7,315	-	1,176	13,268	149,197
Additions	24,324	950	3,650	4,112	279	344	-	33,659
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	(1,557)	-	-	-	(1,557)
Depreciation charge	-	-	(3,429)	(1,717)	(150)	(477)	(317)	(6,090)
Depreciation written back	-	-	-	521	-	-	-	521
Transfers	(2,802)	-	2,516	-	286	-	-	-
Write-offs	-	-	(1,709)	-	-	-	-	(1,709)
Closing net book amount	28,846	12,733	109,359	8,674	415	1,043	12,951	174,021
<b>At 31 December 2009</b>								
Cost	28,846	12,733	130,012	24,357	565	9,806	14,783	221,102
Accumulated depreciation	-	-	(20,653)	(15,683)	(150)	(8,763)	(1,832)	(47,081)
Net book amount	28,846	12,733	109,359	8,674	415	1,043	12,951	174,021

\* Other Plant and Equipment includes infrastructure

## Notes to the financial statements for the year ended 31 December 2009

### Note 21. Property, plant and equipment (cont)

	Construction in progress	Land	Buildings	Plant and equipment	Leasehold improvements	Library	Other plant and equipment*	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent entity</b>								
<b>At 1 January 2008</b>								
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
<b>Year ended 31 December 2008</b>								
Opening net book amount	533	11,796	111,185	6,102	-	1,369	13,520	144,505
Additions	8,135	-	16	3,380	-	341	60	11,932
Assets included in a disposal group classified as held for sale and other disposals	-	(13)	(418)	(1,961)	-	-	-	(2,392)
Depreciation charge	-	-	(3,366)	(1,464)	-	(534)	(312)	(5,676)
Depreciation written back	-	-	57	732	-	-	-	789
Transfers	(1,344)	-	857	487	-	-	-	-
Write-offs	-	-	-	1	-	-	-	1
Closing net book amount	7,324	11,783	108,331	7,277	-	1,176	13,268	149,159
<b>At 31 December 2008</b>								
Cost	7,324	11,783	125,555	21,746	-	9,462	14,783	190,653
Accumulated depreciation	-	-	(17,224)	(14,469)	-	(8,286)	(1,515)	(41,494)
Net book amount	7,324	11,783	108,331	7,277	-	1,176	13,268	149,159
	Construction in progress	Land	Buildings	Plant and equipment	Leasehold improvements	Library	Other plant and equipment*	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent entity</b>								
<b>Year ended 31 December 2009</b>								
Opening net book amount	7,324	11,783	108,331	7,277	-	1,176	13,268	149,159
Additions	24,324	950	3,650	4,099	279	344	-	33,646
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	(1,556)	-	-	-	(1,556)
Depreciation charge	-	-	(3,429)	(1,710)	(150)	(477)	(317)	(6,083)
Depreciation written back	-	-	-	520	-	-	-	520
Transfers	(2,802)	-	2,516	-	286	-	-	-
Write-offs	-	-	(1,709)	-	-	-	-	(1,709)
Closing net book amount	28,846	12,733	109,359	8,630	415	1,043	12,951	173,977
<b>At 31 December 2009</b>								
Cost	28,846	12,733	130,012	24,289	565	9,806	14,783	221,034
Accumulated depreciation	-	-	(20,653)	(15,659)	(150)	(8,763)	(1,832)	(47,057)
Net book amount	28,846	12,733	109,359	8,630	415	1,043	12,951	173,977

\* 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.

(b) No non-current assets have been pledged as security by the parent entity and its controlled entities.

## Notes to the financial statements for the year ended 31 December 2009

Notes	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Note 22. Trade and other payables</b>				
<b>Current</b>				
OS-HELP Liability to Australian Government	43	44	43	44
Payables and accrued expenses	14,787	11,854	14,650	11,785
<b>Total current trade and other payables</b>	<b>14,830</b>	<b>11,898</b>	<b>14,693</b>	<b>11,829</b>
<b>Non-current</b>				
Funds held in trust	5	5	5	5
<b>Total non-current trade and other payables</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Total trade and other payables</b>	<b>14,835</b>	<b>11,903</b>	<b>14,698</b>	<b>11,834</b>

## Note 23. Provisions

### Current provisions expected to be settled within 12 months

Employee benefits				
Annual leave	4,906	4,569	4,870	4,543
Long service leave	1,550	1,433	1,534	1,418
Subtotal	6,456	6,002	6,404	5,961

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

Employee benefits				
Annual leave	1,927	1,758	1,927	1,758
Long service leave	8,660	7,945	8,660	7,940
Subtotal	10,587	9,703	10,587	9,698
<b>Total current provisions</b>	<b>17,043</b>	<b>15,705</b>	<b>16,991</b>	<b>15,659</b>

### Non-current

Employee benefits				
Long service leave	2,110	2,149	2,097	2,149
Defined benefit obligation	30,683	40,161	30,683	40,161
<b>Total non-current provisions</b>	<b>32,793</b>	<b>42,310</b>	<b>32,780</b>	<b>42,310</b>
<b>Total provisions</b>	<b>49,836</b>	<b>58,015</b>	<b>49,771</b>	<b>57,969</b>

### Accounting policy for recognising actuarial gains/losses

The measurement and recognition criteria relating to employee benefits has been included in Note 1 of the financial statements.

Defined benefit obligation assumptions are disclosed in Note 24.

### (a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Consolidated - 2009	Provision	Provision	Provision	Total \$'000
	Annual Leave	LSL	Superann.	
Carrying amount at start of year	6,327	11,527	40,161	58,015
Additional provisions recognised	6,833	12,320	30,683	49,836
Amounts used	(5,196)	(1,166)	-	(6,362)
Unused amounts reversed	(1,131)	(10,361)	(40,161)	(51,653)
<b>Carrying amount at end of year</b>	<b>6,833</b>	<b>12,320</b>	<b>30,683</b>	<b>49,836</b>



## Notes to the financial statements for the year ended 31 December 2009

### Note 24. Defined benefit plans

#### *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.

The University expects to make a contribution of \$1,033,005(2008:\$1,121,745) to the defined benefit plan during the next financial year.

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

<b>Weighted-Average</b>	<b>2009</b>	<b>2008</b>
Expected salary increase rate	<b>4.0% pa</b>	4.0% pa
Salary increase rate (excluding promotional increases)	<b>3.5% pa</b>	3.5% pa
Rate of CPI Increase	<b>2.5% pa</b>	2.5% pa
Expected rate of return on assets	<b>8.3%</b>	8.3%
Expected rate of return on assets backing other liabilities	<b>5.81%</b>	7.3%
Discount rate	<b>5.81%</b>	4.09% pa

The analysis of the plan assets and the expected rate of return at the balance sheet date is as follows:

	<b>31-Dec-09</b>	<b>31-Dec-08</b>
Australian equities	<b>33.1%</b>	29.0%
Overseas equities	<b>26.8%</b>	26.5%
Australian fixed interest securities	<b>5.8%</b>	8.3%
Overseas fixed interest securities	<b>4.1%</b>	6.9%
Property	<b>9.2%</b>	10.8%
Cash	<b>7.8%</b>	4.2%
Other	<b>13.2%</b>	14.3%
Expected rate of return on Fund assets backing current pension liabilities	<b>8.3%</b>	7.7% pa
Expected rate of return on Fund assets backing other liabilities	<b>7.3%</b>	7.0% pa

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The University's assessment of the expected returns is based on historical return trends and actuarial predictions of the market for the asset in the next twelve months.

Notes to the financial statements  
for the year ended 31 December 2009

**Note 24. Defined benefit plans (cont)**

The history of experience adjustments is as follows:

	Total 31-Dec-09 A\$	Total 31-Dec-08 A\$	Total 31-Dec-07 A\$	Total 31-Dec-06 A\$	Total 31-Dec-05 A\$
Fair value of Fund assets	<b>(39,972,998)</b>	(36,718,633)	(49,222,217)	(47,002,154)	(41,444,248)
Present value of defined benefit obligation	<b>20,656,437</b>	76,879,516	60,491,508	63,296,593	65,202,175
(Surplus)/Deficit in Fund	<b>30,683,440</b>	40,160,883	11,269,291	16,294,439	23,757,927
Experience adjustments – Fund liabilities	<b>(8,131,118)</b>	17,064,163	(4,594,980)	(4,242,029)	4,040,837
Experience adjustments – Fund assets	<b>(1,545,358)</b>	11,945,836	(340,065)	(3,614,743)	(4,922,557)

**Present value obligations - 2009**

	SASS 31-Dec-09 A\$	SANCS 31-Dec-09 A\$	SSS 31-Dec-09 A\$	Total 31-Dec-09 A\$
Opening partly funded defined benefit obligations	12,031,312	3,182,259	61,665,945	<b>76,879,516</b>
Current service cost	446,156	151,849	537,589	<b>1,135,594</b>
Interest cost	470,407	123,192	2,481,125	<b>3,074,724</b>
Contributions by Fund participants	193,912	-	385,671	<b>579,583</b>
Actuarial (gains)/losses	105,720	(78,396)	(8,158,442)	<b>(8,131,118)</b>
Benefits paid	(381,941)	(209,764)	(2,290,157)	<b>(2,881,862)</b>
Closing defined benefit obligations	12,865,566	3,169,140	54,621,731	<b>70,656,437</b>

**Present value of plan assets - 2009**

	SASS 31-Dec-09 A\$	SANCS 31-Dec-09 A\$	SSS 31-Dec-09 A\$	Total 31-Dec-09 A\$
Opening fair value of Fund assets	9,738,259	2,498,526	24,481,848	<b>36,718,633</b>
Expected return on Fund assets	763,891	235,961	1,947,673	<b>2,947,525</b>
Actuarial gains/(losses)	583,902	65,980	895,476	<b>1,545,358</b>
Employer contributions	470,517	154,298	438,945	<b>1,063,760</b>
Contributions by Fund participants	193,912	-	385,671	<b>579,583</b>
Benefits paid	(381,941)	(209,764)	(2,290,157)	<b>(2,881,862)</b>
Closing fair value of Fund assets	11,368,540	2,745,001	25,859,456	<b>39,972,997</b>

Notes to the financial statements  
for the year ended 31 December 2009

**Note 24. Defined benefit plans (cont)**

**Net liability - 2009**

		SASS 31-Dec-09 A\$	SANCS 31-Dec-09 A\$	SSS 31-Dec-09 A\$	Total 31-Dec-09 A\$
Defined benefit obligation		12,865,566	3,169,140	54,621,731	70,656,437
Fair value of Fund assets		(11,368,540)	(2,745,001)	(25,859,457)	(39,972,998)
<i>Total Liability/(Asset) in balance sheet</i>	23	1,497,026	424,139	28,762,274	30,683,439

**Expense recognised - 2009**

		SASS 31-Dec-09 A\$	SANCS 31-Dec-09 A\$	SSS 31-Dec-09 A\$	Total 31-Dec-09 A\$
Current service cost		446,156	151,849	537,589	1,135,594
Interest on obligation		470,407	123,192	2,481,125	3,074,724
Expected return on Fund assets		(763,891)	(235,961)	(1,947,673)	(2,947,525)
<i>Expense/(income)</i>		152,672	39,080	1,071,041	1,262,793

**Actual Returns - 2009**

		SASS 31-Dec-09 A\$	SANCS 31-Dec-09 A\$	SSS 31-Dec-09 A\$	Total 31-Dec-09 A\$
Actual return on Fund assets		1,121,011	301,941	2,535,117	3,958,069

**Other comprehensive income - 2009**

		SASS 31-Dec-09 A\$	SANCS 31-Dec-09 A\$	SSS 31-Dec-09 A\$	Total 31-Dec-09 A\$
Actuarial (gains)/losses		(478,182)	(144,376)	(9,053,918)	(9,676,476)
Cumulative total net actuarial (gains)/losses		1,299,173	692,498	3,668,311	5,659,982

## Notes to the financial statements for the year ended 31 December 2009

### Note 24. Defined benefit plans (cont)

The following is a summary of the 31 December 2009 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	SASS 31-Dec-09 A\$	SANCS 31-Dec-09 A\$	SSS 31-Dec-09 A\$	Total 31-Dec-09 A\$
Accrued benefits	12,452,871	3,025,671	41,676,006	<b>57,154,548</b>
Net market value of Fund assets	(11,368,540)	(2,745,001)	(25,859,457)	<b>(39,972,998)</b>
<i>Net (surplus)/deficit</i>	1,084,331	280,670	15,816,549	<b>17,181,550</b>

#### Present value obligations - 2008

	SASS 31-Dec-08 A\$	SANCS 31-Dec-08 A\$	SSS 31-Dec-08 A\$	Total 31-Dec-08 A\$
<i>Opening partly funded defined benefit obligations</i>	13,410,560	2,882,954	44,197,994	60,491,508
Current service cost	470,769	148,232	321,638	940,639
Interest cost	822,899	172,595	2,765,975	3,761,469
Contributions by Fund participants	225,386	-	386,963	612,349
Actuarial (gains)/losses	(456,966)	550,491	16,970,638	17,064,163
Benefits paid	(2,441,336)	(572,013)	(2,977,263)	(5,990,612)
<i>Closing defined benefit obligations</i>	12,031,312	3,182,259	61,665,945	76,879,516

#### Present value of plan assets - 2008

	SASS 31-Dec-08 A\$	SANCS 31-Dec-08 A\$	SSS 31-Dec-08 A\$	Total 31-Dec-08 A\$
<i>Opening fair value of Fund assets</i>	14,161,493	3,451,177	31,609,547	49,222,217
Expected return on Fund assets	1,043,512	303,995	2,385,803	3,733,310
Actuarial gains/(losses)	(3,704,554)	(892,751)	(7,348,531)	(11,945,836)
Employer contributions	453,757	208,119	425,329	1,087,205
Contributions by Fund participants	225,386	-	386,963	612,349
Benefits paid	(2,441,336)	(572,013)	(2,977,263)	(5,990,612)
<i>Closing fair value of Fund assets</i>	9,738,258	2,498,527	24,481,848	36,718,633

**Notes to the financial statements  
for the year ended 31 December 2009**

**Note 24. Defined benefit plans (cont)**

**Net liability - 2008**

		SASS 31-Dec-08 A\$	SANCS 31-Dec-08 A\$	SSS 31-Dec-08 A\$	Total 31-Dec-08 A\$
Defined benefit obligation		12,031,312	3,182,259	61,665,945	76,879,516
Fair value of Fund assets		(9,738,259)	(2,498,526)	(24,481,848)	(36,718,633)
<i>Total Liability/(Asset) in balance sheet</i>	23	2,293,053	683,733	37,184,097	40,160,883

**Expense recognised - 2008**

	SASS 31-Dec-08 A\$	SANCS 31-Dec-08 A\$	SSS 31-Dec-08 A\$	Total 31-Dec-08 A\$
Current service cost	470,769	148,232	321,638	940,639
Interest on obligation	822,899	172,595	2,765,975	3,761,469
Expected return on Fund assets	(1,043,512)	(303,995)	(2,385,803)	(3,733,310)
<i>Expense/(income)</i>	250,156	16,832	701,810	968,798

**Actual Returns - 2008**

	SASS 31-Dec-08 A\$	SANCS 31-Dec-08 A\$	SSS 31-Dec-08 A\$	Total 31-Dec-08 A\$
Actual return on Fund assets	(2,274,239)	(588,756)	(5,333,059)	(8,196,054)

**Other comprehensive income - 2008**

	SASS 31-Dec-08 A\$	SANCS 31-Dec-08 A\$	SSS 31-Dec-08 A\$	Total 31-Dec-08 A\$
Actuarial (gains)/losses	3,247,587	1,443,242	24,319,168	29,009,997
Cumulative total net actuarial (gains)/losses	1,777,355	836,874	12,722,229	15,336,458

The following is a summary of the 31 December 2008 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	SASS 31-Dec-08 A\$	SANCS 31-Dec-08 A\$	SSS 31-Dec-08 A\$	Total 31-Dec-08 A\$
Accrued benefits	11,029,432	2,782,956	41,072,019	54,884,407
Net market value of Fund assets	(9,738,259)	(2,498,526)	(24,481,848)	(36,718,633)
<i>Net (surplus)/deficit</i>	1,291,173	284,430	16,590,171	18,165,774

## Notes to the financial statements for the year ended 31 December 2009

### Note 24. Defined benefit plans (cont)

#### Unisuper

The Group also contributes to Unisuper Defined Benefit Division ("Unisuper"), formerly known as Superannuation Scheme for Australian Universities (SSAU).

Clause 34 of the Unisuper Trust Deed outlines the process Unisuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the Unisuper assets are considered by the Trustee to be insufficient to provide benefits payable under the Deed. At least four years notice that such a request may be made is required. If such a request was agreed by all employers then members have to also contribute additional contributions. If all employers did not agree to increase contributions the Trustee has to reduce benefits on a fair and equitable basis. The trustee notified employers during 2009 that they had invoked Clause 34 of the Trust Deed .

Should the balance of the Unisuper Fund become a deficit, the Group is not liable to make any payments to Unisuper unless all universities (including Southern Cross University) who are the members of the Unisuper Fund unanimously agree to make additional contributions to the Fund. It is only on this basis that the Group would be liable for the agreed additional contribution. Management believe that an additional contribution will not be required in the foreseeable future.

A formal actuarial review of the Defined Benefit Division (DBD) was conducted as at 31 December 2008.

This comprehensive review looked at the financial health of the DBD and its ability to pay members' benefits as they become due.

Clause 34 Of the Unisuper Trust Deed was invoked to prepare UniSuper for an extreme circumstance that may occur, but it is considered unlikely at this time.

## Notes to the financial statements for the year ended 31 December 2009

Consolidated		Parent entity	
2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000

### Note 25. Other liabilities

#### Current

Australian Government unspent financial assistance	1,580	1,190	1,580	1,190
Student fees & other income in advance	5,031	5,307	5,031	5,280
<b>Total current other liabilities</b>	<b>6,611</b>	<b>6,497</b>	<b>6,611</b>	<b>6,470</b>

Notes	Consolidated			Parent entity		
	2009	2008	As at 1-Jan	2009	2008	As at 1-Jan
	\$'000	restated*	restated*	\$'000	restated*	restated*
		\$'000	\$'000		\$'000	\$'000

### Note 26. Retained surplus

#### Retained surplus

Movements in retained surplus were as follows:

Retained surplus at 1 January		195,933	183,111	166,417	188,544	175,462	158,694
Total other comprehensive income	37	260	(1,252)	568	260	(1,252)	568
Operating result for the period		2,064	14,074	16,126	2,990	14,334	16,200
<b>Retained surplus at 31 December</b>		<b>198,257</b>	<b>195,933</b>	<b>183,111</b>	<b>191,794</b>	<b>188,544</b>	<b>175,462</b>

\* Southern Cross University has an error that, as outline in Note 37, has caused a restatement of retained surplus.

Consolidated		Parent entity	
2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000

### Note 27. 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	1,399	1,196	1,399	1,196
Add: Receipts	458	437	458	437
Less: Expenditure	(287)	(234)	(287)	(234)
<b>Closing cash balance at the end of the financial year</b>	<b>1,570</b>	<b>1,399</b>	<b>1,570</b>	<b>1,399</b>

The parent entity holds money on behalf of parties involved in the Coffs Harbour Education Campus (CHEC), Singapore Institute of Purchasing and Materials Management (2008 only) 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 2009

### Note 28. 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 financial year:

#### Responsible Persons

The Honourable John Robert Arthur Dowd AO QC  
Professor Paul Ernest Clark (to August 2009)  
Professor Peter Leslie Lee (from August 2009)  
Professor Jim Jackson  
Warren Albert Grimshaw AM  
Irene Caroline Harrington  
Neville Newell  
Trevor Stanley Wilson  
David Vincent Cody OAM  
Margot Ruth Sweeny  
John B Shanahan  
Janelle Saffin MP  
Associate Professor Sharon Parry  
Toni Ledgerwood  
Susanna Christie (resigned March 2009)  
Peter Lewis  
Ronald Dowell  
Glenn Davey

#### Executive Officers

Professor Paul Clark (to August 2009)  
Professor Peter Lee (from August 2009)  
Professor William MacGillivray  
Professor Neal Ryan  
Professor Jenny Graham  
Professor Mike Evans  
Malcolm Marshall

All of 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 2009

### Note 28. Key management personnel disclosures (cont)

#### (c) Remuneration of Board Members and Executives

	Consolidated		Parent entity	
	2009	2008	2009	2008
	<b>Number</b>		<b>Number</b>	
<b>Remuneration of Board Members</b>				
Nil to \$14,999	12	12	12	12
\$15,000 to \$29,999	-	-	-	-
\$45,000 to \$59,999	-	-	-	-
\$60,000 to \$74,999	1	1	1	1
\$90,000 to \$104,999	1	1	1	1
\$135,000 to \$149,999	1	1	1	1
\$150,000 to \$164,999	2	-	2	-
\$165,000 to \$179,999	-	1	-	1
\$420,000 to \$434,999	1	-	1	-
\$465,000 to \$479,999	-	1	-	1
	<b>2009</b>		<b>2008</b>	
	<b>\$'000</b>		<b>\$'000</b>	
<b>Board Member compensation</b>				
Short-term employee benefits	863	828	863	828
Post-employment benefits	138	127	138	127
Termination benefits	47	-	47	-
	<b>1,048</b>	<b>955</b>	<b>1,048</b>	<b>955</b>
	<b>2009</b>		<b>2008</b>	
	<b>Number</b>		<b>Number</b>	
<b>Remuneration of executive officers</b>				
\$45,000 to \$59,999	-	1	-	1
\$150,000 to \$164,999	1	-	1	-
\$240,000 to \$254,999	1	1	1	1
\$270,000 to \$284,999	3	3	3	3
\$315,000 to \$329,999	1	-	1	-
\$390,000 to \$404,999	-	1	-	1
\$420,000 to \$434,999	1	-	1	-
\$465,000 to \$479,999	-	1	-	1
	<b>2009</b>		<b>2008</b>	
	<b>\$'000</b>		<b>\$'000</b>	
<b>Executive officers compensation</b>				
Short-term employee benefits	1,659	1,738	1,659	1,738
Post-employment benefits	266	252	266	252
Other long-term benefits	-	-	-	-
Termination benefits	47	13	47	13
	<b>1,972</b>	<b>2,003</b>	<b>1,972</b>	<b>2,003</b>

## Notes to the financial statements for the year ended 31 December 2009

Notes	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
<b>Note 29. Remuneration of auditors</b>				
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:				
<b>Assurance services</b>				
<b>1. Audit services</b>				
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	200	218	168	186
<b>Total remuneration for audit services</b>	<b>200</b>	<b>218</b>	<b>168</b>	<b>186</b>
<b>2. Fees paid to internal audit service providers</b>				
Fees paid to audit firms unrelated to the NSW Audit Office	76	86	76	86
<b>Total remuneration for other assurance services</b>	<b>76</b>	<b>86</b>	<b>76</b>	<b>86</b>
<b>Total remuneration for assurance services</b>	<b>276</b>	<b>304</b>	<b>244</b>	<b>272</b>
<b>Non-audit services</b>				
Fees paid to audit firms unrelated to the NSW Audit Office	3	19	3	19
<b>Total remuneration for non-audit services</b>	<b>3</b>	<b>19</b>	<b>3</b>	<b>19</b>

## Note 30. Contingencies

### Contingent liabilities

#### Claims

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. (Ongoing since 2007)

#### Guarantees

The University has a bank guarantee of \$140,000 with ANZ Banking Group in favour of Gold Coast Central Airport Pty Limited for lease premises.

## Notes to the financial statements for the year ended 31 December 2009

Consolidated		Parent entity	
2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000

### Note 31. Commitments

#### (a) Capital commitments

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

##### *Property, Plant and Equipment*

Payable:

Within one year

<b>1,195</b>	19,073	<b>1,190</b>	19,067
<b>1,195</b>	19,073	<b>1,190</b>	19,067

The above commitments include capital expenditure commitments of \$1,046,327 (2008:\$18,461,416)

#### (b) Lease commitments

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

Within one year

**2,229**      2,359      **2,229**      2,358

Later than one year but not later than five years

**3,926**      3,290      **3,926**      3,290

Later than five years

**15,311**      15,843      **15,311**      15,843

**21,466**      21,492      **21,466**      21,491

Representing:

Cancellable operating leases

**21,466**      21,492      **21,466**      21,491

**21,466**      21,492      **21,466**      21,491

The entity leases various plant and equipment under cancellable leases.

From 2009 a lease at the Gold Coast Airport is payable for a period of 39 years. This will be the location for the Gold Coast Campus of the University.

#### (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

**581**      1,391      **580**      1,391

Joint venture commitments

Within one year

**950**      1,106      **950**      1,106

Later than one year but not later than five years

**2,310**      1,576      **2,310**      1,576

Later than five years

**564**      83      **564**      83

**3,824**      2,765      **3,824**      2,765

## Notes to the financial statements for the year ended 31 December 2009

### Note 32. 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 28.

#### (d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2009 \$'000	2008 \$'000	Parent entity 2009 \$'000	2008 \$'000
<i>Revenue:</i>				
Phone and postage costs recovered	-	-	7	7
Other costs recovered	-	-	61	24
<i>Expenses:</i>				
Catering costs	-	-	141	126
Salary and related costs	-	-	250	154
Other costs paid	-	-	75	211

#### (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	375	216	375	216
--------------	-----	-----	-----	-----

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 (2008:Nil)

A letter of unconditional financial support has been provided by Southern Cross University to Norsearch Limited, Australian Plant DNA Bank Limited and Biobank Pty Ltd. The ultimate parent entity will support the entities financially to help ensure the entities can pay their debts as and when they fall due. At this stage no financial support has been required.

#### (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 2009

### 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	
			2009 %	2008 %
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%

### Note 34. Jointly controlled operations and assets

#### Joint venture operations and assets

Name of Entity	Principal Activity	Output Interest	
		2009 %	2008 %
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.	8.21	8.83
World Supply Research Institute	Centre for Professional Development in supply research	-	50
CPD for Club Management	Centre for Professional Development in club management	50	50

The assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective categories (cash and property, plant and equipment).

	Consolidated		Parent entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current assets</b>				
Cash and cash equivalents	29	125	29	125
Other	-	-	-	-
<b>Total current assets</b>	<b>29</b>	<b>125</b>	<b>29</b>	<b>125</b>
<b>Non-current assets</b>				
Land and buildings	24,620	24,620	24,620	24,620
Less: Accumulated depreciation	(3,026)	(2,507)	(3,026)	(2,507)
	<b>21,594</b>	<b>22,113</b>	<b>21,594</b>	<b>22,113</b>
Plant and equipment – at cost	46	55	46	55
Less: Accumulated depreciation	(20)	(25)	(20)	(25)
	<b>26</b>	<b>30</b>	<b>26</b>	<b>30</b>
<b>Total non-current assets</b>	<b>21,620</b>	<b>22,143</b>	<b>21,620</b>	<b>22,143</b>
<b>Total assets</b>	<b>21,649</b>	<b>22,268</b>	<b>21,649</b>	<b>22,268</b>

For capital expenditure commitments relating to Southern Cross University refer to Note 31.

## Notes to the financial statements for the year ended 31 December 2009

### 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.

Negotiations are currently taking place between Southern Cross University and the University of New England for the purchase of their half of National Marine Science Centre Pty Ltd at Coffs Harbour. This will facilitate enhancements to studies in marine biology. Internal audit will be performing due diligence prior to finalisation of these negotiations.

### Note 36. Reconciliation of operating result after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	2,064	14,074	2,990	14,334
Write-down investment to recoverable amount	100	100	100	100
Depreciation and amortisation	6,090	5,687	6,083	5,676
Net (gain) loss on sale of non-current assets	1,711	142	1,711	142
Increase/(Decrease) in provisions	(7,919)	31,826	(7,938)	31,804
(Increase)/Decrease in inventories	5	(16)	(6)	-
(Increase)/Decrease in other assets	(863)	(239)	(863)	(241)
Increase/(Decrease) in other liabilities	114	1,308	141	1,281
(Increase)/Decrease in joint venture investments	521	(77)	-	-
(Increase)/Decrease in trade and other receivables	6,285	(27,269)	6,157	(27,127)
Increase/(Decrease) in trade and other payables	2,932	4,734	2,864	4,745
Net cash provided by / (used in) operating activities	11,040	30,270	11,239	30,714

## Notes to the financial statements for the year ended 31 December 2009

### Note 37. Correction of error

#### Correction of error in recording of Superannuation actuarial gains and losses in the previous financial year

As described in Note 24 the University has defined benefit superannuation plans. Of these plans all are guaranteed by the crown excepting the State Authorities Non-contributory Superannuation Scheme (SANCS). The University has incorrectly recorded both a liability and receivable for this plan in prior years. To correct this treatment and comply with AASB 119 a prior period error has been recorded to correct the overstatement of comprehensive income and receivables.

The Statement of Comprehensive Income has been adjusted for the actuarial gains and losses (outside the Income Statement as required by AASB 119). This was a reduction of \$1,251,956 in comprehensive income for the period to 31/12/2008 ((\$568,223) to 31/12/2007)

The 2008 Non-current receivables have been reduced by \$683,733.

Retained earnings for 1/1/2008 were understated by \$568,223.

The error has been corrected by restating each of the affected financial statement line items for the year in which the error occurred as described below.

	Previously Reported Consolidated Entity 2008 \$'000	Correction Consolidated Entity 2008 \$'000	Restated Actual Consolidated Entity 2008 \$'000	Previously Reported Parent Entity 2008 \$'000	Correction Parent Entity 2008 \$'000	Restated Actual Parent Entity 2008 \$'000
<b><u>Income Statement Extract</u></b>						
<b>Revenue from continuing operations</b>						
Deferred Government Superannuation Contributions	28,892	(28,892)	-	28,892	(28,892)	-
Total revenue and income from continuing operations	184,110	(28,892)	155,218	183,160	(28,892)	154,268
<b>Expenses from continuing operations</b>						
Deferred Employee Benefits for Superannuation	28,892	(28,892)	-	28,892	(28,892)	-
Total expenses from continuing operations	170,036	(28,892)	141,144	168,826	(28,892)	139,934
<b><u>Statement of Comprehensive Income</u></b>						
Net Actuarial losses (gains) recognised in respect of Defined Benefit plans	-	1,252	1,252	-	1,252	1,252
<b><u>Balance Sheet Extract</u></b>						
<b>Non-Current Assets</b>						
Deferred government contribution for superannuation	40,161	(684)	39,477	40,161	(684)	39,477
Total Non-Current Receivables	40,764	(684)	40,080	40,764	(684)	40,080
Total Non-Current Assets	197,107	(684)	196,423	190,206	(684)	189,522
Total Assets	273,032	(684)	272,348	265,501	(684)	264,817
Net Assets	196,617	(684)	195,933	189,228	(684)	188,544
<b><u>Equity</u></b>						
Retained Surplus	(196,617)	684	(195,933)	(189,228)	684	(188,544)
Parent Entity Interest	(196,617)	684	(195,933)	(189,228)	684	(188,544)
Total Equity	(196,617)	684	(195,933)	(189,228)	684	(188,544)

## Notes to the financial statements for the year ended 31 December 2009

### Note 38. Financial risk management

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

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

Risk management assessment is carried out by Financial and Business Services under the University's Investment guidelines. The Group does not enter into or trade financial instruments for speculative purposes.

**(a) 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. The Group's exposure to market risk is primarily through interest rates on investments and a small amount of foreign currency transactions.**

(i) Foreign exchange risk

The Group 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 Group is not exposed to price risk.

(iii) Cash flow and fair value interest rate risk

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

The Group's and the parent entity's main interest rate risk arises from investments held as interest bearing deposits and on-call bank deposits. The Group aims to minimise risk through prudent financial management and diversification of investments. Term deposits are spread across financial institutions for varying terms with a maximum percentage for each institution. Interest is paid on maturity.

(iv) Summarised sensitivity analysis

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

2009	Carrying amount	Interest Rate Risk		Interest Rate Risk		Foreign Exchange Risk		Foreign Exchange Risk	
		-1%		1%		-10%		10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>									
Cash and cash equivalents	34,171	(815)	(815)	815	815	-	-	-	-
Receivables	40,121	-	-	-	-	(40)	(40)	40	40
Other financial assets	11,500	(16)	(16)	16	16	-	-	-	-
<b>Financial liabilities</b>									
Payables	1,714	-	-	-	-	-	-	-	-
Other financial liabilities	6,611	-	-	-	-	-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>77,467</b>	<b>(832)</b>	<b>(832)</b>	<b>832</b>	<b>832</b>	<b>(40)</b>	<b>(40)</b>	<b>40</b>	<b>40</b>



**Notes to the financial statements  
for the year ended 31 December 2009**

**Note 38. Financial risk management (cont)**

2008	Carrying amount \$'000	Interest Rate Risk -1%		Interest Rate Risk 1%		Foreign Exchange Risk -10%		Foreign Exchange Risk 10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>									
Cash and cash equivalents	67,188	(754)	(754)	754	754	-	-	-	-
Receivables	46,862	-	-	-	-	(42)	(42)	42	42
<b>Financial liabilities</b>									
Payables	3,332	-	-	-	-	-	-	-	-
Other financial liabilities	6,470	-	-	-	-	-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>104,248</b>	<b>(754)</b>	<b>(754)</b>	<b>754</b>	<b>754</b>	<b>(42)</b>	<b>(42)</b>	<b>42</b>	<b>42</b>

**Assumptions:**

Foreign Exchange Risk is based on foreign currency receivables for 2009.

There has been no variation to the objectives, policies and processes for market risk since the prior period.

**(b) Credit risk**

**Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause a financial loss for the other party.**

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.

## Notes to the financial statements for the year ended 31 December 2009

### Note 38. Financial risk management (cont)

#### (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 adequate reserves, the availability of funding through the Commonwealth, banking facilities and continuously monitoring forecast and actual cash flows to ensure that there is adequate liquidity to meet the entity's obligations over the near term.

The interest bearing deposits and deposits at call have an average maturity of 80 days.

There has been no variation to the objectives, policies and processes for liquidity risk since the prior period.

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

2009	Average Interest Rate %	Variable Interest Rate \$	Less than 1 Year \$	1 to 5 Years \$	5+ Years \$	Non Interest \$	Total \$
<b>Financial assets</b>							
Cash and cash equivalents	4.93%	5,849	28,300			22	34,171
Receivables	-	-	-	-	-	40,121	40,121
Other financial assets	6.03%	-	11,500	-	-	-	11,500
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	1,714	1,714
Other financial liabilities	-	-	-	-	-	6,611	6,611
<b>Net financial assets/(liabilities)</b>		5,849	39,800	-	-	31,818	77,467

2008	Average Interest Rate %	Variable Interest Rate \$	Less than 1 Year \$	1 to 5 Years \$	5+ Years \$	Non Interest \$	Total \$
<b>Financial assets</b>							
Cash and cash equivalents	6.53%	7,152	60,010			26	67,188
Receivables	-	-	-	-	-	46,862	46,862
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	3,332	3,332
Other financial liabilities	-	-	-	-	-	6,470	6,470
<b>Net financial assets/(liabilities)</b>		7,152	60,010	-	-	37,086	104,248

## Notes to the financial statements for the year ended 31 December 2009

### Note 38. 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 that are not traded in an active market is determined using valuation techniques. The Group uses discounted cash flows and makes assumptions that are based on market conditions existing at each balance date.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. 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.

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

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	34,171	34,171	67,188	67,188
Receivables	40,121	40,121	46,862	46,862
Other financial assets	11,500	11,500	-	-
<b>Total financial assets</b>	<b>85,792</b>	<b>85,792</b>	<b>114,050</b>	<b>114,050</b>
<b>Financial liabilities</b>				
Payables	1,714	1,714	3,332	3,332
Other financial liabilities	6,611	6,611	6,470	6,470
<b>Total financial liabilities</b>	<b>8,325</b>	<b>8,325</b>	<b>9,802</b>	<b>9,802</b>

The fair values of non-current receivables are based on expected cash flows.

### Note 39. Disaggregated information

#### Geographical [Consolidated Entity]

	Revenue		Results		Assets	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	159,206	180,341	-	0	269,539	273,032
Asia	4,464	3,490	-	0	-	-
Unallocated	394	279	2,064	14,074	-	-
	<b>164,064</b>	<b>184,110</b>	<b>2,064</b>	<b>14,074</b>	<b>269,539</b>	<b>273,032</b>

Notes to the financial statements  
for the year ended 31 December 2009

Note 40. Acquittal of Australian Government financial assistance

40.1 DEEWR – CGS and Other DEEWR Grants

Parent entity ONLY

Notes	Commonwealth Grants Scheme#		Indigenous Support Programme		Equity Support Programme		Disability Support Programme		Workplace Reform Programme		Workplace Productivity Programme	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'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)	52,672	48,254	739	738	323	301	67	141	679	644	199	459
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	52,672	48,254	739	738	323	301	67	141	679	644	199	459
2(a)												
Surplus / (deficit) from the previous year	-	-	79	-	97	69	67	17	-	-	81	740
Total revenue including accrued revenue	52,672	48,254	818	738	420	370	134	158	679	644	280	1,199
Less expenses including accrued expenses	(52,672)	(48,254)	(508)	(659)	(299)	(273)	(208)	(91)	(679)	(644)	(564)	(1,118)
Surplus / (deficit) for reporting period	-	-	310	79	121	97	(74)	67	-	-	(284)	81

# Includes the basic CGS grant amount, CGS – Regional Loading and CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

Parent entity ONLY

Notes	Learning & Teaching Performance Fund		Capital Development Pool		Diversity and Structural Adjustment Fund #2		Improving Practical Comp of Teach Ed		Transitional Cost Program		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'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)	603	2,212	2,042	-	679	-	358	407	412	674	58,773	53,830
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	603	2,212	2,042	-	679	-	358	407	412	674	58,773	53,830
2(a)												
Surplus / (deficit) from the previous year	1,609	415	-	3,603	-	-	-	-	-	-	1,933	4,844
Total revenue including accrued revenue	2,212	2,627	2,042	3,603	679	-	358	407	412	674	60,706	58,674
Less expenses including accrued expenses	(968)	(1,018)	(2,042)	(3,603)	(579)	-	(164)	(407)	(412)	(674)	(59,095)	(56,741)
Surplus / (deficit) for reporting period	1,244	1,609	-	-	100	-	194	-	-	-	1,611	1,933

#2 Includes Collaboration and Structural Adjustment Programme

Notes to the financial statements  
for the year ended 31 December 2009

**Note 40. Acquittal of Australian Government financial assistance (cont)**

**40.2 Higher Education Loan Programmes**

Parent entity ONLY

	HECS-HELP		FEE-HELP #3		Total	
	(Australian Government payments only)					
	Notes	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2008 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		31,418	29,361	5,538	6,216	36,956
Net accrual adjustments		1,844	(1,524)	726	(953)	2,570
Revenue for the period	2(b)	33,262	27,837	6,264	5,263	39,526
Surplus / (deficit) from the previous year		-	-	-	-	-
Total revenue including accrued revenue		33,262	27,837	6,264	5,263	39,526
Less expenses including accrued expenses		(33,262)	(27,837)	(6,264)	(5,263)	(39,526)
Surplus / (deficit) for reporting period		-	-	-	-	-

#3 Programme is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP

Notes to the financial statements  
for the year ended 31 December 2009

**Note 40. Acquittal of Australian Government financial assistance (cont)**

**40.3 Scholarships**

Parent entity ONLY

	Australian Postgraduate Awards	International Postgraduate Research Scholarships	Commonwealth Education Cost Scholarships #4	Commonwealth Accommodation Scholarships #4
Notes	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	820	678	109	159
Net accrual adjustments	-	-	-	-
Revenue for the period	820	678	109	159
Surplus / (deficit) from the previous year	14	(78)	(34)	(60)
Total revenue including accrued revenue	834	600	75	99
Less expenses including accrued expenses	(652)	(586)	(81)	(133)
Surplus / (deficit) for reporting period	182	14	(6)	(34)
			972	571
			1,592	744
			2,427	1,388
			2,427	1,388
			744	465
			3,171	1,853
			(1,579)	(1,109)
			1,592	744

#4 Includes National Priority and National Accommodation Priority Scholarships respectively

Parent entity ONLY

	Indigenous Access Scholarships	Indigenous Staff Scholarships	Total
Notes	2009 \$'000	2008 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	50	57	-
Net accrual adjustments	-	-	-
Revenue for the period	50	57	-
Surplus / (deficit) from the previous year	8	-	8
Total revenue including accrued revenue	58	57	8
Less expenses including accrued expenses	(33)	(49)	(8)
Surplus / (deficit) for reporting period	25	8	-
			34
			4,479
			3,213
			1,311
			5,790
			(3,025)
			2,765
			1,311

Notes to the financial statements  
for the year ended 31 December 2009

**Note 40. Acquittal of Australian Government financial assistance (cont)**

**40.4 DIISR Research**

Parent entity ONLY

	Institutional Grants Scheme	Research Training Scheme	Research Infrastructure Block Grants
Notes	2009 \$'000	2009 \$'000	2009 \$'000
Notes	2008 \$'000	2008 \$'000	2008 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,544	3,494	393
Net accrual adjustments	-	-	-
Revenue for the period	1,544	3,494	393
Surplus / (deficit) from the previous year	280	-	326
Total revenue including accrued revenue	1,824	3,494	719
Less expenses including accrued expenses	(1,605)	(3,494)	(529)
Surplus / (deficit) for reporting period	219	-	190

Parent entity ONLY

	Implementation Assistance Programme	Australian Scheme for Higher Education Repositories	Commercialisation Training Scheme	Total
Notes	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000
Notes	2008 \$'000	2008 \$'000	2008 \$'000	2008 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	66	180	38	5,715
Net accrual adjustments	-	-	-	-
Revenue for the period	66	180	38	5,715
Surplus / (deficit) from the previous year	-	43	32	681
Total revenue including accrued revenue	66	223	70	6,396
Less expenses including accrued expenses	(66)	(97)	(55)	(5,846)
Surplus / (deficit) for reporting period	-	126	15	550

Notes to the financial statements  
for the year ended 31 December 2009

**Note 40. Acquittal of Australian Government financial assistance (cont)**

**40.5 Voluntary Student Unionism and  
Better Universities Renewal Funding**

	Parent entity ONLY			Parent entity ONLY		
	Notes	VSU Transition Fund 2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	Total 2009 \$'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		1,495	2,986	1,495	2,986	2,777
Total revenue including accrued revenue		1,495	2,986	1,495	2,986	2,777
Less expenses including accrued expenses		(1,495)	(1,491)	(1,495)	(1,491)	(2,777)
Surplus / (deficit) for reporting period		-	1,495	-	1,495	-

	Parent entity ONLY			Parent entity ONLY		
	Notes	Better Universities Renewal Funding 2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	Total 2009 \$'000
Revenue for the period	2(e)	-	-	-	5,169	-
Surplus / (deficit) from the previous year		2,777	-	-	-	2,777
Total revenue including accrued revenue		2,777	-	-	-	2,777
Less expenses including accrued expenses		(2,777)	(2,392)	(2,777)	(2,392)	(2,777)
Surplus / (deficit) for reporting period		-	2,777	-	2,777	-

**40.6 Australian Research Council Grants**

**(a) Discovery**

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

	Notes	Parent entity ONLY			Parent entity ONLY		
		Projects 2009 \$'000	2008 \$'000	Fellowships 2009 \$'000	2008 \$'000	Total 2009 \$'000	
Net accrual adjustments		625	552	87	-	712	
Revenue for the period	2(f)(i)	-	-	-	-	-	
Surplus / (deficit) from the previous year		625	552	87	-	712	
Total revenue including accrued revenue		(17)	(107)	-	-	(17)	
Less expenses including accrued expenses		608	445	87	-	695	
Surplus for reporting period		(608)	(462)	(2)	-	(610)	
		-	(17)	85	-	85	



Notes to the financial statements  
for the year ended 31 December 2009

**Note 40. Acquittal of Australian Government financial assistance (cont)**

**40.6 Australian Research Council Grants**

Parent entity ONLY

(b) Linkages	Notes	Infrastructure		International		Projects		Total	
		2009	2008	2009	2008	2009	2008	2009	2008
		\$'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)		220	-	7	-	520	617	747	617
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(f)(ii)	220	-	7	-	520	617	747	617
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue including accrued revenue		220	-	7	-	520	617	747	617
Less expenses including accrued expenses		(220)	-	(3)	-	(363)	(617)	(586)	(617)
Surplus / (deficit) for reporting period		-	-	4	-	157	-	161	-

**40.7 OS-HELP**

Parent entity ONLY

OS-HELP

Notes	2009	2008
	\$'000	\$'000
Cash received during the reporting period	162	144
Cash spent during the reporting period	(163)	(121)
Net cash received	(1)	23
Cash surplus / (deficit) from the previous year	44	21
Cash surplus / (deficit) for reporting period	22	44

End of Audited Financial Report

\_\_\_\_\_ This page intentionally blank \_\_\_\_\_

Norsearch Limited

ABN 57 003 082 406  
A controlled entity of Southern Cross University

---



**NORSEARCH LIMITED**

**ABN 57 003 082 406**

**A CONTROLLED ENTITY OF  
SOUTHERN CROSS UNIVERSITY**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

## Directors' report

The directors of the company present their report on the company for the year ended 31 December 2009.

### 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.

### Review of operations

The net operating result of the company was a loss of \$399,397 (2008:loss \$326,817) after providing \$7,434 (2008:\$11,036) for depreciation.

### Changes in state of affairs

There were no changes to the Company business operations during the financial year.

### 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.

### Dividends

The company does not issue shares or debentures. No dividends were declared or payable by the company in the financial year.

### Subsequent events

No matter or circumstance has arisen since the end of the financial year 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 regulations

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 about the directors

The Directors in office during or since the end of the financial year are:

**Malcolm Marshall**, BA(CCAE), MBA(CQU), CPA, FTIA  
Executive Director (Corporate Services) Southern Cross University  
Director since 1991

**Jean Griffiths**, BA(Qld), Grad Dip Counselling, (BCAE), MNA(UNSW)  
Head of the School of Arts and Social Sciences at Southern Cross University  
Director since 1996

**Michael Carter**, BBus(NRCAE) CPA  
Director of Financial and Business Services at Southern Cross University  
Appointed 26<sup>th</sup> February 2008

**Carl Rallings**, BCom(Wollongong)  
Group Director of Student Services at Southern Cross University  
Appointed 26<sup>th</sup> February 2008. Resigned 25<sup>th</sup> June 2009.

The directors have been in office since the start of the financial year unless otherwise indicated.

### Company Secretary

**Kenneth G Hudson** DipTech(Comm)/NSWIT, AssocDip Small BusMgt(NRCAE), CPA, FTIA is the Commercial and Taxation Services Manager for Southern Cross University

### 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
Michael Carter	4	4
Jean Griffiths	4	4
Malcolm Marshall	4	4
Carl Rallings – resigned 25 <sup>th</sup> June 09	2	2

## 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 2009 has been received and is included after the Directors declaration.

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 8th day of April 2010.

### 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 2009 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 8th day of April, 2010 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 the financial statements of Norsearch Limited for the year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

*S Bond*

Sally Bond  
Director, Financial Audit services

1 April 2010  
SYDNEY





GPO BOX 12  
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 statements of Norsearch Limited (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 and 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
- are 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.

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

#### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. 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 statements.

I believe 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,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* 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 of New South Wales are not compromised in their roles 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 Norsesearch Limited on 1 April 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

SBond

Sally Bond  
Director, Financial Audit Services

15 April 2010  
SYDNEY

## Statement of comprehensive income for the year ended 31 December 2009

	Notes	2009 \$	2008 \$
<b>Revenue from continuing operations</b>			
Sponsorship and promotion		38,409	43,032
Interest		23,987	55,631
Memberships & Subscriptions		279,646	132,977
Conference Fees	3	155,562	133,890
Catering Fees	3	348,790	311,874
Bar revenue	3	240,634	284,222
Service Fees		326,040	365,264
Other revenue		92,852	68,710
Total revenue from continuing operations		<u>1,505,920</u>	<u>1,395,600</u>
<b>Expenses from continuing operations</b>			
Employee benefits	4.1	990,520	839,685
Consultancy fees	4.2	4,773	15,000
Minor equipment purchases		21,408	27,396
Depreciation on plant and equipment	8	7,434	11,036
Travel, accommodation and hospitality		27,156	100,068
Finance Costs		14,177	1,328
Company fees and legals		3,332	2,205
Audit fees	14	25,000	25,000
Cost of goods sold		524,358	451,331
Equipment leasing costs		11,595	11,718
Other expenses		275,564	237,650
Total expenses from continuing operations		<u>1,905,317</u>	<u>1,722,417</u>
<b>Loss from continuing operations</b>		<u>(399,397)</u>	<u>(326,817)</u>
<b>Loss for the year</b>		<u>(399,397)</u>	<u>(326,817)</u>
<b>Total comprehensive income attributable to members of Norsearch Limited</b>		<u><u>(399,397)</u></u>	<u><u>(326,817)</u></u>

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

## Statement of financial position as at 31 December 2009

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	550,451	756,108
Trade and other receivables	6	40,414	38,728
Inventories	7	22,290	33,830
<b>Total current assets</b>		<b>613,155</b>	<b>828,666</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	43,753	38,748
<b>Total non-current assets</b>		<b>43,753</b>	<b>38,748</b>
<b>Total assets</b>		<b>656,908</b>	<b>867,414</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	474,442	305,603
Provisions	10	51,828	37,244
<b>Total current liabilities</b>		<b>526,270</b>	<b>342,847</b>
<b>Non-current liabilities</b>			
Provisions	10	14,254	8,786
<b>Total non-current liabilities</b>		<b>14,254</b>	<b>8,786</b>
<b>Total liabilities</b>		<b>540,524</b>	<b>351,633</b>
<b>Net assets</b>		<b>116,384</b>	<b>515,781</b>
<b>EQUITY</b>			
Retained profits	11	116,384	515,781
<b>Total equity</b>		<b>116,384</b>	<b>515,781</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## Statement of changes in equity for the year ended 31 December 2009

	Notes	2009 \$	2008 \$
<b>Balance at 1 January 2009</b>		<b>515,781</b>	842,598
Total comprehensive income for the year		<b>(399,397)</b>	(326,817)
<b>Balance at 31 December 2009</b>	<b>11</b>	<b>116,384</b>	515,781

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

## Statement of cash flows for the year ended 31 December 2009

	Notes	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Conference and catering revenue		502,666	313,712
Bar revenue		240,634	284,222
Interest received		23,086	59,483
Other operating receipts		736,947	767,648
Payment of salaries and wages		(960,867)	(839,685)
Other operating payments		(748,123)	(1,004,932)
<b>Net cash inflow /(outflow) from operating activities</b>	19	<b>(205,657)</b>	<b>(419,552)</b>
<b>Cash flows from investing activities</b>			
Purchases plant and equipment		-	(14,489)
<b>Net cash inflow /(outflow) from investing activities</b>		<b>-</b>	<b>(14,489)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(205,657)</b>	<b>(434,041)</b>
Cash and cash equivalents at the beginning of the financial year		756,108	1,190,149
<b>Cash and cash equivalents at the end of the financial year</b>	5	<b>550,451</b>	<b>756,108</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the financial statements for the year ended 31 December 2009

### 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 not-for-profit 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 8th April 2010.

#### 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.

##### *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, rebates and amounts collected on behalf of third parties. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company'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 company 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**

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 2009

### Rendering of services

Revenue from the outcome of a transaction is recognised in the period in which the service can be estimated reliably and revenue associated with the transaction is 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

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

### d) 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.

### e) 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.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 15). 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.

### f) 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.



## Notes to the financial statements for the year ended 31 December 2009

### **g) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. 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.

### **h) 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, and bank overdrafts.

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

### **i) Trade and other 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.

Collectability 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 entity 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 impairment expense 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 impairment expense account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the income statement.

### **j) Inventories**

Inventories include goods and other property held for sale. These goods are stated at the lower of cost or net realisable value, on a first in first out basis (FIFO)

### **k) 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.

## Notes to the financial statements for the year ended 31 December 2009

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.

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.

### **l) 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.

#### ***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.

#### ***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.

#### ***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.

#### ***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.

## Notes to the financial statements for the year ended 31 December 2009

### **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.

### **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.

### **m) 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.

## Notes to the financial statements for the year ended 31 December 2009

### n) 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.

### o) 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.

### p) Employee benefits

#### 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 on national government bonds. The discount rate used as at 31 December 2009 was the 4.22% (2008:2.88%).

#### 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. The Actuarial assessment gives consideration to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Commonwealth government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### 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.

## Notes to the financial statements for the year ended 31 December 2009

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.

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.

### **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.

### **q) 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.

### **r) 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.

### **s) Comparative amounts**

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

## Notes to the financial statements for the year ended 31 December 2009

### t) New Australian Accounting Standards issued but not effective

The following new Accounting Standards and Interpretations, although issued, may not yet be effective.

- AASB 3 Business Combinations (1 July 2009) as amended by AASB 2008-11;
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations (1 July 2009) as amended by AASB 2008-3, 2008-6, 2008-13 and 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 7 Financial Instruments: Disclosures (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7;
- AASB 8 Operating Segments (1 January 2010) as amended by AASB 2009-5;
- AASB 101 Presentation of Financial Statements (1 July 2009) as amended by AASB 2008-3 and (1 January 2010) as amended by AASB 2009-5;
- AASB 107 Cash Flow Statements (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 110 Events after the Balance Sheet Date ((1 July 2009) as amended by AASB 2008-13;
- AASB 116 Property, Plant and Equipment (1 July 2009) as amended by AASB 2008-3;
- AASB 118 Revenue (1 January 2010) as amended by AASB 2009-5;
- AASB 124 Related Party Disclosures (1 January 2011) as amended by AASB 2009-12;
- AASB 127 Consolidated and Separate Financial Statements (1 July 2009) as amended by AASB 2008-3;
- AASB 128 Investments in Joint Ventures (1 July 2009) as amended by AASB 2008-3;
- AASB 131 Interests in Joint Ventures (1 July 2009) as amended by AASB 2008-3;
- AASB 132 Financial Instruments: Presentation (1 July 2009) as amended by AASB 2008-3 and (1 February 2010) as amended by AASB 2009-10;
- AASB 136 Impairment of Assets (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2009) as amended by AASB 2008-3;
- AASB 138 Intangible Assets (1 July 2009) as amended by AASB 2008-3 and AASB 2009-4;
- AASB 139 Financial Instruments: Recognition and Measurement (1 July 2009) as amended by AASB 2008-3, 2008-8, 2009-3 and 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 1048 Interpretation and Application of Standards – March 2009 (31 March 2009);
- AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and 127 (1 July 2009)
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (1 July 2009)
- AASB 2008-11 Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities [AASB 3] (1 July 2009);
- AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners (1 July 2009);
- AASB 2009-3 Amendments to Australian Accounting Standards – Embedded Derivatives (30 June 2009);
- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 July 2009);
- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 January 2010);
- AASB 2009-7 Amendments to Australian Accounting Standards to correct AASBs 2008-12, 2008-13 and Interpretation 17 (1 July 2009);

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.

### Note 2. Company details

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.

## Notes to the financial statements for the year ended 31 December 2009

	2009	2008
	\$	\$

### Note 2. Company details (cont)

b) Norsearch Limited is a wholly owned subsidiary of Southern Cross University, limited by guarantee, which is incorporated and operates in Australia.

c) 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

Conference Fees	155,562	133,890
Catering Fees	348,790	311,874
Bar revenue	240,634	284,222
	<u>744,986</u>	<u>729,986</u>

#### Change to comparative amounts

Revenue has been further dissected to show the amount of revenue earned by the Catering operation as its size now warrants a separate disclosure from Conference revenues where it had been previously included in prior years. The 2008 comparative figures have been changed accordingly.

### Note 4. Expenses from continuing operations

#### Note 4.1. Employee benefits

##### Non-academic

Salaries	846,270	704,979
Superannuation	60,412	59,920
Payroll tax	52,395	45,246
Workers' compensation	5,819	4,011
Long service leave expense	15,123	6,794
Annual leave	10,265	16,046
Leave loading	236	2,689
<b>Total non-academic</b>	<u>990,520</u>	<u>839,685</u>

#### Note 4.2 Consultancy fees paid

The company as part of its normal activities engages consultants to provide services not available within its own resources

<u>4,773</u>	<u>15,000</u>
--------------	---------------

## Notes to the financial statements for the year ended 31 December 2009

	2009 \$	2008 \$
<b>Note 5. Cash and cash equivalents</b>		
Cash at bank	45,711	52,648
Petty cash	4,740	3,460
Bank interest bearing and at call deposits	500,000	700,000
<b>Total cash and cash equivalents</b>	<b>550,451</b>	<b>756,108</b>

### (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	550,451	756,108
<b>Balance per cash flow statement</b>	<b>550,451</b>	<b>756,108</b>

### (b) Cash at bank

These are subject to variable interest rates

## Note 6. Trade and other receivables

### Current

Trade debtors	55,397	36,452
Provision for impairment	(15,884)	(289)
Net debtors	39,513	36,163
Accrued interest income	901	2,565
	<b>40,414</b>	<b>38,728</b>

### (a) Impaired receivables

As At December 2009 current receivables of the Company with a nominated values of \$15,884 (2008:\$289) were impaired. The amount of the provision was \$15,884(2008:\$289).The individually impaired receivables relate to various trade debtors

The ageing of these receivables is as follows:

3 to 6 months	6,973	-
Over 6 months	8,911	289
	<b>15,884</b>	<b>289</b>

As of 31 December 2009, current receivables of \$6,344 (2008: \$11,689) were past due but not impaired.

The ageing of these receivables is as follows:

0 to 3 months	6,344	10,102
3 to 6 months	-	1,587
	<b>6,344</b>	<b>11,689</b>

Movements in the provision for impaired receivables are as follows:

At 1 January	289	424
Provision for impairment recognised during the year	15,884	258
Receivables written off during the year as uncollectable	-	(1,071)
Unused amount reversed	(289)	678
	<b>15,884</b>	<b>289</b>

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

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



## Notes to the financial statements for the year ended 31 December 2009

	2009 \$	2008 \$
<b>Note 7. Inventories</b>		
<b>Current</b>		
Bar and catering stock at cost	<u>22,290</u>	<u>33,830</u>
 <b>Note 8. Plant and equipment</b>		
<b>Plant and equipment</b>		
At cost	69,085	56,646
Accumulated depreciation	<u>(25,332)</u>	<u>(17,898)</u>
	<u>43,753</u>	<u>38,748</u>
 <b>Movement in the carrying amounts</b>		
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 2009	38,748	35,295
Additions	12,439	14,489
Disposals	-	-
Depreciation expense	<u>(7,434)</u>	<u>(11,036)</u>
Carrying amount as at 31 December 2009	<u>43,753</u>	<u>38,748</u>
 <b>Note 9. Trade and other payables</b>		
<b>Current</b>		
Payables and accrued expenses	99,544	61,972
Amounts payable to related parties	374,898	215,918
Consultancies and contracts	-	27,713
	<u>474,442</u>	<u>305,603</u>

## Notes to the financial statements for the year ended 31 December 2009

	2009	2008
	\$	\$
<b>Note 10. Provisions</b>		
<b>Provisions for Annual Leave and Long Service Leave</b>		
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(p) to the financial statements.		
<b>Current provisions expected to be settled within 12 months</b>		
Employee benefits		
Annual leave	35,530	25,266
Long service leave	16,298	11,978
	<u>51,828</u>	<u>37,244</u>
<b>Non-current</b>		
Employee benefits		
Long service leave	14,254	8,786
	<u>14,254</u>	<u>8,786</u>
<b>Total provisions</b>	<u>66,082</u>	<u>46,030</u>
<b>Note 11. Retained earnings</b>		
Balance at the beginning of year	515,781	842,598
Total comprehensive income for the year	(399,397)	(326,817)
Balance at the end of year	<u>116,384</u>	<u>515,781</u>

**Notes to the financial statements  
for the year ended 31 December 2009**

**2009**            **2008**  
\$                    \$

**Note 12. Key management personnel disclosures**

**Directors**

The names of directors who held office during the financial year are:

- Jean Griffiths
- Malcolm Marshall
- Michael Carter
- Carl Rallings (Resigned 25 June 2009)

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:

	<b>644,484</b>	<b>812,985</b>
	<b>Number</b>	<b>Number</b>
\$90,000 to \$104,999	1	-
\$105,000 to \$119,999	1	1
\$135,000 to \$149,999	-	2
\$150,000 to \$164,999	-	1
\$165,000 to \$179,999	1	-
\$270,000 to \$284,999	1	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.

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
	<b>110,150</b>	<b>97,853</b>
	<b>Number</b>	<b>Number</b>
\$90,000 to \$104,999	-	1
\$105,000 to \$119,999	1	-

**Key management personnel compensation**

- Short-term employee benefits
- Post employment benefits

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>87,592</b>	<b>83,795</b>
Post employment benefits	<b>22,558</b>	<b>14,058</b>
	<b>110,150</b>	<b>97,853</b>

## Notes to the financial statements for the year ended 31 December 2009

	2009	2008
	\$	\$
<b>Note 13. Related party transactions</b>		
<b>Ultimate parent entity</b>		
Southern Cross University is the controlling entity of Norsearch Limited. Transactions with Southern Cross University for services provided are fully re-imbursed by the company.		
<b>Related party transactions</b>		
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>		
Southern Cross University cost recoveries	326,040	365,264
Catering services	141,472	126,115
<i>Expenditure</i>		
Southern Cross University service fees	67,986	30,522
	<u>535,498</u>	<u>521,901</u>
<b>Outstanding balances</b>		
Aggregate amounts receivable from, and payable to related parties at balance date are as follows:		
<i>Current payables</i>		
Ultimate parent entity	374,898	215,918
<b>Terms and Conditions</b>		
Related party outstanding balances are unsecured and have been provided on interest -free terms.		
<b>Note 14. Remuneration of auditors</b>		
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	25,000	25,000

## Notes to the financial statements for the year ended 31 December 2009

	2009	2008
	\$	\$
<b>Note 15. Commitments for expenditure</b>		
<b>(a) Capital expenditure commitments</b>		
The commitments for capital expenditure as at 31 December	<u>5,897</u>	<u>6,018</u>
	<u>5,897</u>	<u>6,018</u>
<b>(b) Operating lease commitments</b>		
Future minimum lease payments under non-cancellable operating leases for each of the following periods:		
not later than one year	-	638
later than one year and not later than two years	-	-
later than two years and not later than three years	-	-
	<u>-</u>	<u>638</u>
<b>(c) Other expenditure commitments</b>		
Purchase orders placed with suppliers as at 31 December for goods and services (other than inventories) receivable within twelve months of year end	<u>979</u>	-
	<u>979</u>	-

Operating lease commitments relate to gym equipment and the lease expired in Jan 2009.

All commitments include GST which is expected to be recoverable in the normal course of operations.

### Note 16. 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. (2008: Nil)

### Note 17. 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 2009 the number of members was 3 (2008: 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 2009

2009	2008
\$	\$

### Note 18. 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 19. Reconciliation of net operating result for the year after income tax to net cash flows from operations

Net operating result for the year	(399,397)	(326,817)
<i>Add:</i> Depreciation	7,434	11,036
<i>Add:</i> Impairment of property, plant & equipment	-	-
<i>Add:</i> Loss on disposal of property, plant & equipment	-	-
<i>Change in operating assets and liabilities</i>		
(Increase)/Decrease in receivables	(1,686)	1,754
( Increase)/Decrease in other assets	(12,439)	2,439
( Increase)/Decrease in inventories	11,540	(17,121)
Increase/(Decrease) in provision for employee benefits	20,052	22,842
Increase/(Decrease) in payables and other liabilities	168,839	(113,685)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(205,657)</b>	<b>(419,552)</b>

## Notes to the financial statements for the year ended 31 December 2009

### Note 20. Financial risk management

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

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

Risk management assessment is undertaken by management. The entity does not enter into or trade financial instruments for speculative purposes.

**(a) 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. The entity's exposure to market risk is primarily through interest rate risk.**

(i) Foreign exchange 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

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The company is not exposed to price risk.

(iii) Cash flow and fair value interest rate risk

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

The entity aims to minimise risk through prudent financial management and diversification. Term deposits are spread across financial institutions for varying terms with a maximum percentage for each institution. Interest is paid on maturity.

The following table summarises the sensitivity of the entity's financial assets and financial liabilities to interest rate risk.

2009	Carrying amount	Interest Rate Risk -1%		Interest Rate Risk 1%	
		Result	Equity	Result	Equity
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	550,451	(6,042)	(6,042)	6,042	6,042
Receivables	39,513	-	-	-	-
<b>Financial liabilities</b>					
Payables	474,442	-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>115,522</b>	<b>(6,042)</b>	<b>(6,042)</b>	<b>6,042</b>	<b>6,042</b>

2008	Carrying amount	Interest Rate Risk -1%		Interest Rate Risk 1%	
		Result	Equity	Result	Equity
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	756,108	(8,665)	(8,665)	8,665	8,665
Receivables	36,163	-	-	-	-
<b>Financial liabilities</b>					
Payables	249,485	-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>542,786</b>	<b>(8,665)</b>	<b>(8,665)</b>	<b>8,665</b>	<b>8,665</b>

There has been no variation to the objectives, policies and processes for market risk since the prior period.

## Notes to the financial statements for the year ended 31 December 2009

### Note 20. 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.**

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 entity 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 variation to the objectives, policies and processes for liquidity risk since the prior period.

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

2009	Average Interest Rate %	Variable Interest Rate \$	Less than 1 Year \$	1 to 5 Years \$	5+ Years \$	Non Interest \$	Total \$
<b>Financial assets</b>							
Cash and cash equivalents	3.97%	545,711	-			4,740	550,451
Receivables	-	-	-	-	-	39,513	39,513
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	474,442	474,442
<b>Net financial assets / (liabilities)</b>		<b>545,711</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(430,189)</b>	<b>115,522</b>
<b>2008</b>							
<b>Financial assets</b>							
Cash and cash equivalents	6.42%	752,648	-			3,460	756,108
Receivables	-	-	-	-	-	36,163	36,163
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	249,485	249,485
<b>Net financial assets / (liabilities)</b>		<b>752,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(209,862)</b>	<b>542,786</b>



## Notes to the financial statements for the year ended 31 December 2009

### Note 20. Financial risk management (cont)

#### (d) Fair value of financial assets and liabilities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The entity uses discounted cash flows and makes assumptions that are based on market conditions existing at each balance date.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. 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 entity for similar financial instruments.

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

There has been no change in the method for calculating fair value.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	550,451	550,451	756,108	756,108
Receivables	39,513	39,513	36,163	36,163
	<b>589,964</b>	<b>589,964</b>	<b>792,271</b>	<b>792,271</b>
<b>Financial liabilities</b>				
Payables	474,442	474,442	249,485	249,485
	<b>474,442</b>	<b>474,442</b>	<b>249,485</b>	<b>249,485</b>

The fair values of non-current receivables are based on expected cash flows.

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs)

	31 Dec 2009	Level 1	Level 2	Level 3
	\$	\$	\$	\$
<b>Financial assets</b>				
Non-traded financial assets	589,964	589,964	-	-
	<b>589,964</b>	<b>589,964</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Non-traded financial liabilities	474,442	474,442	-	-
	<b>474,442</b>	<b>474,442</b>	<b>-</b>	<b>-</b>

"End of Audited Financial Report"

\_\_\_\_\_ This page intentionally blank \_\_\_\_\_

Australian Plant DNA Bank Limited

ABN 95 108 486 791  
A controlled entity of Southern Cross University

---



**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 2009**

## Directors' report

The directors of the company present their report on the company for the year ended 31 December 2009:

### 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 2009 was a loss of \$6,888 (2008 loss: \$9,664). The net operating result of the company for the year ended 31 December 2009 was a loss of \$3,276 (2008 loss: \$5,808).

### 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.

### Subsequent events

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 regulations

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 about the directors

The Directors in office during or since the start of the financial year are:

**Professor Peter R. Baverstock**, BSc(Hons), DSc(Adel), PhD(WAust).  
Professor Baverstock is an Adjunct Professor of Southern Cross University.  
Appointed 24 March 2004.

**Professor Robert J. Henry**, BSc(Hons)(Qld), MSc(Hons)(Macq), PhD(LaTrobe), DSc(Qld)  
Professor Henry is Director 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. Resigned 3<sup>rd</sup> August 2009.

The directors have been in office since the start of the financial year unless otherwise indicated.

### Company Secretary

The following person held the position of company secretary since the start of the financial year

**Madeleine Love** BA(UTS), LLB(UNSW), GradDip(Legal Practice), LLM(CorpCmclTax)(UNSW)  
Madeleine Love is legal counsel for Southern Cross University.

### 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	0
Robert Henry	1	1
Robert Jemison	1	1
Stephen Williams	1	1
Paul Clark	0	0

## 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 Southern Cross University 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 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 2009 has been received and is included after the Directors declaration.

Signed in accordance with a resolution of the directors made pursuant to S298(2) of the Corporations Act 2001.

On behalf of the Directors



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

Dated this 8th day of April 2010

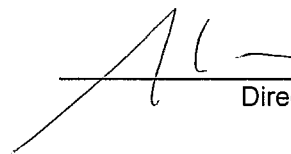
**Directors' declaration**

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 2009 and of the 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 8th day of April, 2010 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 the financial statements of Australian Plant DNA Bank Limited for the year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

S Bond

Sally Bond  
Director, Financial Audit services

1 April 2010  
SYDNEY





GPO BOX 12  
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 statements of Australian Plant DNA Bank Limited (the Company), which comprises the statements of financial position as at 31 December 2009, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Company and 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 statements:

- are 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 2009 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
- are 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.

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

#### Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls. 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 statements.

I believe 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,
- 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 of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* 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 of New South Wales are not compromised in their roles 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 1 April 2010, would be in the same terms if provided to the Directors as at the date of this auditor's report.



Sally Bond  
Director, Financial Audit Services

15 April 2010  
SYDNEY

## Statement of comprehensive income for the year ended 31 December 2009

	Notes	Consolidated 2009 \$	2008 \$	Parent entity 2009 \$	2008 \$
<b>Revenue from continuing operations</b>	3	<b>27,367</b>	25	<b>27,367</b>	25
<b>Expenses from continuing operations</b>	4	<b>34,255</b>	9,689	<b>30,643</b>	5,833
<b>Loss from continuing operations before income tax expense</b>		<b>(6,888)</b>	(9,664)	<b>(3,276)</b>	(5,808)
Income tax expense	5	-	-	-	-
<b>Loss from continuing operations after income tax</b>		<b>(6,888)</b>	(9,664)	<b>(3,276)</b>	(5,808)
<b>Loss for the year</b>		<b>(6,888)</b>	(9,664)	<b>(3,276)</b>	(5,808)
<b>Total comprehensive income attributable to members of Australian Plant DNA Bank Limited</b>	10	<b>(6,888)</b>	(9,664)	<b>(3,276)</b>	(5,808)

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

## Statement of financial position as at 31 December 2009

	Notes	Consolidated		Parent entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	<b>10,338</b>	16,818	<b>10,238</b>	16,718
Trade and other receivables	7	<b>30,501</b>	875	<b>30,161</b>	534
<b>Total current assets</b>		<b>40,839</b>	17,693	<b>40,399</b>	17,252
<b>Non-current assets</b>					
Trade and other receivables	7	-	-	<b>17,782</b>	14,382
Other financial assets	8	-	-	<b>100</b>	100
<b>Total non-current assets</b>		-	-	<b>17,882</b>	14,482
<b>Total assets</b>		<b>40,839</b>	17,693	<b>58,281</b>	31,734
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	9	<b>37,514</b>	7,480	<b>33,563</b>	3,740
<b>Total current liabilities</b>		<b>37,514</b>	7,480	<b>33,563</b>	3,740
<b>Non-current liabilities</b>					
<b>Total non-current liabilities</b>		-	-	-	-
<b>Total liabilities</b>		<b>37,514</b>	7,480	<b>33,563</b>	3,740
<b>Net assets</b>		<b>3,325</b>	10,213	<b>24,718</b>	27,994
<b>EQUITY</b>					
Retained profits	10	<b>3,325</b>	10,213	<b>24,718</b>	27,994
<b>Total equity</b>		<b>3,325</b>	10,213	<b>24,718</b>	27,994

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## Statement of changes in equity for the year ended 31 December 2009

Notes	Consolidated				Parent entity			
	Retained Earnings		Total Equity		Retained Earnings		Total Equity	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2009</b>	<b>10,213</b>	19,877	<b>10,213</b>	19,877	<b>27,994</b>	33,802	<b>27,994</b>	33,802
Total comprehensive income for the year	<b>(6,888)</b>	(9,664)	<b>(6,888)</b>	(9,664)	<b>(3,276)</b>	(5,808)	<b>(3,276)</b>	<b>(5,808)</b>
<b>Balance at 31 December 2009</b>	<b>3,325</b>	10,213	<b>3,325</b>	10,213	<b>24,718</b>	27,994	<b>24,718</b>	27,994

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

## Statement of cash flows for the year ended 31 December 2009

	Notes	Consolidated		Parent entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers		281	-	281	-
Payments to suppliers and employees		(6,932)	(9,840)	(6,932)	(9,840)
Net GST paid / (received)		171	363	171	363
<b>Net cash provided by/(used in) operating activities</b>	19	<b>(6,480)</b>	<b>(9,477)</b>	<b>(6,480)</b>	<b>(9,477)</b>
<b>Cash flows from investing activities</b>					
<b>Net cash provided by/(used in) investing activities</b>		-	-	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>					
		<b>(6,480)</b>	<b>(9,477)</b>	<b>(6,480)</b>	<b>(9,477)</b>
Cash and cash equivalents at the beginning of the financial year		16,818	26,295	16,718	26,195
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>10,338</b>	<b>16,818</b>	<b>10,238</b>	<b>16,718</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the financial statements for the financial year ended 31 December 2009

### 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 not-for-profit 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 8th April 2010.

#### a) Basis of preparation

The financial report is a general purpose financial report which 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.

#### **Historical Cost Convention**

These financial statements have been prepared on an accruals basis and are based on the historical cost convention.

#### **Critical Accounting Estimates and Judgements**

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 financial year ended 31 December 2009

### 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 2009 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 Group or 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 financial year ended 31 December 2009

### e) 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.

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 in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### f) 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.

### g) 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.

## Notes to the financial statements for the financial year ended 31 December 2009

### **h) 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.

### **i) 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.

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

### **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) 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 financial year ended 31 December 2009

### **l) New Australian Accounting Standards issued but not effective**

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

- AASB 7 Financial Instruments: Disclosures (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7;
- AASB 101 Presentation of Financial Statements (1 July 2009) as amended by AASB 2008-3 and (1 January 2010) as amended by AASB 2009-5;
- AASB 107 Cash Flow Statements (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 110 Events after the Balance Sheet Date ((1 July 2009) as amended by AASB 2008-13;
- AASB 112 Income Taxes (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7;
- AASB 118 Revenue (1 January 2010) as amended by AASB 2009-5;
- AASB 124 Related Party Disclosures (1 January 2011) as amended by AASB 2009-12;
- AASB 127 Consolidated and Separate Financial Statements (1 July 2009) as amended by AASB 2008-3;
- 
- AASB 132 Financial Instruments: Presentation (1 July 2009) as amended by AASB 2008-3 and (1 February 2010) as amended by AASB 2009-10;
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2009) as amended by AASB 2008-3;
- AASB 139 Financial Instruments: Recognition and Measurement (1 July 2009) as amended by AASB 2008-3, 2008-8, 2009-3 and 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 1048 Interpretation and Application of Standards – March 2009 (31 March 2009);
- AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and 127 (1 July 2009);
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (1 July 2009)
- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 July 2009);
- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 January 2010);
- AASB 2009-7 Amendments to Australian Accounting Standards to correct AASBs 2008-12, 2008-13 and Interpretation 17 (1 July 2009);
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues amends AASB 132 Financial Instruments: Presentation (1 January 2011);
- AASB 2009-12 Amendments to Australian Accounting Standards amends the requirements of AASB 124 Related Party Disclosures (1 January 2011).

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

## Notes to the financial statements for the year ended 31 December 2009

### 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 (2008:\$100) each towards meeting any outstanding obligations of the company. At 31 December 2009, the number of members was 1 (2008:1).

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

Consolidated		Parent entity	
2009	2008	2009	2008
\$	\$	\$	\$

### Note 3. Revenue from continuing operations

Consulting fees	27,111	-	27,111	-
Interest Income	256	25	256	25
	<b>27,367</b>	<b>25</b>	<b>27,367</b>	<b>25</b>

### Note 4. Expenses from continuing operations

Accounting and audit fees	6,800	6,800	3,400	3,400
Collection activity	27,111	2,250	27,111	2,250
Legal fees	342	561	130	105
Other expenses	2	78	2	78
	<b>34,255</b>	<b>9,689</b>	<b>30,643</b>	<b>5,833</b>

## Notes to the financial statements for the year ended 31 December 2009

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 5. Income tax</b>				
<b>Income tax expense</b>				
Income tax on loss from continuing operations at 30%	(1,084)	(1,157)	-	-
Write-off deferred income tax as it is not probable that it will be recovered by future operations	1,084	1,157	-	-
Income tax attributable to the entity	-	-	-	-
The controlled entity, Biobank Pty Ltd is not exempt from income tax. The tax expense is based on the company tax rate for 2009.				
<b>Deferred tax assets</b>				
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	5,440	4,356	-	-
<b>Franking account</b>				
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.				
	-	-	-	-

## Note 6. Cash and cash equivalents

Cash at bank	10,238	6,718	10,238	6,718
Cash on hand	100	100	-	-
Deposits at call	-	10,000	-	10,000
<b>Total cash and cash equivalents</b>	<b>10,338</b>	<b>16,818</b>	<b>10,238</b>	<b>16,718</b>

### (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	10,338	16,818	10,238	16,718
<b>Balance per cash flow statement</b>	<b>10,338</b>	<b>16,818</b>	<b>10,238</b>	<b>16,718</b>

### (b) Cash at bank

These bank accounts are non-interest bearing.

### (c) Deposits at call

Nil deposits at call as at 31 December 2009 (2008 \$10,000)

**Notes to the financial statements  
for the year ended 31 December 2009**

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 7. Trade and other receivables</b>				
<b>Current</b>				
Trade receivables	29,822	-	29,822	-
Accrued Interest Income	-	24	-	24
Net goods and services tax receivable	679	851	339	510
	<b>30,501</b>	<b>875</b>	<b>30,161</b>	<b>534</b>
<b>Non-current</b>				
Amounts receivable from wholly-owned subsidiary	-	-	17,782	14,382
<b>Total trade and other receivables</b>	<b>30,501</b>	<b>875</b>	<b>47,943</b>	<b>14,916</b>

**Note 8. Other financial assets**

<b>Non-current</b>				
Shares in wholly-owned subsidiary (unlisted)	-	-	100	100

These financial assets are carried at cost. There are no fixed returns or fixed maturity dates attached to these investments.

**Note 9. Trade and other payables**

<b>Current</b>				
Trade Payables	21,641	-	21,641	-
Accrued expenses	15,873	7,480	11,922	3,740
<b>Payables and accrued expenses</b>	<b>37,514</b>	<b>7,480</b>	<b>33,563</b>	<b>3,740</b>

**Note 10. Retained earnings**

Balance at the beginning of year	10,213	19,877	27,994	33,802
Total comprehensive income for the year	(6,888)	(9,664)	(3,276)	(5,808)
Balance at the end of year	<b>3,325</b>	<b>10,213</b>	<b>24,718</b>	<b>27,994</b>

## Notes to the financial statements for the year ended 31 December 2009

### Note 11. 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	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Directors remuneration</b>				
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:	<b>712,278</b>	887,260	<b>712,278</b>	887,260
	<b>Number</b>	Number	<b>Number</b>	Number
Number of directors whose income was within the following bands:				
Nil to \$14,999	1	1	1	1
\$45,000 to \$59,999	-	1	-	1
\$135,000 to \$149,999	1	1	1	1
\$195,000 to \$209,999	1	-	1	-
\$210,000 to \$224,999	-	1	-	1
\$360,000 to \$374,999	1	-	1	-
\$465,000 to \$479,999	-	1	-	1

This remuneration does not just relate to the Directors role within Australian Plant DNA Bank Ltd. It includes remuneration from associated entities.

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Responsible Officer remuneration</b>				
Income paid or payable to a staff member employed by Southern Cross University whose duties includes management responsibilities for the Company's operation.	<b>145,859</b>	147,339	<b>145,859</b>	147,339
	<b>Number</b>	Number	<b>Number</b>	Number
\$135,000 to \$149,999	1	1	1	1

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Key management personnel compensation</b>				
Short-term employee benefits	<b>125,115</b>	127,312	<b>125,115</b>	127,312
Post-employment benefits	<b>20,744</b>	20,027	<b>20,744</b>	20,027
	<b>145,859</b>	147,339	<b>145,859</b>	147,339

## Notes to the financial statements for the year ended 31 December 2009

### Note 12. 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.

#### Terms and Conditions

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

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	
2009	2008	2009	2008
\$	\$	\$	\$

##### 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.

-	-	3,400	147
---	---	-------	-----

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 16.

-	-	100	100
---	---	-----	-----

#### Outstanding balances

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

##### Non-current receivables

Subsidiaries

-	-	17,782	14,382
---	---	--------	--------

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.



## Notes to the financial statements for the year ended 31 December 2009

Consolidated		Parent entity	
2009	2008	2009	2008
\$	\$	\$	\$

### Note 13. 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:

Fees paid to <i>The Audit Office of New South Wales</i>				
Audit of financial report	<u>6,800</u>	<u>6,800</u>	<u>3,400</u>	<u>3,400</u>

### Note 14. 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 (2008:Nil).

### Note 15. Commitments for expenditure

#### (a) Capital expenditure commitments

There were no commitments for capital expenditure as at 31 December 2009 (2008:Nil).

#### (b) Other expenditure commitments

There were no other expenditure commitments as at 31 December 2009 (2008:Nil).

#### (c) Lease commitments

There were no leasing commitments as at 31 December 2009 (2008:Nil).

### Note 16. 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 2009	Equity holding 2008
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 2009

### Note 17. 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 18. 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 19. Reconciliation of operating result for the year after income tax to net cash flows from operations

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Net operating result for the year	(6,888)	(9,664)	(3,276)	(5,808)
<i>Change in operating assets and liabilities</i>				
(Increase) / decrease in receivables	(29,798)	(24)	(33,198)	(171)
(Increase) / decrease in GST receivable	171	501	171	532
Increase/(Decrease) in payables and other liabilities	30,035	(290)	29,823	(4,030)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(6,480)</b>	<b>(9,477)</b>	<b>(6,480)</b>	<b>(9,477)</b>

### Note 20. 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 2009

### Note 21. Financial risk management

The entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity and its subsidiary. The entity uses different methods to measure different types of risk to which it is exposed. Three methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and daily assessment of investment portfolios to determine market risk. Risk management assessment is undertaken by the entity, for the entity and its subsidiary. The entity does not enter into or trade financial instruments for speculative purposes.

#### (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. The company's exposure to market risk is primarily through interest rates on investments.**

##### (i) Foreign exchange risk

The consolidated entity does not undertake transactions in other currencies so does not have exposure to exchange rate fluctuations.

##### (ii) Price Risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The consolidated entity is not exposed to price risk.

##### (iii) Cash flow and fair value interest rate risk

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

There has been no variation to the objectives, policies and processes for market risk since the prior period.

##### (iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the company's financial assets and financial liabilities to interest rate risk. Note that the interest bearing term deposit matured in 2009, and the balance of cash is held in non-interest bearing bank accounts.

2009	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	10,338	(60)	(60)	60	60
Receivables	30,501	-	-	-	-
<b>Financial liabilities</b>					
Payables	21,641	-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>19,198</b>	<b>(60)</b>	<b>(60)</b>	<b>60</b>	<b>60</b>

2008	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	16,818	(4)	(4)	4	4
Receivables	851	-	-	-	-
<b>Financial liabilities</b>					
Payables		-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>17,669</b>	<b>(4)</b>	<b>(4)</b>	<b>4</b>	<b>4</b>

## Notes to the financial statements for the year ended 31 December 2009

### Note 21. 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 consolidated entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

Trade accounts payables 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 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.

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs)

	31 Dec 2009	Level 1	Level 2	Level 3
	\$	\$	\$	\$
<b>Financial assets</b>				
Non-traded financial assets	40,839	40,839	-	-
	<u>40,839</u>	<u>40,839</u>	-	-
<b>Financial liabilities</b>				
Non-traded financial liabilities	21,641	21,641	-	-
	<u>21,641</u>	<u>21,641</u>	-	-

#### (e) Other unrecognised financial assets and liabilities

The parent entity 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



**BIOBANK PTY LTD**

**ABN 27 112 877442**

**A CONTROLLED ENTITY OF AUSTRALIAN  
PLANT DNA BANK LIMITED**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

## Directors' report

The directors of the company present their report on the company for year ended to 31 December 2009:

### Principal activities

The company has not traded since it incorporated on 9 February 2005.

### Review of Operations

The operating result for the year ended to 31 December 2009 was a loss of \$3,612 (2008 loss: \$3,857).

### 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.

### Subsequent events

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, the results of those operations or the state of affairs of the company in future financial years.

### Environmental regulations

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 about the directors

The Directors in office during or since the start of the financial year are:

**Professor Peter R. Baverstock**, BSc(Hons), DSc(Adel), PhD(WAust).  
Professor Baverstock is an Adjunct Professor of Southern Cross University.  
Appointed 9 February 2005.

**Professor Robert J. Henry**, BSc(Hons)(Qld) MSc(Hons)(Macq), PhD(LaTrobe), DSc(Qld)  
Professor Henry is Director of the Centre for Plant Conservation Genetics at Southern Cross University.  
Appointed 9 February 2005.

**Stephen Williams**, BAppSc(QUT)  
Stephen Williams is the Business Manager within the Graduate Research College at Southern Cross University.  
Appointed 9 February 2005.

The directors have been in office since the start of the financial year unless otherwise indicated.

### Company Secretary

The following person held the position of company secretary during or since the start of the financial year.

**Stephen Williams**, BAppSc(QUT)  
Stephen 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	0
Robert Henry	1	1
Steve Williams	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:

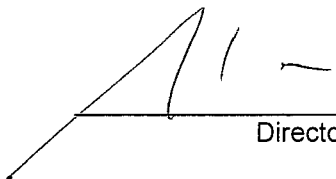
- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceeding; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

### Auditors independence declaration

The auditors independence declaration for the year ended 31 December 2009 has been received and is included after the Directors declaration.

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 8th day of April 2010



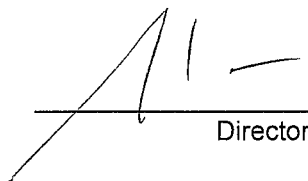
### Directors' declaration

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 2009 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 8th day of April, 2010 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 the financial statements of Biobank Pty Limited for the year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

S Bond.

Sally Bond  
Director, Financial Audit services

1 April 2010  
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 statements of Biobank Pty Limited (the Company), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2009 and 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
- are 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.

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

#### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. 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 statements.

I believe 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,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* 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 of New South Wales are not compromised in their roles 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 1 April 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.



Sally Bond  
Director, Financial Audit Services

15 April 2010  
SYDNEY

## Statement of comprehensive income for the year ended 31 December 2009

	Notes	2009 \$	2008 \$
<b>Expenses from continuing operations</b>			
Audit Fees	10	3,400	3,400
Legal Fees		212	457
<b>Total expenses from continuing operations</b>		<b>3,612</b>	3,857
<b>Loss from continuing operations before income tax expense</b>		<b>(3,612)</b>	(3,857)
Income tax expense	3	-	-
<b>Loss from continuing operations after income tax</b>		<b>(3,612)</b>	(3,857)
<b>Loss for the year</b>		<b>(3,612)</b>	(3,857)
<b>Loss attributable to members of Biobank Pty Ltd</b>		<b>(3,612)</b>	(3,857)

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

## Statement of financial position as at 31 December 2009

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	100	100
Trade and other receivables	5	340	340
<b>Total current assets</b>		<b>440</b>	440
<b>Total assets</b>		<b>440</b>	440
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	3,952	3,740
<b>Total current liabilities</b>		<b>3,952</b>	3,740
<b>Non-current liabilities</b>			
Trade and other payables	6	17,782	14,382
<b>Total non-current liabilities</b>		<b>17,782</b>	14,382
<b>Total liabilities</b>		<b>21,734</b>	18,122
<b>Net liabilities</b>		<b>(21,294)</b>	(17,682)
<b>EQUITY</b>			
Contributed equity	16	100	100
Retained losses	7	(21,394)	(17,782)
<b>Total equity</b>		<b>(21,294)</b>	(17,682)

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## Statement of changes in equity for the year ended 31 December 2009

	Notes	Share Capital		Retained Earnings		Total Equity	
		2009	2008	2009	2008	2009	2008
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2009</b>		<b>100</b>	100	<b>(17,782)</b>	(13,925)	<b>(17,682)</b>	(13,825)
Total comprehensive income for the year		-	-	<b>(3,612)</b>	(3,857)	<b>(3,612)</b>	(3,857)
<b>Balance at 31 December 2009</b>	7	<b>100</b>	100	<b>(21,394)</b>	(17,782)	<b>(21,294)</b>	(17,682)

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

## Statement of cash flows for the year ended 31 December 2009

	Notes	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		-	-
Payments to suppliers		-	-
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>	15	-	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of capital		-	-
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	-
Cash and cash equivalents at the beginning of the financial year		100	100
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	4	<u>100</u>	<u>100</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*



## Notes to the financial statements for the year ended 31 December 2009

### 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 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 8th April 2010.

#### 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 *Corporations Act 2001*. The financial report is presented in Australian Dollars.

#### **Compliance with AIFRS**

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 and Judgments**

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. 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.

#### 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:

#### **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.

## Notes to the financial statements for the year ended 31 December 2009

### **Interest**

Revenue is recognised as interest accrues using the effective interest method.

### **d) 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 in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### **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 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.

## Notes to the financial statements for the year ended 31 December 2009

### g) 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.

### h) 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.

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

### 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) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

### k) New Australian Accounting Standards issued but not effective

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

- AASB 7 Financial Instruments: Disclosures (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7;
- AASB 101 Presentation of Financial Statements (1 July 2009) as amended by AASB 2008-3 and (1 January 2010) as amended by AASB 2009-5;
- AASB 107 Cash Flow Statements (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 110 Events after the Balance Sheet Date ((1 July 2009) as amended by AASB 2008-13;
- AASB 112 Income Taxes (1 July 2009) as amended by AASB 2008-3 and AASB 2009-7;
- AASB 118 Revenue (1 January 2010) as amended by AASB 2009-5;
- AASB 124 Related Party Disclosures (1 January 2011) as amended by AASB 2009-12;
- AASB 132 Financial Instruments: Presentation (1 July 2009) as amended by AASB 2008-3 and (1 February 2010) as amended by AASB 2009-10;
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (1 July 2009) as amended by AASB 2008-3;
- AASB 139 Financial Instruments: Recognition and Measurement (1 July 2009) as amended by AASB 2008-3, 2008-8, 2009-3 and 2009-7 and (1 January 2010) as amended by AASB 2009-5;
- AASB 1048 Interpretation and Application of Standards – March 2009 (31 March 2009);
- AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and 127 (1 July 2009);

## Notes to the financial statements for the year ended 31 December 2009

### k) New Australian Accounting Standards issued but not effective (cont)

- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (1 July 2009)
- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 July 2009);
- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process (1 January 2010);
- AASB 2009-7 Amendments to Australian Accounting Standards to correct AASBs 2008-12, 2008-13 and Interpretation 17 (1 July 2009);
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues amends AASB 132 Financial Instruments: Presentation (1 January 2011);
- AASB 2009-12 Amendments to Australian Accounting Standards amends the requirements of AASB 124 Related Party Disclosures (1 January 2011).

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

## Notes to the financial statements for the year ended 31 December 2009

### 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

### Note 3. Income tax

	2009	2008
	\$	\$
<b>Income tax expense</b>		
Income tax on loss from continuing operations at 30%	(1,084)	(1,157)
Add back non deductible expenses	-	-
Write-off deferred income tax as it is not probable that it will be recovered by future operations	1,084	1,157
Income tax attributable to the entity	<u>-</u>	<u>-</u>

#### 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	<u>5,440</u>	<u>4,356</u>
--------------------	--------------	--------------

#### 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.

	<u>-</u>	<u>-</u>
--	----------	----------

## Notes to the financial statements for the year ended 31 December 2009

### Note 4. Cash and cash equivalents

	2009	2008
	\$	\$
<b>Current</b>		
Cash on hand	100	100
	<u>100</u>	<u>100</u>
<b>Reconciliation to cash at the end of the year</b>		
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
<b>Balance per cash flow statement</b>	<u>100</u>	<u>100</u>

### Note 5. Trade and other receivables

<b>Current</b>		
Net goods and services tax receivable	340	340
	<u>340</u>	<u>340</u>

### Note 6. Trade and other payables

<b>Current</b>		
Payables and accrued expenses	3,952	3,740
	<u>3,952</u>	<u>3,740</u>
<b>Non-current</b>		
Accounts payable to parent entity	17,782	14,382
	<u>17,782</u>	<u>14,382</u>
	<u>21,734</u>	<u>18,122</u>

### Note 7. Retained earnings

Balance at the beginning of year	(17,782)	(13,925)
Net operating result for the year	(3,612)	(3,857)
Balance at the end of year	<u>(21,394)</u>	<u>(17,782)</u>

## Notes to the financial statements for the year ended 31 December 2009

### 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:

2009	2008
\$	\$
<b>345,308</b>	408,703

Number of directors whose income was within the following bands:

Nil to \$14,999

\$45,000 to \$59,999

\$135,000 to \$149,999

\$195,000 to \$209,999

\$210,000 to \$224,999

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.

2009	2008
\$	\$
<b>145,859</b>	147,339

Number of responsible officers whose income was within the following bands:

\$135,000 to \$149,999

Number	Number
1	1

#### Key management personnel compensation

Short-term employee benefits

Post-employment benefits

2009	2008
\$	\$
<b>125,115</b>	127,312
<b>20,744</b>	20,027
<b>145,859</b>	147,339

## Notes to the financial statements for the year ended 31 December 2009

### 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.

#### Terms and Conditions

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

	2009	2008
<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	14,382	14,235
Movement during year	3,400	147
Balance at the end of year	<u>17,782</u>	<u>14,382</u>

#### Outstanding balances

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

#### Payables

Parent entity	<u>17,782</u>	<u>14,382</u>
---------------	---------------	---------------



## Notes to the financial statements for the year ended 31 December 2009

### 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:

	2009	2008
	\$	\$
Fees paid to the <i>Audit Office of New South Wales</i>		
Audit of financial report	<u>3,400</u>	<u>3,400</u>

### Note 11. Commitments for expenditure

#### (a) Capital expenditure commitments

There were no commitments for capital expenditure as at 31 December 2009 (2008:Nil).

#### (b) Other expenditure commitments

There were no expenditure commitments contracted as at 31 December 2009 (2008: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 (2008: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 2009

### 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

	2009	2008
	\$	\$
Net operating loss for the period	(3,612)	(3,857)
<i>Change in operating assets and liabilities</i>		
(Increase)/decrease in GST receivable	-	(30)
Increase in payables	3,612	3,887
<b>Net cash inflow/(outflow) from operating activities</b>	<b>-</b>	<b>-</b>

### 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)	<b>100</b>	<b>100</b>

#### **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 2009

### Note 18. Financial risk management

The company's activities exposure to financial risks such as market risk, credit risk and liquidity risk, is limited by the parent entity's activities. The parent entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management assessment is undertaken by the parent entity. The company does not enter into or trade financial instruments for speculative purposes.

#### (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. The company's exposure to market risk is primarily through interest rates on investments.**

##### (i) Foreign exchange risk

The company does not undertake transactions in other currencies so does not have exposure to exchange rate fluctuations.

##### (ii) Price Risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The company is not exposed to price risk.

##### (iii) Cash flow and fair value interest rate risk

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

The cash management functions are performed by the parent entity.

##### (iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the company's financial assets and financial liabilities to interest rate risk.

2009	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	100	-	-	-	-
Receivables	340	-	-	-	-
<b>Financial liabilities</b>					
Payables	17,782	-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>(17,342)</b>	-	-	-	-

2008	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	100	-	-	-	-
Receivables	340	-	-	-	-
<b>Financial liabilities</b>					
Payables	14,382	-	-	-	-
<b>Net financial assets/(liabilities)</b>	<b>(13,942)</b>	-	-	-	-

## Notes to the financial statements for the year ended 31 December 2009

### 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 payables 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 managing 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 entity.

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 approximates their fair value.

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs)

	31 Dec 2009 \$	Level 1 \$	Level 2 \$	Level 3 \$
<b>Financial assets</b>				
Non-traded financial assets	440	440	-	-
	<u>440</u>	<u>440</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Non-traded financial liabilities	17,782	17,782	-	-
	<u>17,782</u>	<u>17,782</u>	<u>-</u>	<u>-</u>

"End of Audited Financial Report"