

# **Annual** REPORT **2014**

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A photograph of a building facade with a large, 3D, white logo for Southern Cross University. The logo is mounted on a grey panel and is flanked by yellow vertical panels. The background is a clear blue sky.

Southern Cross University

21 April 2015


The Hon Adrian Piccoli MP  
Minister for Education  
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 2014.

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

Yours sincerely



Mr Nick Burton Taylor AM  
Chancellor Southern Cross University



Professor Peter Lee FTSE  
Vice Chancellor Southern Cross University

# Welcome from the **Chancellor** and **Vice Chancellor**

In 2014 our commitment to enhancing the student experience remained a key priority, with new organisational structures implemented and technology deployed to support the work being done across the University in this critical area.

Lismore campus was the focus of the University's capital works program. The first stage of the Science and Engineering precinct was opened by the federal Member for Page Mr Kevin Hogan MP in August and work progressed on the new Learning Centre at Lismore, with both projects funded largely by an Education Investment Fund grant.

Research activity remained strong with a total research income for 2014 of \$12 million, including \$3.2 million in Australian Competitive Grant funding.

In an environment of uncertainty for the higher education sector, SCU played an active role in promoting the benefits of regional universities, through its membership of the Regional Universities Network.

In 2014 Southern Cross University celebrated 20 years as a University, marking this significant milestone with events at each campus and culminating in an Alumni Reunion and Anniversary Celebration at Lismore in August.

The Hon John Dowd AO QC retired after 12 years as Chancellor, with a series of farewell lectures to mark his contribution to the University. A number of other long-standing members of the University Council completed their terms during the year.

In 2015 a new Strategic Plan will be developed for the next phase of the University's future.



A handwritten signature in blue ink that reads "Nick Burton Taylor".

Nick Burton Taylor AM  
Chancellor



A handwritten signature in blue ink that reads "Peter Lee".

Professor Peter Lee FTSE  
Vice Chancellor

# Strategic Plan 2011-2015

## Our Vision

Southern Cross University will be recognised for enriching our communities through the excellence of our scholarship and the achievements of our graduates.

## Our Mission

We equip our students to live a life they value and to be effective global citizens. We do this by creating inspirational and engaged learning experiences by staff who actively practise scholarship.

We extend internationally recognised educational opportunities for our diverse student body, including those from rural and regional communities.

We create and apply knowledge in partnership with our communities in fields that are regionally relevant and globally significant.

## Our Values

### Scholarship

We practise scholarship across our teaching and research activities with intellectual and professional rigour.

### Innovation

We draw on the creative talents of our staff, students and stakeholders and their commitment and passion to address the needs of communities.

### Social Justice

We advance human rights and are committed to providing opportunities for students and staff in an inclusive, culturally safe environment.

### Ethical Behaviour

We act with integrity in an honest, fair, equitable and accountable manner in all our dealings.

### Sustainable Practice

We actively pursue practices that develop the social, economic, cultural and environmental sustainability of our communities.

### Engagement

We encourage a collaborative, open and transparent culture and engage with our communities through scholarship.

## Our Goals

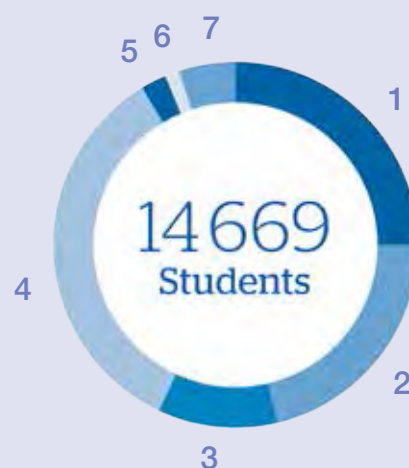
**Goal 1:** We will provide inspirational learning experiences for our students through high quality teaching engaged with scholarship.

**Goal 2:** We will generate and disseminate research and undertake research training in key areas that have global and regional impact.

**Goal 3:** We will develop a high performance culture in an environment which encourages collaboration and the free exchange of ideas.

**Goal 4:** We will enhance our performance in a sustainable and responsible manner.

## At a glance 2014



### Students (persons) by location

1	Lismore campus	3 717
2	Gold Coast campus	3 103
3	Coffs Harbour campus	1 494
4	Distance education	5 091
5	The Hotel School Sydney	336
6	Other Australian locations	172
7	Offshore campus	756

### Total number of students

Total (persons)	14 669
Total (EFTSL)	9 146.8

### Total number of staff

Total staff full-time equivalent (FTE)	879.5*
Academic staff (FTE)	326
Professional staff (FTE)	553.5

\*Total staff FTE figures do not include sessional or casual FTE

Source: SCU Office of Planning, Quality and Review – DEEWR 2014 Data Submissions

# Management and Activities

The University was an active participant in the Regional Universities Network (RUN), with Vice Chancellor Professor Peter Lee, continuing his two-year appointment as Chair of RUN. A major focus for RUN, and the University more generally, was ensuring the needs of regional students and regional universities remained a priority during the ongoing debate about proposed reforms to the funding of higher education.

The 2014 Institutional Performance Review was led by the Vice Chancellor and involved all members of the Senior Executive, Heads of School and Directors of organisational work units. The Review outcomes informed the organisational priorities for the year. Increased participation by Indigenous students was noted as a key achievement.

The University submitted documentation to the Tertiary Education Quality Standards Agency for the renewal of its registration as a Higher Education Provider. The Academic Board approved a range of matters relating to the regular quality assurance of academic programs and policies.

In July 2014, the University hosted a visit to the Lismore campus by the federal Minister for Education The Hon Christopher Pyne MP, accompanied by the federal Member for Page, Mr Kevin Hogan. The Minister announced a \$996,500 grant to the University, through the Australian Maths and Science Partnerships Program (AMSPP). The project, 'Inspiring Science and Mathematics Education', is led by Professor Leigh Sullivan, in collaboration with the Academy of

Technological Sciences and Engineering (ATSE) and partners Charles Darwin University, the University of Wollongong, Stile Education Pty Ltd and IBM.

The University marked its 20th anniversary with a series of events, culminating in an Alumni Reunion and 20th Anniversary celebration at the Lismore campus in August. A highlight of the celebrations was the announcement of the Alumnus of the Past 20 Years. This award went to the first woman to be made a Major-General in the Australian Army – Major-General Liz Cosson AM CSC (Ret'd).

A total of 13 graduation ceremonies were held in Australia at Lismore, Coffs Harbour, Gold Coast and Sydney, and the Chancellor and Vice Chancellor attended graduation events in China and Singapore. Alumni functions were organised to coincide with graduations. During 2014 the number of alumni rose to 57,000, of which 49 per cent were contactable.

## International and Enterprise

For the second year running, SCU International was ranked number one in Australia in the 2014 International Student Barometer (ISB) for the provision of support to international students. The SCU International student support team has developed a range of programs and strategies to provide ongoing personalised support to students throughout their study.

The University experienced strong growth in international onshore students. New domestic and international commercial opportunities

were explored, and as a result, several new commercial arrangements commenced. The University further consolidated its existing offshore collaborations in Singapore, China and Papua New Guinea and, with the approval of the Chinese Ministry of Education, launched a new information technology program with Guangxi University of Science and Technology in Guangxi Province China.

SCU International was successful in securing 174 AsiaBound, New Colombo Plan and ISEP (International Student Exchange Program) Scholarships from the Australian Government, totalling \$540,500. This funding provided domestic students with the opportunity to study in Asia, Europe and the Americas. Programs ranged from semester long exchanges to short-term research and study tours coordinated in collaboration with the School of Environment, Science and Engineering, School of Health and Human Sciences, School of Arts and Social Sciences, School of Education and the Southern Cross Business School. The total number of SCU students who participated in an international study opportunity increased from 162 in 2013 to 252 in 2014.

SCU International continued to make regular adjustments to its operations to reflect changing market conditions, as part of its ongoing participation in the streamlined visa processing arrangements.



Vice Chancellor Professor Peter Lee with federal Member for Page Kevin Hogan MP, opening the engineering building, Lismore.



New Learning Centre, Lismore campus

## Major Works

A significant number of major projects continued or started in 2014.

Construction of the new Learning Centre in Lismore commenced in April 2014, with completion due in session 1 2015. The three-storey building was designed to be five star aspirational. Features include solar panel, lighting controls, sun blades and floor and labyrinth fed air-conditioning for greater efficiency.

The new Science and Engineering precinct was formally opened by Mr Kevin Hogan MP, federal Member for Page, on 30 August 2014. Laboratory equipment including a hydraulic flume, test frame and rainwater simulator was installed and commissioned during the year. Phase two will commence after the opening of the Learning Centre in 2015.

These projects have been largely funded through a \$27.9 million Education Investment Fund grant, as part of the Regional Priorities round. The NSW State Government contributed \$258,300 to the project.

A new 120 space car park (car park E) was completed at the Gold Coast campus and opened in time for session one, 2014. Construction of a 273-space car park commenced in September due for completion for session one, 2015, taking the total number of spaces at the Gold Coast campus to 1033.

The Asia Pacific Football Institute (APFI) facility at the Lismore campus was formally opened on September 24.

The sale of the former Tweed Heads (Riverside) campus was finalised in December with all staff and operations moved to the Gold Coast campus.

A project to upgrade 62 learning spaces was completed in time for session 1, 2014. Undertaken to improve the quality of technology used in education spaces, the project delivered a significant expansion and upgrade to SCU's video conferencing and lecture recording capacity, combined with physical upgrades such as furniture and air-conditioning.

A new Customer Relationship Management system (CRM) went live in September 2014 to provide a foundation for enhancing student recruitment and retention. Upgrades to administrative systems such as finance, human resources and student administration were successfully completed along with upgrades to 'student facing' systems such as the online learning platform and student collaboration systems.

In late 2014, SCU commenced a major upgrade project to replace the IT data network. Planned for completion in 2015, the new network will consist of leading edge equipment capable of the higher levels of bandwidth and performance necessary to underpin the growing and increasingly data-intensive demands of research and teaching activities. The network is being supplied by Huawei under a partnership agreement signed in 2014 that will give SCU access to world-class technology as well as a range of other benefits such as scholarships, internships and study opportunities for students.

Continuing the focus on managing costs and simplifying the IT environment, the University extended a new printing system comprised of a reduced number of highly capable and efficient Multi-Function-Devices that lower costs and reduce wastage. An expected 75

per cent reduction in the total number of printers in use combined with the implementation of 'follow-me' printing to enable staff to print on any printer regardless of where it is located, is expected to deliver additional savings through reduced paper and energy costs.

The Digital Information Security Policy Attestation is included at *Appendix A*.

# Teaching and Learning

Southern Cross University delivered preparatory, undergraduate and postgraduate courses on campus and via distance education through the University's seven academic schools and two colleges.

## 2014 Highlights

A new Centre for Teaching and Learning, previously the Division of Teaching and Learning, was formed in late September 2014. The Centre comprises three groups of staff: administrative services, academic practice and academic skills. From early 2015, a fourth team will be added to the Centre - Digital Resources.

The Inclusive Teaching and Curriculum Project funded through the Higher Education Participation and Partnership Program ended in 2014. The major output of this project was a Resource Toolkit, made available on the Centre for Teaching and Learning website, presenting both student and staff perspectives on inclusivity and how to adopt inclusive teaching practices into the design of units and courses.

## Scholarship of Teaching Symposium

The second annual Scholarship of Teaching Symposium was held on September 23 at Invercauld House in Lismore with the theme 'Improving the Student Experience'. The Symposium provided an opportunity for staff to focus on their scholarship of teaching through collegial sharing via presentations, posters, roundtable discussions and a panel discussion.

The full-day Symposium program included 29 presentations, spread across nine sessions. Each session, jointly chaired by a School Director of Teaching and Learning and a Centre for Teaching and Learning staff member, consisted of three or four presentations. There were a total of 76 attendees.

Feedback collected on the day and through a post-event online survey was positive, with 100 per cent of survey respondents agreeing or strongly agreeing that the Symposium was a valuable learning experience.

## Schools and Colleges

School of Arts and Social Sciences

Southern Cross Business School

School of Education

School of Environment, Science and Engineering

Gnibi College of Indigenous Australian Peoples

School of Health and Human Sciences

School of Law and Justice

School of Tourism and Hospitality Management

SCU College



## Visiting Scholars

A key part of Teaching and Learning strategy is to bring higher education researchers, thinkers and practitioners to SCU.

In 2014, the Visiting Scholar was Dr Mitch Parsell, an Office for Learning and Teaching (OLT) National Teaching Fellow and the Associate Dean Learning and Teaching for the Faculty of Human Sciences at Macquarie University. He was joint lead, with Professor Judyth Sachs, on the OLT project 'Social, communicative and interpersonal leadership in the context of peer review', an international project that included Lund University (Sweden) and the University of Pretoria (South Africa).

His visit focused on his OLT Fellowship Standards for distance learning.

## Australian Government Office for Learning and Teaching Citations

Citations were awarded to individuals and teams demonstrating an outstanding contribution to student learning, student engagement, or the overall student experience.

**Lexi Cutcher**, School of Education  
*For inspirational teaching and innovative curriculum that effectively prepares Visual Arts educators to address the complex demands of their profession.*

**Education for Sustainability in Bachelor of Business Team**, Southern Cross Business School and School of Tourism and Hospitality Management.  
Tania von der Heidt, Erica Wilson and Geoffrey Lamberton.

*For a scholarly-driven, team-based approach that transforms the undergraduate business curriculum through Education for Sustainability.*

**The Preparing for Success Program Team**, SCU College Team includes Suzi Hellmundt, Meredith Kayess, Jenny McGuire and Bronwen Graydon; who also acknowledge the many people who have contributed to the program's success over the years.

*For opening access to university and future work through a transformative preparatory program for regional students.*

## Vice Chancellor's Citations

**Rudi Meir**, School of Health and Human Sciences

*For using social media and non-formal learning strategies for student engagement: demonstrating the application of theory to practice in sport and exercise science units.*

**Jubilee Smith**, School of Education  
*For inspiring and engaging first and second year Education students in Literacy (English) learning and teaching.*

# Research

During 2014, income from Australian Competitive Grant funding was almost \$3.2 million and the total competitive government and industry research income for 2014 across all four Higher Education Research Collection (HERDC) categories was \$12 million.

2014 saw continued emphasis on maintaining the quality of research outputs and expanding other areas of research priority.

Researchers generated and disseminated research and provided training in key areas that have global and regional relevance. Researchers received almost \$5 million in external research income through partnerships with industry and \$2.7 million from other government funding sources. The University's participation in the Cooperative Research Centre (CRC) program continued to enable the University to build core capacity. Income from CRCs during 2014 was \$1 million.

SCU participated in the following CRCs:

- Wound Management Innovation
- Remote Economic Participation
- Contamination Assessment and Remediation of the Environment
- Capital Markets CRC

The Division of Research managed Southern Cross University's two Special Research Centres — Southern Cross GeoScience and Southern Cross Plant Science, and the Environmental Analysis Laboratory (EAL) which provides important infrastructure underpinning research activities across the University.

Five Research Centres were supported by the University: Centre for Coastal Biogeochemistry Research, Marine Ecology Research Centre, Centre for Gambling Education and Research, Forest Research Centre and the Centre for Children and Young People.

In 2014 the federal government's Collaborative Research Network (CRN) scheme continued to fund research at SCU in partnership with The University of Queensland, The University of New South Wales and the University of Sydney. This CRN network incorporated three elements linked to health, social wellbeing and economic sustainability.

CRN projects enabled expertise to be shared between partners resulting in further enhancement of both income and publications across the disciplines represented. The CRN network also provided an excellent opportunity for project collaborations, and career development through workshops covering grant applications and publication strategies.

The Division supported research activities for staff and student researchers through several internal research schemes including the Collaborative Research Grants Scheme and a range of postgraduate student support schemes.

During 2014, the Division delivered workshops to the SCU research community on a range of topics including: writing ARC grant applications, orientation for postgraduate students and general research support information sessions.

The Research Training Unit continued to implement supervisory staff professional development policies via workshops and to focus on improving programs, processes, on-time completion rates and student experience. The administration team continued to work closely with the Higher Degrees Research Committee to monitor and improve processes.

# Staff

## Staff Development and Performance

In July 2014 the Vice Chancellor launched the Leadership Capability Framework (LCF). The introduction of the framework recognised the critical importance of leadership to the University's ongoing development and success. It was developed to suit the SCU context, with input from staff focus groups and the Executive team to help shape its final form. The LCF contains individual capabilities and behaviours required for successful leadership and provides a career development pathway for current and future leaders. Dedicated professional learning programs were also developed and delivered in 2014 to support the LCF.

The University continued its promotion of training and development for staff through Professional Learning programs, Study Assistance and the Special Studies Leave program.

Senior positions recruited and filled during 2014 included Deputy Vice Chancellor (Research), and three Heads of School – Arts and Social Sciences, Education, and from 2015, the new combined School of Business and Tourism.

The full breakdown of staff is included at *Appendix B*. The number of senior executives is included at *Appendix C*.

## Workplace Health and Safety

11 workers compensation claims were received in 2014, a reduction from 15 claims in 2013. The proactive approach by the University in health, safety and injury management resulted in only five of the 11 claims requiring time off work.

*WHS Risk Management for Supervisors and Managers* training, aimed at new and existing employees, was developed and launched in 2014. WHS training also included a health and safety representative refresher course, emergency warden training, emergency evacuation and lockdown drills, a dangerous goods course for shippers, and courses in manual handling, mental health first aid and senior first aid. An online *WHS Laboratory* training module was also launched. An extensive audit of the WHS Management Systems in the School of Environment, Science and Engineering, and Facilities Management and Services was undertaken in 2014. The purpose of the audit was to measure the performance of SCU's health and safety program, implement a cycle of continuous improvement, and benchmark health and safety performance.

## Disability Action Plan

Approved in September 2014, the Southern Cross University Disability Action Plan 2014-2017 (the DAP) supports the University's commitment to providing students and staff with disability, with an accessible work and study environment, free from all forms of discrimination and harassment. The five key goals identified in the DAP are:

- Inclusion and accessibility will be key principles underpinning all planning and policy development at SCU.
- We will increase the access and participation in education of people with disability by providing an inclusive and accessible learning environment which supports the principles of universal design.
- We will continue to improve the engagement and retention of staff with disability by ensuring that the workplace is free from discrimination and harassment.
- We will strive to be a leader in the provision of accessible information and learning materials for students in the higher education sector.
- All SCU campuses and facilities will be fully accessible to people with disability.

A number of objectives contained within the DAP were achieved, such as the inclusion of disability awareness into staff induction processes and staff training. Guidelines were developed for the publishing of inherent requirements for health related courses offered by SCU.

## Workforce Diversity

In 2014 the University continued to implement key strategies from its Equity and Diversity Plan 2011-2015. The plan plays a significant role in leading the University's agenda in addressing issues of equal opportunity and diversity.

### During 2014, the key achievements included:

- Implemented key Equal Employment Opportunity (EEO) strategies from the University's Equity and Diversity Plan 2011-2015.
- Continued to implement the University's EEO Management Plan 2013-2015.
- Continued to implement key strategies from the University's Disability Action Plan 2014-2017.
- Continued to deliver the Courageous Conversations about Race Program across the University with workshops for supervisors and managers.
- Continued to deliver equal opportunity and anti-discrimination training as a compulsory part of new staff induction.
- Promoted and affirmed staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- Collected and analysed equal employment information for patterns which impact on equal opportunity.
- Implemented new reporting processes to align with the reporting and compliance framework of the Workplace Gender Equality Act 2012.

The Trends in the representation of employees in diversity groups is included at *Appendix D*.

## Multicultural Policies and Services Program 2014

The University became a supporter organisation of the Human Rights Commission's 'Racism: It Stops With Me' campaign in 2014. This campaign was promoted widely to the University community and a public statement included on the University's website acknowledging this commitment.

Events and activities were held across the University's campuses to promote diversity and to celebrate the multicultural community.

In April, the Centre for Peace and Social Justice hosted a public talk by Venerable Geshe Lhakdor on *Inner Disarmament for External Disarmament*. A Human Rights symposium themed *Creating a Human Rights Culture* took place in July, featuring keynotes by The Hon John Dowd AO QC, President of International Commission of Jurists Australia and Chancellor of Southern Cross University, and Professor Gillian Triggs, President of the Australian Human Rights Commission.

Diversity Week was held in August across the Gold Coast, Lismore and Coffs Harbour campuses, and provided an opportunity to acknowledge, learn from and celebrate the University's diverse communities. Diversity Week aimed to further intercultural understanding and communal harmony through cultural exchange and social connection. Broad themes of the week were cultural diversity, accessibility, diverse sexualities, food for thought, Indigenous Australian peoples and social inclusion. Diversity Week included the Fusion Festival, a popular event celebrating cultural diversity across the

three campuses. A public talk was given by Dr Norm Sheehan, director of the University's Gnibi College of Indigenous Australian Peoples on *Indigenous Philosophy and Cultures of Dominance*. Panel discussions were also held on the themes of multi-faith dialogue, race and racism and LGBTI (lesbian, gay, bisexual, transgender and intersex) in the regions.

### Plan for 2015

The University's Equity and Diversity Plan 2011-2015 will continue to be implemented and updated for the period 2016-2020. This plan focuses on supporting and promoting an inclusive culture for students and staff that embraces a knowledge of and respect for equity and cultural diversity.

Key activities for 2015 will include:

- Continue to undertake activities to challenge racist attitudes and educate about the detrimental effects of racism as part of the Racism: It Stops With Me campaign.
- Present diversity lectures open to staff, students and the community.
- Continue to develop the content of the English-Chinese bilingual guide to library resources to include academic integrity.
- Continue to offer curricula which are inclusive and considerate of cultural diversity.
- Continue student peer mentoring to support students in the transition to University life across all of the University's academic schools.
- Student welfare will be supported by the provision of a social worker, a financial counsellor and a free lunch and emergency accommodation program.

- Continue with celebrations and recognition of cultural diversity by holding cultural celebrations during the year with staff, students and the community.
- Continue to improve the University's Indigenous and equity profiles.
- Continue to promote a positive culture that is free from discrimination and harassment and recognises and values cultural diversity.
- Continue to offer Equal Opportunity Online training to all staff across the University and as a compulsory component of the induction process for new staff.
- Continue to promote a University 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.

The Southern Cross University  
Multicultural Policies and Services  
Program Report is included at  
*Appendix E*.

# Student feedback and consumer response

## Student Representation Committee

The Student Representation Committee is comprised of elected members from the Lismore, Coffs Harbour and Gold Coast campuses, as well as a postgraduate student, an external student and an international student representative. In addition, the four Student Association presidents are members. The term of office for elected members is two years from 1 January in any year. The Committee normally meets four times per year.

The role of the Student Representation Committee representatives is to:

- develop recommendations for the Vice Chancellor about how the Student Services and Amenities Fee (SSAF) monies should be spent;
- be a recognised means of communication between the student cohort and the University and promote harmonious relations between the student cohort and the University;
- represent the student cohort in matters affecting their educational, social and cultural interests, but excluding those solely or mainly concerned with religious or political interests;
- provide a forum for the dissemination, discussion and debate of information and knowledge about matters of student interest;
- promote the participation of the student cohort in, and the consideration of, matters affecting their interests;
- provide a point of contact for advocacy assistance to the student cohort as required; and
- comply with the *Southern Cross University Act 1993* (NSW), all relevant University rules, policies and procedures and all relevant laws generally.

## Complaints Framework

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

During 2014, 69 complaints in total were received by the Complaints Assistance Officer, 11 were formalised and actioned pursuant to the Complaints Policy. Of these, four complaints were upheld and included recommendations made for changes and improvements to University procedures; six were not upheld and advice and information provided to the complainant as to the reasons for the decision; and one complaint was withdrawn.

## Student Ombud

The *Student Ombud* Policy provides students with a final avenue for internal review if they are unhappy with an earlier decision. During 2014, Student Ombuds were appointed to investigate two complaints. In one matter, the student's claims were partially accepted and the relevant School advised of the findings. In the second matter, while the substantive allegations were not upheld, an apology was offered to the student in light of some delays with the process.

## Academic Appeals

The Academic Board Appeals Committee is a Committee of Academic Board and a University body that assists in assuring quality and integrity in academic outcomes for students by considering potential irregularities in academic assessment and progression processes.

### Academic Appeal Committee Determinations

Appeals	2013	2014
Considered	9	18
Successful	1	1

# Sustainability and Waste

The University continued to demonstrate a strong commitment to environmental sustainability through its campus operations and regional leadership in 2014. The Sustainability, Partnerships and Community Engagement (SPaCE) work unit coordinated sustainability initiatives focused on sustainable education, operations, research and community engagement. In 2014, Southern Cross University continued its successful collaboration with the NSW Government's Sustainability Advantage Program with projects to improve the University's sustainability performance.

## Transport

Ongoing initiatives to enhance workplace productivity and alleviate unnecessary travel further reduced greenhouse gas emissions from the University car fleet by 17 per cent and air travel by 12 per cent from 2013 to 2014. A review and rationalisation of the vehicle fleet and shift to more efficient vehicles also contributed to this reduction.

One of the initial actions under the SCU Transport Improvement Strategy developed in 2013 was to improve the information available to staff and students on how they can get to and from the University's campuses. During 2014 a dedicated web page and application for smartphones and mobile devices were developed and launched to provide a comprehensive hub for travel information including active and sustainable transport options.

## Water Conservation

In 2014 a water audit was conducted at the Lismore campus, subsidised by the Rous Water Blue and Green Business Program. The audit identified opportunities to increase the efficiency of water management and consumption such as the recommissioning of smart sub-metering to identify leakages, monitor and report on consumption (saving 1,500kL per year), and upgrades to infrastructure to reduce consumption. In August aerators were installed in tap fittings to save approximately 900kL per year.

## Waste Management

The NSW Office of Environment and Heritage (OEH) provided support to Southern Cross University in the development of a waste management plan for Lismore campus. As a preliminary step, a site tour and audit of waste infrastructure was conducted in 2014 and the system of waste collection was mapped. The waste management plan, to be developed in 2015, will seek to increase the streams and volumes of waste recovered and decrease the volume of waste to landfill. During 2014, disposal of waste was streamlined to be in line with the WRAPP Reporting Guidelines.

## Renewable Energy

At the Coffs Harbour campus, the University, with partners North Coast TAFE and the Coffs Harbour Senior College, invested in a major new solar power system which feeds into the internal grid for the campus. 387 solar panels were installed on the roof of the library building. The 99-kilowatt system will reduce peak demand for electricity. The implementation of this system was one of the recommendations of an energy audit completed in 2010, which also led to other significant improvements at the campus.

# Governance

## Charter

Southern Cross University was established under the *Southern Cross University Act 1993* (NSW). Section 6 of the Act identifies the object of the University as 'the promotion, within the limits of the University's resources, of scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence'.

Pursuant to Section 6 of the Act, the University has the following principal functions for the promotion of its object:

- (a) The provision of facilities for education and research of university standard, having particular regard to the needs of the North Coast region of the State
- (b) The encouragement of the dissemination, advancement, development and application of knowledge informed by free inquiry
- (c) The provision of courses of study or instruction across a range of fields, and the carrying out of research, to meet the needs of the community
- (d) The participation in public discourse
- (e) The conferring of degrees, including those of Bachelor, Master and Doctor, and the awarding of diplomas, certificates and other awards
- (f) The provision of teaching and learning that engage with advanced knowledge and inquiry
- (g) The development of governance, procedural rules, admission policies, financial arrangements and quality assurance processes that are underpinned by the values and goals referred to in the functions set out in this subsection, and that are sufficient to ensure the integrity of the University's academic programs.

Southern Cross University is governed by a Council to which its Chief Executive Officer, the Vice Chancellor, reports. The major academic body providing advice to Council on academic matters is the Academic Board. The Council, chaired by the Chancellor, has 15 members, including the Vice Chancellor, the Chair of the Academic Board, two members appointed by the Minister, six members appointed by Council (two of whom are University graduates), three elected staff members and one elected student member.



## Organisational Structure

<b>UNIVERSITY COUNCIL</b>	
<b>VICE CHANCELLOR</b>	
Head of Gold Coast campus	Governance Services
Head of Coffs Harbour campus	
<b>SENIOR DEPUTY VICE CHANCELLOR</b>	
School of Arts and Social Sciences	School of Health and Human Sciences
Southern Cross Business School	School of Law and Justice
School of Education	School of Tourism and Hospitality Management
School of Environment, Science and Engineering	SCU College
Gnibi College of Indigenous Australian Peoples	Office of Planning, Quality and Review
<b>DEPUTY VICE CHANCELLOR (EDUCATION)</b>	
Centre for Teaching and Learning	Student Engagement Retention Team (SERT)
Equity and Diversity Office	
Digital Resources Centre	
<b>DEPUTY VICE CHANCELLOR (RESEARCH)</b>	
Office of the Deputy Vice Chancellor (Research)	Southern Cross GeoScience
Research Training Unit	Southern Cross Plant Science
Office of Research	Environmental Analysis Laboratory
<b>PRO VICE CHANCELLOR (INTERNATIONAL AND ENTERPRISE)</b>	
SCU International	
<b>EXECUTIVE DIRECTOR (INFORMATION AND PHYSICAL RESOURCES)</b>	
Technology Services	Facilities Management and Services
University Library	Student Administration Services
<b>EXECUTIVE DIRECTOR (FINANCIAL AND HUMAN RESOURCES)</b>	
Financial and Business Services	
HR Services	
<b>EXECUTIVE DIRECTOR (COMMUNITY AND CORPORATE RELATIONS)</b>	
Development and Alumni Relations	Marketing and Recruitment
Sustainability, Partnership and Community Engagement (SPaCE)	Graduation
Communications and Publications	Future Students Team

## Management and Structure

In 2014, The Hon John Dowd AO QC retired after 12 years as Chancellor of the University. Mr Nick Burton Taylor AM, was installed as the University's fourth Chancellor at a ceremony in September. A number of other members of Council retired after completing their maximum terms.

Chancellor and Chair of Council

**Mr Nick Burton Taylor AM, BEc(Syd), FCA, FFin, FAICD**  
Current term commenced 26 September 2014 and expires 25 September 2018

Deputy Chancellor

**Mr John B. Shanahan MCom(Hons)(NSW), FCA, MAICD, SF Fin**  
Council appointed member  
Current term expires 17 February 2017

Vice Chancellor

**Professor Peter Lee FTSE, BE(Chem)(RMIT), PhD(Monash)**

Chair of Academic Board

**Professor John Jenkins AssocDipHort(HAC), BA(Hons)(NE), PhD(UNE)**  
Current term expires December 2015

**Dr Austin Curtin MB BS(Syd), FRACS**

Council appointed member  
Current term commenced 12 September 2014 and expires 11 September 2018

**Professor William Boyd BSc(Hons)(StAnd), MEdLead(HigherEd)(MACQU), DSc(StAnd), PhD(Glas)**

Elected member of academic staff  
Current term expires 9 September 2016

**Mr Murray d'Almeida**

Ministerially appointed member  
Current term commenced 1 February 2014 and expires 31 December 2017

**Mr Neale Genge BBus (SCU) MPA (SCU)**

Council appointed member (Graduate)  
Current term commenced 10 November 2014 and expires 9 November 2018

**Ms Julie Granger LLM BA LLB(Hons)(SCU)**

Council appointed member  
Current term expires 9 November 2018

**Ms Rebecca Hennes**

Elected member – student  
Current term commenced 10 September 2014 and expires 9 September 2016

**Ms Toni Ledgerwood ADipAppSc(LibTech)(ECU)**

Elected member – non-academic staff  
Current term commenced 10 September 2014 and expires 9 September 2016

**Mr Anthony Matis BBus (SCU), FCPA**

Council appointed member (Graduate)  
Current term expires 9 November 2018

**Ms Elizabeth Ruthnam RN, SCM, MA(Glasgow), DipAdvNsc(SA), DipPrMgt(UNE), FACN**

Ministerially appointed member  
Current term commenced 1 February 2014 and expires 31 December 2017

**Ms Margot Sweeny MEc(NE), BBus(NRCAE) CPA, SA Fin, FAMI, MACS CT, JP**

Council appointed member  
Current term expires 17 February 2017

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

Elected member – academic staff  
Current term commenced 10 September 2014 and expires 9 September 2016

Council Secretary

**Ms Brenda Gradwell BintBus(Griff), GradDipIndLang(Griff)**

### The following members' appointments concluded during 2014

Chancellor and Chair of Council

**The Hon John Robert Arthur Dowd AO QC, LLB(Syd)**  
Term expired 25 September 2014

Deputy Chancellor

**Mr Trevor Wilson BSc(Griff), DipIntBus(UNSW Global)**  
Ministerial appointment  
Term expired 2 September 2014

**Mr Neville Newell**

Ministerial appointment  
Term expired 2 September 2014

**Mr Matthew Newell**

Elected member – student  
Term expired 9 September 2014

**Dr Nicole Rice PhD(Syd), B.Sc.(Agr.)(Hons), GradCertMgt(SCU)**

Elected member – non-academic staff  
Term expired 9 September 2014

**Dr Amanda Reichelt-Brushett BAppSc(UNE NR), MSc(JCU), PhD(SCU)**

Elected member – academic staff  
Term expired 9 September 2014

**Ms Janelle Anne Saffin DipT(NRCAE), BLegS(Macq)**

Ministerial appointment  
Term expired 2 September 2014

Council attendance is included at *Appendix F*.

## Executive Officers

### Vice Chancellor

Professor Peter Lee FTSE BE(Chem)(RMIT), PhD(Monash)

### Senior Deputy Vice Chancellor

Professor William MacGillivray BSc, PhD(Qld)

### Deputy Vice Chancellor (Research)

Professor Geraldine Mackenzie LLB(QIT), LLM(QUT), PhD(UNSW), Barrister-at-law, FAIM, FQA (commenced at SCU on August 18, 2014).

### Deputy Vice Chancellor (Education)

Professor Andrew McAuley BA(Hons) PhD (Nottm) MAM MCIM

### Pro Vice Chancellor (International and Enterprise)

Mr Chris Patton BA(UBC), MA(Guelph)

### Executive Director, Community and Corporate Relations

Ms Helen Hughes BA(Qld)

### Executive Director, Information and Physical Resources

Mr Allan Morris GradDipInfoTech(Monash)

### Executive Director, Financial and Human Resources

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

### Pro Vice Chancellor (Research)

Professor Neal Ryan, BSc, MSc, MPhil, PhD(Griffith) (ceased employment with SCU on February 28, 2014)

## Legal Change

### New legislation and changes to legislation

Pursuant to the *Annual Report (Statutory Bodies) Regulation 2010* (NSW), the University is required to report on changes to Acts and subordinate legislation and significant judicial decisions affecting the University or users of the services provided by the University.

#### *Southern Cross University Act 1993*

In 2014, the *Southern Cross University Act 1993* (the "SCU Act") was amended pursuant to the *Universities Legislation Amendment (Regulatory Reforms) Act No. 43*.

#### *Universities Legislation Amendment (Regulatory Reforms) Act No. 43*

The *Universities Legislation Amendment (Regulatory Reforms) Act No. 43* (NSW) amended the SCU Act by reducing the degree of direct regulation by the Government regarding key aspects of financial management, land dealings and University Council election procedures.

In particular, the following amendments were enacted:

- i. The removal of the requirement for the Governor on the recommendation of the Treasurer to approve borrowings by the University;
- ii. The removal of the requirement for the Minister for Education with the concurrence of the Treasurer to approve University investment powers;
- iii. The University is specifically authorised to generate revenue for the purpose of funding the promotion of its object and the carrying out of its principal functions;
- iv. The removal of the requirement for the Treasurer on the recommendation of the Minister for Education to approve fund managers;
- v. The removal of the requirement for the Minister for Education on the advice of the Treasurer to approve guidelines for commercial activities carried on by the University;
- vi. The requirement for the Minister for Education to approve the sale, encumbrance or lease for more than 21 years of University land is removed. SCU now only needs to gain approval where the land concerned was granted, transferred or sold at nominal or less than market value to the University by the State, or is the lease of any land acquired from the State for a term of more than 21 years;

- vii. The limitation preventing the University from leasing certain land vested in the Crown which is under the University's control and management for more than 21 years is removed and replaced with a requirement permitting leases for more than 21 years with the approval of the Minister for Education, and
- viii. SCU is empowered to delegate to the governing body of the University the power to make rules concerning procedures for elections to that body instead of them being prescribed by the by-laws.

*Universities Governing Bodies (Southern Cross University) Order 2015*

Section 4 of the *Universities Governing Bodies Act 2001* (the "UGB Act") permits the University Council to displace the replaceable provisions of the SCU Act with the standard governing body provisions set out in Schedule 1 of the UGB Act. On 1 August 2014, Council of the University passed a governing body resolution in accordance with the SCU Act and the UGB Act to displace the replaceable provisions and to establish the composition of University Council as follows:

Official members	3
Ministerially appointed members	2
Council appointed members	6
Elected members – academic staff	2
Elected member – non-academic staff	1
Elected member – student	1

Two of the six 'Council appointed members' are to be external persons who are graduates of the University.

The *Universities Governing Bodies (Southern Cross University) Order 2015* will give effect to the proposed changes on the day that the Order is published on the NSW legislation website.

*Privacy Act 1988 (Cth)*

The amendments to the *Privacy Act 1988 (Cth)* as foreshadowed in the *Privacy Amendment (Enhancing Privacy Protection) Act 2012 (Cth)* commenced on 12 March 2014. The amendments replaced the National Privacy Principles (NPPs) with the Australian Privacy Principles (APPs). The University's Privacy Management Plan was amended to take the changes into account.

## Privacy and Personal Information

The *Annual Report (Statutory Bodies) Regulation 2010 (NSW)* requires the University to report on the action taken in complying with the requirements of the *Privacy and Personal Information Protection Act 1998 (NSW)* ("PPIP Act") and to provide statistical details of any review conducted by or on behalf of the University under Part 5 of the PPIP Act.

The steps that the University has taken during 2014 to ensure compliance with PPIP Act include:

- i. updating privacy collection notices for sections of the University;
- ii. undertaking a staff information session on the operation of the PIPP Act; and
- iii. providing privacy advice and information to members of the University community.

During 2014 the University appointed a dedicated Privacy Officer to assist the University to comply with the provisions of the PIPP Act. The Privacy Officer function continues to be conducted from within the University Legal Office.

The University's Privacy Management Plan (the "Plan"), which is published on the University's website ([www.scu.edu.au/privacy](http://www.scu.edu.au/privacy)), sets out the University's privacy practices including for the collection, handling, use, storage and disclosure of personal information. The Plan was formally updated in 2014.

The University received six (6) reviews under Part 5 of the PPIP Act in the 2014 calendar year and, at time of this report, one review was ongoing. Four of the five completed reviews were withdrawn by the applicant on the basis that they were satisfied that the University had adequately dealt with the underlying substance of their request. In the remaining review, the University overturned its initial decision and released information to the applicant.

The University communicated with the Office of the Information and Privacy Commissioner in relation to the review process.

## Government Information and Public Access

### Program for the release of information

The *Government Information (Public Access) Act 2009* (NSW) (“GIPA Act”) requires the University to review, at least annually, its program for the release of information that is in the public interest to be made publicly available without imposing unreasonable additional costs on the University. The *Government Information (Public Access) Regulation 2010* (NSW) requires that details of this review be included in the University’s annual report.

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 as possible regarding the University’s affairs is publicly available or accessible through administrative mechanisms.

During 2014, the University provided a submission to the Information Privacy Commissioner in relation to a review of the GIPA Act. As part of the review, the University assessed practical and legal considerations in relation to compliance. No further information was made publicly available as a result of the review.

### Number of access applications received

In 2014, the University received nine (9) valid applications under the GIPA Act. Statistical information relating to the number and type of valid and invalid applications received by the University within the reporting period is provided in *Appendix G* to this Annual Report.

The University did not refuse any applications on the basis that the subject matter of the information requested fell within the categories of information described in Schedule 1 of the GIPA Act (i.e. information for which there is conclusive presumption of overriding public interest against disclosure).

## Public Interest Disclosures

The *Public Interest Disclosures Act 1994* (NSW) (“PID Act”) sets in place a system to encourage public officials to report serious wrongdoing. Under section 6D of the PID Act, public authorities are required to have policies and procedures for receiving, assessing and dealing with reports of wrongdoing. The University is a public authority for the purposes of the PID Act and the Public Interest Disclosures Policy satisfies this requirement.

Public authorities are required to report annually to Parliament on their obligations under Section 31 of the PID Act.

Accordingly, the following is the University’s report for 2014:

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

The Vice Chancellor, as the Chief Executive Officer of the University, discharged his obligations under section 6E(1)(b) of the PID Act with regard to staff awareness by ensuring that, amongst other things:

- i. The University’s Public Interests Disclosure Policy and Framework was updated. The Policy and Framework were available to staff on the University’s intranet and internet;
- ii. Staff attended training provided by the Independent Commission Against Corruption (ICAC) which included information on reporting through public interests disclosures;
- iii. Information received from Ombudsman New South Wales relating to reporting under the PID Act was made available to staff attending training.

## Risk Management

Oversight of the University's Risk Management Policy and procedures is provided by the University Council's Audit and Risk Management Committee, ensuring the effective governance of risk management.

The University effectively identifies and manages 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, where appropriate, action plans for the mitigation of unacceptably high risks developed. High and emerging strategic risks are reviewed regularly by Executive.

The annual operational planning process incorporates consideration of operational risks and Organisational Unit Heads also report to University Council's Audit and Risk Management Committee on a rotational basis regarding operational risk management for their respective Units.

A Risk Management Report is provided to the University Council for each of its meetings.

Implementation of the Risk Management Action Plan, developed in the second half of 2013 as part of a review of the Risk Management Framework, continued during 2014.

## Insurance

The University established the following forms of insurance cover in 2014:

- Property
- General & Products Liability (including Casual Hirers Liability)
- Professional Liability
- Medical Malpractice
- Clinical Trials
- Cyber Liability (from November)
- Environmental Liability (from November)
- Motor Vehicle
- Corporate Travel
- Marine Hull
- Group Personal Injury
- Workers' Compensation
- Marine Transit

Premiums for the University's core protections decreased notwithstanding an increase in total property value and some increased levels of cover.

Premiums for ancillary classes also decreased for the 2014/15 protection period.

The University's claims record remains very good, however, risk management and the structure of the insurance portfolio continued to be areas of focus. New and emerging risks and the degree to which the University is exposed to such risks have been taken into account when determining the limits of insurance, policy deductibles and classes of cover during the annual renewal process.

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

The Voluntary Code of Best Practice for the Governance of Australian Universities (The Code) was approved by the Ministerial Council for Tertiary Education and Employment in 2011. The Code details the best practice requirements for University governance. Southern Cross University has adopted The Code and regularly monitors its standing against all aspects of The Code.

# Financial and Business Services

Southern Cross University and its controlled entities (the economic entity) is comprised of the following:

- Southern Cross University
- Norsesearch Limited

Norsesearch Limited's objective is to provide services and amenities to students and staff of the University. Its principal activities are to provide a licenced bar and on-campus catering service; gymnasium and pool; and conference facilities.

The Financial Statements include the audited financial statements for the economic entity.

## Review of Operations

Southern Cross University and its controlled entities (Norsesearch Ltd) reported a consolidated positive net result of \$13.1 million for the year ending 31 December 2014 (2013 negative \$6.6 million loss). The University reported a positive net result of \$13.2 million (2013 negative \$6.3 million). Norsesearch Ltd reported a negative net result of \$110,190 (2013: negative \$293,041) from its operations which principally provide on campus student services and amenities.

The 2014 financial performance included \$21.1 million (2013 \$9.2m) in non-recurrent grant revenue for refurbishing the science and engineering precinct; the continued roll out of the Personal Learning Environment and the new Learning Centre at Lismore. Removing the non-recurring capital income, and other associated expenditure of \$0.3m, the base operating loss for the University was -\$7.6m (2013 was -\$15.1m), demonstrating the positive impact of decisions taken by management over the past 18 months to improve financial performance.

Total consolidated revenue from continuing operations was \$212.1m reflecting an increase of 9.9% on 2013. The increase in revenue and flow-on to the net result was driven primarily by higher Australian Commonwealth Grants, including the Diversity and Structural Adjustment Fund, Education Investment Fund and the Commonwealth Grant scheme. Revenue from fee paying overseas students increased by more than 37% as demand for onshore enrolments rose at the Gold Coast campus and with courses offered through education collaborations.

Consolidated expenses from continuing operations increased by 3.7% on 2013. Employee costs reduced by 4.5% due to lower staff numbers and redundancy costs related to cost saving measures introduced in the second half of 2013. Other expenses increased by \$4.2m from prior year due to higher international recruitment commissions, an increase in the revenue share paid to education collaborations related to higher enrolments and software enhancements related to student retention initiatives.

Capital expenditure was \$25.8m, an increase of \$9m over 2013 representing the ramp-up of construction of the Commonwealth funded Learning Centre at Lismore campus which is due for completion in early 2015.

## Investment Performance

The University's investment funds of \$27 million as at 31st December 2014 were made up of cash investments (maturing 32 days or less).

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

Cash Investments	3.42%
TCorp Hourglass Facility – Cash	1.40%

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.

## Credit Card Certification

During the 2014 financial year, credit card use was in accordance with both the University's Corporate Credit Card policy and Purchasing policy. These policies are themselves based on the requirements of the New South Wales Treasury.

Credit Card use within the University is largely limited to work related travel expenses and accommodation and for expenses where the use of credit cards represents a more efficient process.

Card holders are required to sign a declaration that their obligations and duties in relation to the use of credit cards have been explained to them before a credit card is issued. Those issued with a credit card can review their expenses on a daily basis via the University's expense management system. On a monthly basis, card holders are required to verify and certify that expenses were for official University business. At this time electronic copies of tax invoices must be attached and matched to the expense report as required and authorised by delegated officers in accordance with the University's Delegation Register. The University follows a strict process of reporting of credit cards where they are used outside of policy.

## Payment of Accounts

The University's payment terms in respect of its creditors are 30 days. In 2014, 76 per cent of invoices were paid in accordance with these terms. No interest was incurred during 2014.

## Land Disposal

The University disposed of its property located at 21 Brett Street, Tweed Heads during 2014 to Tweed Heads Shire Council for cash proceeds of \$5,815,940. The property was sold as a result of the consolidation of the Gold Coast campus. The proceeds from the sale were applied to the continued development of the Gold Coast campus. Access to documents relating to the disposal of 21 Brett Street, Tweed Heads can be obtained under the *Government Information (Public Access) Act 2009*.

## Travel

The University spent \$4.4 million on travel and related staff development and training in 2014 compared to \$4.5 million in 2013 and \$5.5 million in 2012. The travel was undertaken for a wide range of purposes including the promotion and marketing of the University and specific programs, visits to overseas collaborators and the development of new collaborations, the attendance and presentation of research papers at international and domestic conferences, and research and teaching at affiliated universities.

## Consultants

The University engaged a range of consultants to provide recommendations or high level specialist or professional advice to assist in decision making by management. Table 1 lists the consultancies that were engaged by the University and the fees paid for their services during the year ended 31 December 2014. Table 2 lists those consultants costing greater than \$50,000. Most consultants were funded from the Commonwealth Funding received for the major projects including: Learning Centre Lismore, Personal Learning Environment and Engineering Refurbishment.

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

Consultancy	No.	\$s
Information Technology	3	91,716
Management Services	3	55,829
Environmental Services	2	12,750
Engineering Services	19	121,418
<b>Total consultancies costing less than \$50,000</b>		<b>281,713</b>

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

Consultant Name	Description	\$s
Aarnet	Project management services for the rollout of the upgrade of audio visual equipment.	90,573
UXC Connect Pty Ltd	Project management services for the Unified Threat Management Project	142,006
Department of Forests Vanuatu	Consulting services for the Developing Country Partner Initiative	82,041
Newton Denny Chappelle Surveyors	Data Centre town planning and Learning Centre detailed survey	72,016
Land & Fire Assessment	Preparation of reports and project management services of Gold Coast campus Building C	53,745
GHD Pty Ltd	Consulting services in relation to the Learning Centre landscape concept design	59,084
<b>Total consultancies costing more than \$50,000</b>		<b>499,465</b>



**Southern Cross University**  
**Statement of Comprehensive Income**

**Actual**      **Budget**      **Budget**  
**2014**      **2014**      **2015**  
**\$,000**      **\$,000**      **\$,000**

**Income from continuing operations**

Australian Government financial assistance			
Australian Government grants	115,171	117,717	110,434
HELP - Australian Government payment	52,414	50,817	48,006
State and local government financial assistance	926	-	1,267
HECS-HELP - student payment	2,542	3,170	2,650
Fees and charges	23,757	25,148	28,903
Investment revenue	1,161	381	666
Royalties, trademarks and licences	563	-	551
Consultancy and contracts	5,196	4,011	4,881
Other revenue	9,455	11,169	8,449

**Total revenue from continuing operations**      **211,185**      **212,413**      **205,807**

Gain on disposal of assets	-	-	-
Share of profit on investments accounted for using the equity method	(9)	-	-
Contributions received for Superannuation schemes	909	-	-
Gain on foreign exchange differences	51	-	-

**Total revenue and income from continuing operations**      **212,136**      **212,413**      **205,807**

**Expenses from continuing operations**

Employee related expenses	123,121	127,831	124,842
Depreciation and amortisation	10,845	10,598	13,246
Repairs and maintenance	2,544	3,346	2,870
Borrowing costs	1,326	2,200	1,800
Impairment of assets	1,937	-	-
Loss on disposal of assets	869	-	-
Deferred superannuation expense	116	-	-
Other expenses	58,251	58,962	62,549

**Total expenses from continuing operations**      **199,009**      **202,937**      **205,307**

**Net result from continuing operations**      **13,127**      **9,475**      **500**

**Net result attributable to members of Southern Cross University**      **13,127**      **9,475**      **500**

Southern Cross University Statement of financial position	Actual 2014 \$,000	Budget 2014 \$,000	Budget 2015 \$,000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	28,981	12,382	11,088
Trade and other receivables	8,688	8,586	10,151
Inventories	25	-	-
Other assets	2,775	3,339	3,321
Non-current assets held for sale	720	-	-
<b>Total current assets</b>	<b>41,189</b>	<b>24,307</b>	<b>24,560</b>
<b>Non-current assets</b>			
Trade and other receivables	81,416	71,966	53,052
Investments accounted for using the equity method	322	-	-
Property, plant and equipment	238,058	273,464	266,713
Investment property	-	825	1,100
Intangible assets	323	1,389	467
<b>Total non-current assets</b>	<b>320,119</b>	<b>347,644</b>	<b>321,332</b>
<b>Total assets</b>	<b>361,308</b>	<b>371,951</b>	<b>345,892</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14,244	12,513	9,034
Borrowings	2,440	2,440	2,440
Provisions	21,713	23,688	22,962
Other liabilities	11,877	5,900	7,898
<b>Total current liabilities</b>	<b>50,274</b>	<b>44,541</b>	<b>42,334</b>
<b>Non-current liabilities</b>			
Borrowings	9,900	38,900	30,460
Provisions	84,046	73,617	58,487
Other financial liabilities	414	-	-
<b>Total non-current liabilities</b>	<b>94,360</b>	<b>112,517</b>	<b>88,947</b>
<b>Total liabilities</b>	<b>144,634</b>	<b>157,058</b>	<b>131,281</b>
<b>Net assets</b>	<b>216,674</b>	<b>214,893</b>	<b>214,611</b>
<b>Equity</b>			
<b>Total equity</b>	<b>216,674</b>	<b>214,893</b>	<b>214,611</b>

# Southern Cross University and Controlled Entities

ABN 41 995 651 524

## Financial Statements for the 2014 Reporting Period

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## Financial Statements for the 2014 Reporting Period

### Contents

31 December 2014

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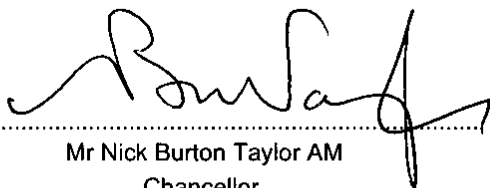
## Statement by the Members of Council

31 December 2014

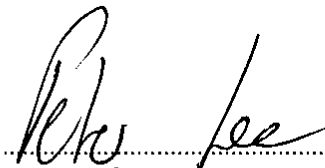
In accordance with a resolution of the Council of Southern Cross University and pursuant to Section 41 C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that:

- (a) The financial statements of Southern Cross University exhibit a true and fair view of the financial position as at 31 December 2014 and financial performance of the University for the financial year ended on that date;
- (b) The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Southern Cross University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure;
- (c) The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory professional reporting requirements, the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010*, *Australian Charities and Not-for-profits Commission Act (2012)*, *Australian Charities and Not-for-profits Commission Regulation 2013* and the Financial Statement Guidelines for Australian Higher Education Providers 2014;
- (d) Southern Cross University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines under the Act. Revenue from the fees was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19 clause 38 (4) of the Act.

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



Mr Nick Burton Taylor AM  
Chancellor



Professor Peter Lee  
Vice Chancellor

Dated 17 April 2015

## Statement of Comprehensive Income

For the Year Ended 31 December 2014

	Note	Consolidated		Parent	
		2014 000's \$	2013 Restated* 000's \$	2014 000's \$	2013 Restated* 000's \$
<b>Net result from continuing operations</b>		13,127	(6,570)	13,243	(6,272)
<b>Items that will not be reclassified to profit or loss</b>					
Actuarial changes for defined benefit schemes	42(e)	(397)	325	(397)	325
<b>Total comprehensive income</b>		<b>12,730</b>	<b>(6,245)</b>	<b>12,846</b>	<b>(5,947)</b>

\*See note 39 for details about restatements arising from changes in accounting policies.

The accompanying notes form part of these financial statements.

## Income Statement

For the Year Ended 31 December 2014

	Note	Consolidated		Parent	
		2014 000's \$	2013 Restated* 000's \$	2014 000's \$	2013 Restated* 000's \$
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	115,171	104,195	115,171	104,195
HELP - Australian Government Payments	2	52,414	49,152	52,414	49,152
State and local Government financial assistance	3	926	1,851	926	1,851
HECS-HELP - Student Payments		2,542	2,838	2,542	2,838
Fees and charges	4	23,757	18,571	23,757	18,571
Investment revenue	5	1,161	686	1,160	684
Royalties, trademarks and licences	6	563	553	563	553
Consultancy and contracts	7	5,196	5,948	5,196	5,948
Other revenue	8	9,455	8,866	8,330	7,738
<b>Total income from continuing operations</b>		<b>211,185</b>	<b>192,660</b>	<b>210,059</b>	<b>191,530</b>
Share of profit on investments accounted for using the equity method	20	(9)	(6)	-	-
Contributions received for superannuation schemes	42(d)	909	-	909	-
Gain on exchange differences		51	99	51	99
<b>Total revenue and income from continuing operations</b>		<b>212,136</b>	<b>192,753</b>	<b>211,019</b>	<b>191,629</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	9	123,121	128,786	122,043	127,560
Depreciation and amortisation	10	10,845	10,319	10,842	10,315
Repairs and maintenance	11	2,544	2,556	2,544	2,550
Borrowing costs	12	1,326	447	1,326	447
Impairment of assets	13	1,937	2,247	1,937	2,247
Losses on disposal of assets		869	829	869	829
Deferred superannuation expense	42(e)	116	110	116	110
Other expenses	14	58,251	54,029	58,099	53,843
<b>Total expenses from continuing operations</b>		<b>199,009</b>	<b>199,323</b>	<b>197,776</b>	<b>197,901</b>
<b>Net result from continuing operations</b>		<b>13,127</b>	<b>(6,570)</b>	<b>13,243</b>	<b>(6,272)</b>

\*See note 39 for details about restatements arising from changes in accounting policies.

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As At 31 December 2014

	Note	Consolidated			Parent		
		2014 000's \$	2013 Restated* 000's \$	1 January 2013 Restated* 000's \$	2014 000's \$	2013 Restated* 000's \$	1 January 2013 Restated* 000's \$
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	15	28,981	19,196	12,832	28,911	19,134	12,762
Receivables	16	8,688	13,620	7,886	9,645	14,522	8,449
Inventories	17	25	26	35	10	6	9
Other non-financial assets	19	2,775	3,329	3,254	2,769	3,327	3,254
Non-current assets classified as held for sale	18	720	-	-	720	-	-
<b>Total current assets</b>		<b>41,189</b>	<b>36,171</b>	<b>24,007</b>	<b>42,055</b>	<b>36,989</b>	<b>24,474</b>
<b>Non-current assets</b>							
Receivables	16	81,416	53,052	66,388	81,416	53,052	66,388
Investments accounted for using the equity method	20	322	331	337	175	175	175
Property, plant and equipment	22	238,058	230,178	226,609	238,045	230,164	226,592
Investment properties	21	-	825	1,000	-	825	1,000
Intangible assets	23	323	467	1,539	323	467	1,539
<b>Total non-current assets</b>		<b>320,119</b>	<b>284,853</b>	<b>295,873</b>	<b>319,959</b>	<b>284,683</b>	<b>295,694</b>
<b>Total assets</b>		<b>361,308</b>	<b>321,024</b>	<b>319,880</b>	<b>362,014</b>	<b>321,672</b>	<b>320,168</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Trade and other payables	24	14,244	10,952	11,962	14,149	10,867	11,872
Borrowings	25	2,440	2,440	-	2,440	2,440	-
Provisions	26	21,713	21,692	22,328	21,658	21,646	22,215
Other liabilities	28	11,877	7,967	6,010	11,839	7,968	6,002
<b>Total current liabilities</b>		<b>50,274</b>	<b>43,051</b>	<b>40,300</b>	<b>50,086</b>	<b>42,921</b>	<b>40,089</b>
<b>Non-current liabilities</b>							
Borrowings	25	9,900	18,340	-	9,900	18,340	-
Provisions	26	84,046	55,689	69,391	84,027	55,670	69,391
Other financial liabilities	27	414	-	-	414	-	-
<b>Total non-current liabilities</b>		<b>94,360</b>	<b>74,029</b>	<b>69,391</b>	<b>94,341</b>	<b>74,010</b>	<b>69,391</b>
<b>Total liabilities</b>		<b>144,634</b>	<b>117,080</b>	<b>109,691</b>	<b>144,427</b>	<b>116,931</b>	<b>109,480</b>
<b>Net assets</b>		<b>216,674</b>	<b>203,944</b>	<b>210,189</b>	<b>217,587</b>	<b>204,741</b>	<b>210,688</b>
<b>Equity</b>							
Retained earnings	29	216,674	203,944	210,189	217,587	204,741	210,688
<b>Total equity</b>		<b>216,674</b>	<b>203,944</b>	<b>210,189</b>	<b>217,587</b>	<b>204,741</b>	<b>210,688</b>

\*See note 39 for details about restatements arising from changes in accounting policies.

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

### For the Year Ended 31 December 2014

	Parent	
	Retained Earnings	Total
	000's	000's
	\$	\$
<b>Balance at 1 January 2013</b>	<b>210,165</b>	<b>210,165</b>
Restatements*	39 523	523
<b>Balance as restated</b>	<b>210,688</b>	<b>210,688</b>
Net result for the year	(6,272)	(6,272)
Other comprehensive income	325	325
<b>Balance at 31 December 2013</b>	<b>204,741</b>	<b>204,741</b>
<b>Balance at 1 January 2014</b>	<b>204,741</b>	<b>204,741</b>
Net operating result	13,243	13,243
Other comprehensive income	(397)	(397)
<b>Balance at 31 December 2014</b>	<b>217,587</b>	<b>217,587</b>

	Consolidated	
	Retained Earnings	Total
	000's	000's
	\$	\$
<b>Balance at 1 January 2013</b>	<b>207,991</b>	<b>207,991</b>
Restatements*	39 2,198	2,198
<b>Balance as restated</b>	<b>210,189</b>	<b>210,189</b>
Net result for the year	(6,570)	(6,570)
Other comprehensive income	325	325
<b>Balance at 31 December 2013</b>	<b>203,944</b>	<b>203,944</b>
<b>Balance at 1 January 2014</b>	<b>203,944</b>	<b>203,944</b>
Net operating result	13,127	13,127
Other comprehensive income	(397)	(397)
<b>Balance at 31 December 2014</b>	<b>216,674</b>	<b>216,674</b>

\*See note 39 for details about restatements arising from changes in accounting policies.

## Statement of Cash Flows

### For the Year Ended 31 December 2014

	Note	Consolidated		Parent	
		2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Cash flows from operating activities:</b>					
Australian Government Grants	2(h)	173,687	146,347	173,687	146,347
OS-HELP (net)	2(h)	427	(167)	427	(167)
State Government Grants		1,623	2,321	1,623	2,321
HECS-HELP - Student payments		3,541	2,168	3,541	2,168
Receipts from student fees and other customers		40,934	39,266	39,600	37,686
Payments to suppliers and employees		(187,261)	(192,021)	(186,015)	(190,500)
Interest received		1,168	699	1,167	697
Interest paid		(898)	(402)	(898)	(402)
GST recovered/paid		4,641	3,585	4,720	3,654
<b>Net cash provided by operating activities</b>	38	<b>37,862</b>	<b>1,796</b>	<b>37,852</b>	<b>1,804</b>
<b>Cash flows from investing activities:</b>					
Proceeds from sale of property, plant and equipment		6,141	557	6,141	557
Payments for property, plant and equipment		(25,778)	(16,769)	(25,776)	(16,769)
<b>Net cash used in investing activities</b>		<b>(19,637)</b>	<b>(16,212)</b>	<b>(19,635)</b>	<b>(16,212)</b>
<b>Cash flows from financing activities:</b>					
Proceeds from borrowings		-	22,000	-	22,000
Repayment of borrowings		(8,440)	(1,220)	(8,440)	(1,220)
<b>Net cash provided by/(used in) financing activities</b>		<b>(8,440)</b>	<b>20,780</b>	<b>(8,440)</b>	<b>20,780</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>9,785</b>	<b>6,364</b>	<b>9,777</b>	<b>6,372</b>
Cash and cash equivalents at beginning of financial year		19,196	12,832	19,134	12,762
<b>Cash and cash equivalents at end of financial year</b>	15	<b>28,981</b>	<b>19,196</b>	<b>28,911</b>	<b>19,134</b>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been applied for all years reported unless otherwise stated.

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

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

##### (a) Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of Southern Cross University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

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

- *Higher Education Support Act 2003 (Financial Statement Guidelines)*
- *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010*
- *Australian Charities and Not-for-profits Commission Act (2012).*

Southern Cross University is a not-for-profit entity and these financial statements have been prepared on that basis. The Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS) and to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impact is in the following accounting treatments:

- the offsetting of impairment losses within a class of assets
- the timing of the recognition of non-reciprocal revenue.

##### *Date of authorisation for issue*

The financial statements were authorised for issue by the members of Southern Cross University on 17 April 2015.

##### *Historical cost convention*

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

##### *Critical accounting estimates*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Southern Cross University's accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (a) Basis of Preparation (continued)

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

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

##### (b) Principles of Consolidation

###### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Southern Cross University ('parent entity') as at 31 December 2014 and the results of all subsidiaries for the year then ended. Southern Cross University and its subsidiary together are referred to in this financial report as the University or the Consolidated Entity.

Subsidiaries are all those entities (including structured entities) over which the University has control. The University has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the University has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

Intercompany transactions, balances and unrealised gains on transactions between University 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 University.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

###### (ii) Associates

Associates are all entities over which the University 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 University's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 20).

The University'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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (b) Principles of Consolidation (continued)

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

##### *(iii) Joint arrangements*

###### Joint operations

The proportionate interests in the assets, liabilities and expenses of a joint operation have been incorporated into the financial statements under the appropriate headings. Details of the joint operation are set out in note 36.

###### Joint ventures

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 statement of comprehensive income and statement of changes in equity.

##### (c) Foreign currency translation

##### *(i) Functional and presentation currency*

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

##### *(ii) Transactions and balances*

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

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in the net result, translation gains or losses are also recognised in the net result.

##### (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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (d) Revenue Recognition (continued)

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and specific criteria have been met for each of the University'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 University 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:

##### (i) Government Grants

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

##### (ii) HELP payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the revenue recognition policy above.

##### (iii) 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 receipts are 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.

##### (iv) Royalties, trademarks and licences

Revenue from royalties, trademarks and licences is recognised as income when earned.

##### (v) Consultancy and contracts

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.

##### (e) Leases

Leases of property, plant and equipment where the University, as lessee, 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 short-term and 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.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 33). 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (f) Impairment of non-financial assets

At the end of each reporting period the University determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in net result.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

##### (g) Cash and cash equivalents

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

##### (h) 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 University 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 90 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 receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

##### (i) Inventories

Finished goods are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

##### (j) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (j) Non-current assets held for sale (continued)

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

#### (k) Investments and other financial assets

##### Classification

The University classifies its investments into loans and receivables and held-to-maturity investments.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

##### *(i) 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 twelve months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

##### *(ii) Held-to-maturity investments*

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

##### *(iii) Other financial assets*

Other financial assets are shares held in unlisted entities where there is no active market. Southern Cross University holds 10,000 of 380,000 fully ordinary paid shares in Education Australia Limited at cost. Education Australia Limited is a company owned by 38 Australian universities (in equal shares) which holds a 50% shareholding in IDP Education Pty Ltd. The remaining 50% shareholding in IDP Education Pty Ltd is held by Seek Limited.

##### Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

##### Impairment

The University assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses recognised in the income statement on loans and receivables and held-to-maturity investments are reversed through the income statement where objective evidence exists indicating they are no longer impaired.



## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (l) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The University designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

##### (i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'.

However, when the forecast cash flow that is hedged, results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously recognised in other comprehensive income are either reclassified as a reclassification adjustment to the income statement or are included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

##### (ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or borrowing costs.

##### (m) Fair value measurement

The fair value of certain assets and liabilities must be measured for recognition and disclosure purposes.

The University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1). The quoted market price used for assets held by the University is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter-derivatives) is determined using valuation techniques.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (m) Fair value measurement (continued)

The University 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 (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The University considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

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 University for similar financial instruments.

##### (n) Property, Plant and Equipment

All property, plant and equipment items are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 occurs either when the item is acquired or as a consequence of having used the item 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 University 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.

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:

Class	2014	2013
Buildings	10-60	10-60
Plant and equipment	2-30	2-30
Improvements	5	5
Infrastructure	7-70	7-70
Library collections	5	5

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (n) Property, Plant and Equipment (continued)

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.

##### (o) Intangible Assets

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between two and five years.

##### (p) Trade and other payables

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

##### (q) Borrowings

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

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

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

##### (r) 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.

##### (s) Provisions

Provisions for legal claims and service warranties are recognised when the University 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 can be 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 reporting date.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (s) Provisions (continued)

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 changes in the discount rate and the passage of time are recognised as a finance cost.

##### (t) Employee benefits

###### (i) Short-term obligations

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

###### (ii) Other long-term obligations

The liability for other long-term benefits is recognised in current provisions for employee benefits if they are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

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

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

###### (iii) Retirement benefit obligations

All employees of the University are entitled to benefits on retirement, disability or death from the University's superannuation plan. The University has a defined benefit section and 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 University companies and the University'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 University's plan.

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (t) Employee benefits (continued)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the statement of financial position.

Past service costs are recognised in income immediately.

Contributions to the defined contributions section of Southern Cross University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

##### *(iv) Termination Benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

The University recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 that involves the payment of termination benefits. The expense and liability are recognised when the university 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. Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within twelve months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before twelve months after the end of the reporting period are discounted to present value.

##### *(v) Deferred government benefit for 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 (Education), the effects of the unfunded superannuation liabilities of Southern Cross University and its controlled entities were recorded in the income statement and the statement of financial position 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 2014.

These schemes include the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS).

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.

The arrangement is evidenced by the *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the statement of financial position under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not effect the year end net asset position of the University. For specific disclosures refer to note 42.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (u) Goods and Services Tax (GST)

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

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

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

##### (v) Investment property

Investment properties exclude properties held to meet service delivery objectives of Southern Cross University.

Investment properties are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable the future economic benefits in excess of the originally assessed performance of the asset will flow to Southern Cross University. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the date of acquisition.

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties. The investment properties are depreciated on a straight line basis over 40 years.

##### (w) Comparative Amounts

Comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year and to ensure compliance with the *Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period*, as published by the Department of Education.

Subsequent to 31 December 2013, the University conducted a review of its disclosures for Key management personnel compensation. As a result of this review, the University has restated the 2013 comparative in note 30.

The University reviews its leasing arrangements on an annual basis and as a result the University has restated its 2013 disclosures of Lease commitments in note 33(b).

##### (x) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively:

- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 128 *Investments in Associates and Joint Ventures*

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (x) Adoption of new and revised accounting standards (continued)

- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 10 *Consolidated Financial Statements* is effective for not-for-profit annual reporting periods beginning on or after 1 January 2014 and therefore the University has applied it for the first time in these financial statements. AASB 10 includes a new definition of control, including additional guidance for specific situations such as control in a principal / agent situation and when holding less than majority voting rights may give control. AASB 10 supersedes the previous requirements of AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation - Special Purpose Entities* and resulted in consequential amendments to a number of other standards.

The University has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under AASB 10 than under AASB 127. As explained in note 20, the University has confirmed that its investment in the Coffs Harbour Technology Park shall be treated as an associate and accounted for using the equity method. The investment was previously recognised as a joint venture and accounted for using the equity method. Therefore, no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

AASB 11 *Joint Arrangements* replaces AASB 131 *Interests in Joint Ventures* and Interpretation 112 *Jointly-Controlled Entities - Non-monetary Contributions by Venturers* as well as consequential amendments to a number of other standards.

AASB 11 uses the revised definition of control from AASB 10 and once joint control is determined, then classifies joint arrangements as either joint ventures or joint operations. Joint ventures are accounted for using the equity method, proportionate consolidation is not permitted under AASB 11. Joint operations are accounted for by incorporating the venturer's share of assets, liabilities, income and expenses into the financial statements. The following changes have occurred to the recording of joint arrangements under AASB 11.

The Hotel School Sydney partnership was previously accounted for as a joint venture using the equity method as described in policy note 1(b). However, as explained in note 36, it has been assessed to meet the classification criteria of a joint operation under AASB 11.

As a result, the University now recognises its direct right to the jointly held assets, liabilities, revenues and expenses and has incorporated them in the financial statements under the appropriate headings.

As required under AASB 11, the change in policy has been applied retrospectively. As a consequence, adjustments were recognised in the statement of financial position as at 1 January 2013 and comparative figures have been restated accordingly.

The University derecognised its equity-accounted investment in the Hotel School Sydney partnership at the beginning of the earliest period presented (1 January 2013) and recognised its share of each of the assets and liabilities in respect of the interest in the joint operation that formed part of the carrying amount of the investment at that date.

The initial carrying amounts of the assets and liabilities were determined by disaggregating them from the carrying amount on the investment as at 1 January 2013 on the basis of the information previously used in applying the equity method. The remaining difference was recognised in retained earnings.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (x) Adoption of new and revised accounting standards (continued)

In addition to the above partnership, a number of the University's research collaboration arrangements had previously been accounted for as joint ventures using the equity accounting method as described in policy note 1(b). However, these arrangements have been assessed as not meeting the classification criteria of a joint arrangement, associate or controlled entity.

As a result, the University now recognises transactions relating to these arrangements as income and expenditure in accordance with the relevant accounting standards.

The aggregate effect of the above changes in accounting policies on the annual financial statements for the year ended 31 December 2014 is outlined in note 39.

AASB 12 *Disclosure of Interests in Other Entities* includes all disclosures relating to an entity's interest in associates, joint arrangements, subsidiaries and structured entities.

On adoption of AASB 12, additional disclosures have been included in the financial statements in relation to investments held.

##### (y) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The University has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the University where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	1 January 2017	On 12 December 2014, the AASB approved AASB 15 Revenue from Contracts with Customers, incorporating IFRS 15 Revenue from Contracts with Customers which had been published by the IASB on 28 May 2014.  AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations and establishes a new control-based revenue recognition model. The standard also changes the basis for deciding whether revenue is to be recognised over time or at a point in time. In addition, the standard expands and improves disclosures about revenue.  However, AASB 1004 Contributions will continue to apply to non-exchange transactions until the Income from Transactions of NFP Entities project is completed.	The University has not yet determined the impact of the standard on its revenue from contracts with customers. Some additional disclosures will be required.



## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (y) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2018	<p>Changes to the classification and measurement requirements for financial assets and financial liabilities.</p> <p>There will be no impact on the University's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the University does not have any such liabilities. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.</p>	<p>The University has not yet assessed how its own hedging arrangements would be affected by the new rules, and it has not yet decided whether to adopt any parts of AASB 9 early.</p> <p>In order to apply the new hedging rules the University would have to adopt AASB 9 and the consequential amendments to AASB 7 and AASB 139 in their entirety.</p>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 2 Australian government financial assistance including Australian Government loan programs (HELP)

#### (a) Commonwealth Grants Scheme and Other Grants

	Consolidated		Parent	
	2014	2013	2014	2013
	000's	000's	000's	000's
	\$	\$	\$	\$
Commonwealth Grants Scheme	73,206	74,181	73,206	74,181
Indigenous Support Program	788	1,002	788	1,002
Partnership and Participation Program	3,376	3,065	3,376	3,065
Disability Support Program	147	152	147	152
Diversity and Structural Adjustment Fund	-	1,700	-	1,700
Australian Maths & Science Partnership Program	332	-	332	-
Improving the Quality of Maths & Science Teaching	294	-	294	-
Promotion of Excellence in Learning and Teaching	85	144	85	144
Reward funding	-	351	-	351
<b>Total Commonwealth Grants Scheme and Other Grants</b>	<b>78,228</b>	<b>80,595</b>	<b>78,228</b>	<b>80,595</b>

43(a)

#### (b) Higher Education Loan Programmes

HECS - HELP	45,153	42,356	45,153	42,356
FEE - HELP	6,245	5,961	6,245	5,961
SA-HELP payments	1,016	835	1,016	835
<b>Total Higher Education Loan Programmes</b>	<b>52,414</b>	<b>49,152</b>	<b>52,414</b>	<b>49,152</b>

43(b)

#### (c) Scholarships

Australian Postgraduate Awards	1,527	1,580	1,527	1,580
International Postgraduate Research Scholarships	134	133	134	133
Commonwealth Education Costs Scholarship	111	(382)	111	(382)
Commonwealth Accommodation Scholarships	38	(750)	38	(750)
Indigenous Access scholarships	82	(4)	82	(4)
Indigenous Staff Scholarships	40	-	40	-
<b>Total Scholarships</b>	<b>1,932</b>	<b>577</b>	<b>1,932</b>	<b>577</b>

43(c)

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 2 Australian government financial assistance including Australian Government loan programs (HELP) (continued)

#### (d) Education Research

	Consolidated		Parent	
	2014	2013	2014	2013
	000's	000's	000's	000's
	\$	\$	\$	\$
Joint Research Engagement Program	1,707	1,542	1,707	1,542
Research Training Scheme	3,437	3,584	3,437	3,584
Research Infrastructure Block Grants	581	466	581	466
Sustainable Research Excellence in Universities	801	729	801	729
Joint Research Engagement Engineering Cadetships	20	10	20	10
<b>Total Education Research</b>	<b>6,546</b>	<b>6,331</b>	<b>6,546</b>	<b>6,331</b>

43(d)

#### (e) Other Capital Funding

Education Investment Fund	21,104	7,500	21,104	7,500
<b>Total Other Capital Funding</b>	<b>21,104</b>	<b>7,500</b>	<b>21,104</b>	<b>7,500</b>

43(e)

#### (f) Australian Research Council

##### (i) Discovery

Discovery - Projects	598	585	598	585
Discovery - Fellowships	395	483	395	483
Discovery - Indigenous Researchers Development	-	(64)	-	(64)
<b>Total Discovery</b>	<b>993</b>	<b>1,004</b>	<b>993</b>	<b>1,004</b>

43(f)(i)

##### (ii) Linkages

Linkages - Infrastructure	485	240	485	240
Linkages - Projects	453	855	453	855
<b>Total Linkages</b>	<b>938</b>	<b>1,095</b>	<b>938</b>	<b>1,095</b>
<b>Total ARC</b>	<b>1,931</b>	<b>2,099</b>	<b>1,931</b>	<b>2,099</b>

43(f)(ii)

43(f)

## Notes to the Financial Statements

For the Year Ended 31 December 2014

2 Australian government financial assistance including Australian Government loan programs (HELP)  
(continued)

## (g) Other Australian Government Financial Assistance

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Non-capital</b>				
Department of Education	1,086	2,695	1,086	2,695
Department of Health	1,900	1,101	1,900	1,101
Australian Centre for International Agricultural Research	743	1,162	743	1,162
Other	1,701	1,999	1,701	1,999
<b>Total</b>	<b>5,430</b>	<b>6,957</b>	<b>5,430</b>	<b>6,957</b>
<b>Capital</b>				
Department of Health	-	136	-	136
<b>Total</b>	<b>-</b>	<b>136</b>	<b>-</b>	<b>136</b>
<b>Total Other Australian Government Financial Assistance</b>	<b>5,430</b>	<b>7,093</b>	<b>5,430</b>	<b>7,093</b>

**Total Australian Government  
Financial Assistance**

<b>167,585</b>	<b>153,347</b>	<b>167,585</b>	<b>153,347</b>
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**Reconciliation**

Australian Government Grants (a + c + d + e + f + g)	115,171	104,195	115,171	104,195
HECS - HELP	45,153	42,356	45,153	42,356
FEE - HELP	6,245	5,961	6,245	5,961
SA-HELP payments	1,016	835	1,016	835
<b>Total Australian Government Financial Assistance</b>	<b>167,585</b>	<b>153,347</b>	<b>167,585</b>	<b>153,347</b>

## (h) Australian Government Grants received - cash

CGS and Other EDUCATION Grants	43(a)	78,497	81,021	78,497	81,021
Higher Education Loan Programmes	43(b)	53,079	47,448	53,079	47,448
Scholarships	43(c)	1,933	577	1,933	577
EDUCATION research	43(d)	6,546	6,331	6,546	6,331
Other Capital Funding	43(e)	26,104	2,500	26,104	2,500
ARC grants - Discovery	43(f)(i)	992	1,005	992	1,005
ARC grants - Linkages	43(f)(ii)	938	1,095	938	1,095
Other Australian Government Grants		5,598	6,370	5,598	6,370
<b>Total Australian Government Grants received - cash basis</b>		<b>173,687</b>	<b>146,347</b>	<b>173,687</b>	<b>146,347</b>
OS-HELP (Net)	43(g)	427	(167)	427	(167)
<b>Total Australian Government funding received - cash basis</b>		<b>174,114</b>	<b>146,180</b>	<b>174,114</b>	<b>146,180</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 3 State and local government financial assistance

Government grants were received during the reporting period for the following purposes:

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Non-capital</b>				
New South Wales	466	936	466	936
Queensland	142	360	142	360
Victoria	259	234	259	234
South Australia	59	146	59	146
<b>Total</b>	<b>926</b>	<b>1,676</b>	<b>926</b>	<b>1,676</b>
<b>Capital</b>				
New South Wales	-	175	-	175
<b>Total</b>	<b>-</b>	<b>175</b>	<b>-</b>	<b>175</b>
<b>Total State and Local Government Financial Assistance</b>	<b>926</b>	<b>1,851</b>	<b>926</b>	<b>1,851</b>

### 4 Fees and charges

#### Course Fees and Charges

Fee-paying onshore overseas students	17,711	11,720	17,711	11,720
Fee-paying offshore overseas students	2,250	2,841	2,250	2,841
Continuing education	51	6	51	6
Fee-paying domestic postgraduate students	1,875	2,071	1,875	2,071
Fee-paying domestic undergraduate students	568	93	568	93
Fee-paying domestic non-award students	65	114	65	114
<b>Total Course Fees and Charges</b>	<b>22,520</b>	<b>16,845</b>	<b>22,520</b>	<b>16,845</b>

#### Other Non-Course Fees and Charges

Student Services and Amenities Fees from students	708	830	708	830
Late fees	84	89	84	89
Student accommodation	272	565	272	565
Other services	173	242	173	242
<b>Total Other Fees and Charges</b>	<b>1,237</b>	<b>1,726</b>	<b>1,237</b>	<b>1,726</b>
<b>Total Fees and Charges</b>	<b>23,757</b>	<b>18,571</b>	<b>23,757</b>	<b>18,571</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 5 Investment revenue and income

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
Interest received	1,161	686	1,160	684
<b>Total investment revenue</b>	<b>1,161</b>	<b>686</b>	<b>1,160</b>	<b>684</b>

#### 6 Royalties, trademarks and licences

Royalties, trademarks and licences	563	553	563	553
<b>Total royalties, trademarks and licences</b>	<b>563</b>	<b>553</b>	<b>563</b>	<b>553</b>

#### 7 Consultancy and contracts

Consultancy	2,180	2,011	2,180	2,011
Contract research	3,016	3,937	3,016	3,937
<b>Total consultancy and contracts</b>	<b>5,196</b>	<b>5,948</b>	<b>5,196</b>	<b>5,948</b>

#### 8 Other revenue and income

<b>Other revenue</b>				
Donations and bequests	13	5	13	5
Scholarships and prizes	196	308	196	308
Sale of goods	120	254	120	95
Rental income	522	464	522	464
Cost recoveries	2,609	2,357	2,606	2,357
Bad debts recovered	7	8	7	6
Immersion program	-	121	-	121
Printery sales	-	65	-	70
Catering income	154	160	154	152
Scientific testing	3,502	3,127	3,502	3,127
Conferences and workshops	266	242	266	103
Facilities hire	156	119	156	112
Miscellaneous sales	1,108	968	686	724
Other revenue	802	668	102	94
<b>Total other revenue</b>	<b>9,455</b>	<b>8,866</b>	<b>8,330</b>	<b>7,738</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 9 Employee related expenses

	Note	Consolidated		Parent	
		2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Academic</b>					
Salaries		46,026	49,198	46,026	49,198
Contributions to superannuation and pension schemes:					
- Emerging cost		208	245	208	245
- Funded		6,631	6,824	6,631	6,824
Payroll tax		3,027	3,211	3,027	3,211
Worker's compensation		254	271	254	271
Long service leave		1,328	401	1,328	401
Annual leave		2,917	3,195	2,917	3,195
Other		751	644	751	644
<b>Total academic</b>		<b>61,142</b>	<b>63,989</b>	<b>61,142</b>	<b>63,989</b>
<b>Non-academic</b>					
Salaries		46,421	48,161	45,541	47,122
Contributions to superannuation and pension schemes:					
- Emerging cost		223	266	223	266
- Funded		7,072	7,112	6,987	7,024
Payroll tax		3,056	3,127	3,001	3,063
Worker's compensation		272	262	252	259
Long service leave		839	992	831	995
Annual leave		3,063	3,623	3,033	3,588
Other		1,033	1,254	1,033	1,254
<b>Total non-academic</b>		<b>61,979</b>	<b>64,797</b>	<b>60,901</b>	<b>63,571</b>
<b>Total employee related expenses</b>		<b>123,121</b>	<b>128,786</b>	<b>122,043</b>	<b>127,560</b>
Deferred superannuation expense	42(e)	116	110	116	110
<b>Total employee related expenses, including deferred Government Employee Benefits for Superannuation</b>		<b>123,237</b>	<b>128,896</b>	<b>122,159</b>	<b>127,670</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 10 Depreciation and amortisation

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Depreciation</b>				
Buildings	5,377	5,250	5,377	5,250
Plant and equipment	4,736	3,967	4,733	3,967
Infrastructure	527	413	527	409
Leasehold improvements	34	124	34	124
Library collection	-	379	-	379
Investment property	27	42	27	42
<b>Total depreciation</b>	<b>10,701</b>	<b>10,175</b>	<b>10,698</b>	<b>10,171</b>
<b>Amortisation</b>				
Computer software	144	144	144	144
<b>Total depreciation and amortisation</b>	<b>10,845</b>	<b>10,319</b>	<b>10,842</b>	<b>10,315</b>
<b>11 Repairs and maintenance</b>				
Building and plant maintenance	2,544	2,556	2,544	2,550
<b>Total repairs and maintenance</b>	<b>2,544</b>	<b>2,556</b>	<b>2,544</b>	<b>2,550</b>
<b>12 Borrowing costs</b>				
Interest expense	865	447	865	447
Fair value loss on interest rate swaps	461	-	461	-
<b>Total borrowing costs expensed</b>	<b>1,326</b>	<b>447</b>	<b>1,326</b>	<b>447</b>
<b>13 Impairment of assets</b>				
Trade receivables	1,645	435	1,645	435
Buildings	-	(32)	-	(32)
Plant and equipment	-	(30)	-	(30)
Library collection	-	683	-	683
Infrastructure	373	1,058	373	1,058
Investment property	(81)	133	(81)	133
<b>Total impairment of assets</b>	<b>1,937</b>	<b>2,247</b>	<b>1,937</b>	<b>2,247</b>



## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 14 Other expenses

	Consolidated		Parent	
	2014	2013	2014	2013
	000's	000's	000's	000's
	\$	\$	\$	\$
Advertising	3,239	3,529	3,239	3,522
Audit and legal fees	438	390	411	363
Bank charges	125	123	125	106
Books and subscriptions	2,126	1,776	2,126	1,776
Cleaning	955	944	955	881
Commission to agents	4,460	1,343	4,460	1,343
Consulting and professional fees	11,687	12,789	11,687	12,550
Contributions	486	605	486	605
Entertainment	191	31	332	269
Equipment hire	606	887	606	853
Freight	351	392	351	391
Fringe benefits tax	284	224	284	224
Insurance	777	778	777	778
Laboratory consumables	604	628	604	628
Leased equipment charges	1,380	1,220	1,372	1,220
Non-capitalised equipment	3,036	3,167	3,036	3,153
Other expenses	2,912	3,387	2,825	3,708
Printing and stationery	935	875	935	868
Property and facilities costs	3,422	1,808	3,422	1,802
Scholarships, prizes and awards	5,571	5,336	5,571	5,237
Security costs	1,618	1,497	1,618	1,481
Software expenses	4,032	3,049	4,032	3,045
Subscriptions	713	687	713	685
Telephone and fax	1,088	1,195	1,088	1,193
Travel and staff development	4,408	4,499	4,404	4,479
Utilities	2,807	2,870	2,640	2,683
<b>Total other expenses</b>	<b>58,251</b>	<b>54,029</b>	<b>58,099</b>	<b>53,843</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 15 Cash and cash equivalents

	Note	Consolidated		Parent	
		2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
Cash at bank and on hand		2,423	3,078	2,353	3,016
Deposits at call		26,558	16,118	26,558	16,118
<b>Total cash and cash equivalent</b>		<b>28,981</b>	<b>19,196</b>	<b>28,911</b>	<b>19,134</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 statement of cash flows as follows:

Balances as above		28,981	19,196	28,911	19,134
Balance as per cash flow statement		28,981	19,196	28,911	19,134

#### (b) Cash at bank and on hand

Cash in operating accounts are at variable interest rates.

#### (c) Deposits at call

The deposits are at floating interest rates between 2.50% and 3.40% (2013:2.50% and 3.70%). These deposits have an average maturity of 32 days (2013: 90 days).

#### 16 Receivables

##### Current

Trade receivables		5,430	9,385	5,420	9,344
Student fees receivable		1,841	1,614	1,841	1,614
Less: Provision for impaired receivables		(1,788)	(860)	(1,788)	(860)
		<b>5,483</b>	<b>10,139</b>	<b>5,473</b>	<b>10,098</b>
Related party receivables	34(e)(f)	16	16	986	962
OS-HELP Receivable	43(g)	-	180	-	180
Other receivables		3,189	3,285	3,186	3,282
<b>Total current receivables</b>		<b>8,688</b>	<b>13,620</b>	<b>9,645</b>	<b>14,522</b>

##### Non-current

Deferred government benefit for superannuation	42(d)	81,416	52,749	81,416	52,749
Other receivables		-	303	-	303
<b>Total non-current receivables</b>		<b>81,416</b>	<b>53,052</b>	<b>81,416</b>	<b>53,052</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 16 Receivables (continued)

##### (a) Impaired receivables

As at 31 December 2014 current receivables of the University with a nominal value of \$1,787,838 (2013: \$859,551) were impaired. The amount of the provision was \$1,787,838 (2013: \$859,551). The individually impaired receivables mainly relate to student fees not yet collected and a wide variety of trade debtors.

The ageing of these receivables is as follows:

	Consolidated		Parent	
	2014	2013	2014	2013
	000's	000's	000's	000's
	\$	\$	\$	\$
0 to 3 months	471	6	471	6
3 to 6 months	126	35	126	35
Over 6 months	1,191	819	1,191	819
	<b>1,788</b>	<b>860</b>	<b>1,788</b>	<b>860</b>

As at 31 December 2014 trade receivables of \$1,074,513 (2013: \$1,042,846) were past due but not impaired. These relate to student fees not yet collected and a wide variety of trade debtors. The ageing analysis of these receivables is as follows:

##### Trade Receivables

Between 0 to 3 months	-	185	-	147
Between 3 to 6 months	161	847	161	847
Over 6 months	913	11	913	11
	<b>1,074</b>	<b>1,043</b>	<b>1,074</b>	<b>1,005</b>

##### Movements in the provision for impaired receivables are as follows:

At 1 January	860	989	860	987
Provision for impairment recognised during the year	1,788	860	1,788	860
Receivables written off during the year as uncollectible	716	385	716	385
Unused amount reversed	(1,576)	(1,374)	(1,576)	(1,372)
<b>At 31 December</b>	<b>1,788</b>	<b>860</b>	<b>1,788</b>	<b>860</b>

The creation and release of the provision for impaired receivables has been included in impairment of assets in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 17 Inventories

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Current</b>				
At cost:				
Finished goods	25	26	10	6
<b>Total inventories</b>	<b>25</b>	<b>26</b>	<b>10</b>	<b>6</b>

### 18 Non-current assets classified as held for sale

<b>Non-current assets held for sale</b>				
Investment property	720	-	720	-
<b>Total non-current assets held for sale</b>	<b>720</b>	<b>-</b>	<b>720</b>	<b>-</b>

In August 2014, the University decided to sell its investment properties. During 2014, one investment property was sold and the sale of the remaining properties is expected to be completed before 31 December 2015.

### 19 Other non-financial assets

<b>Current</b>				
Prepayments	2,775	3,329	2,769	3,327
<b>Total other non-financial assets</b>	<b>2,775</b>	<b>3,329</b>	<b>2,769</b>	<b>3,327</b>

### 20 Investments accounted for using the equity method

Associated companies	322	331	175	175
<b>Total investments accounted for using the equity method</b>	<b>322</b>	<b>331</b>	<b>175</b>	<b>175</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 20 Investments accounted for using the equity method (continued)

	2014 000's \$	2013 000's \$
<b>Reconciliation of carrying amounts</b>		
<b>Balance at 1 January</b>	331	337
Share of profit on investments accounted for using the equity method	(9)	(6)
<b>Balance at 31 December 2014</b>	<u>322</u>	<u>331</u>

Name of Entity	Place of business	Measurement method	Description	Ownership Interest %	
				2014	2013
<b>Associates</b>					
Coffs Harbour Technology Park Ltd	Coffs Harbour	At cost	Real estate development	33.30	33.30

Summarised financial information for each individually material associate is set out below.

#### Financial Position

Current assets	91	71
Non-current assets	1,016	1,053
<b>Total assets</b>	<u>1,107</u>	<u>1,124</u>
Current Liabilities	46	36
Non-current liabilities	96	96
<b>Total liabilities</b>	<u>142</u>	<u>132</u>
<b>Net assets</b>	<u>965</u>	<u>992</u>
Share of jointly controlled entities' net assets	322	331
<b>Financial Performance</b>		
Income	105	111
Expenses	131	131
<b>Net result from continuing operations</b>	<u>(26)</u>	<u>(20)</u>
<b>Net result</b>	<u>(26)</u>	<u>(20)</u>
Share of jointly controlled entities' profit/(loss)	(9)	(6)

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 21 Investment properties

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>At Cost</b>				
<b>Balance at 1 January</b>	<b>825</b>	<b>1,000</b>	<b>825</b>	<b>1,000</b>
Depreciation expense	(27)	(42)	(27)	(42)
Impairment loss	-	(133)	-	(133)
Impairment reversal	81	-	81	-
Transfer to held for sale	(879)	-	(879)	-
<b>Balance at 31 December</b>	<b>-</b>	<b>825</b>	<b>-</b>	<b>825</b>

#### (a) Amounts recognised in the income statement for investment properties

Rental income	51	87	51	87
Direct operating expenses	(45)	(72)	(45)	(72)
Depreciation	(27)	(42)	(27)	(42)
Impairment losses and reversals	81	(133)	81	(133)
<b>Total recognised in profit and loss</b>	<b>60</b>	<b>(160)</b>	<b>60</b>	<b>(160)</b>

#### (b) Valuation basis

The investment properties were transferred to assets held for sale on 24 August 2014. The fair value of investment properties transferred was \$879,000. The valuation was based on the sales value (less selling costs) of the properties that were sold in an active market during the financial year ended 31 December 2014.

#### (c) Non-current assets pledged as security

No assets have been pledged as security.

#### (d) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

#### (e) Leasing arrangements

The investment properties are managed by an external property management company for only short term holiday letting.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2014

**22 Property, plant and equipment**

Parent	Land	Buildings	Plant and equipment	Infrastructure	Improvements	Library collections	Capital Works in Progress	Total
	000's \$	000's \$	000's \$	000's \$	000's \$	000's \$	000's \$	000's \$
<b>At 1 January 2013</b>								
At cost	13,722	164,711	34,576	17,377	956	10,384	48,597	290,323
Accumulated depreciation	-	(33,111)	(17,152)	(2,917)	(798)	(9,262)	-	(63,240)
Accumulated impairment	-	(461)	(30)	-	-	-	-	(491)
<b>Net book amount</b>	<b>13,722</b>	<b>131,139</b>	<b>17,394</b>	<b>14,460</b>	<b>158</b>	<b>1,122</b>	<b>48,597</b>	<b>226,592</b>
<b>Year ended 31 December 2013</b>								
Opening net book amount	13,722	131,139	17,394	14,460	158	1,122	48,597	226,592
Additions	-	-	2,808	-	-	357	13,662	16,827
Disposals	(6)	(685)	(443)	(13)	-	(300)	-	(1,447)
Depreciation expense	-	(5,250)	(3,967)	(409)	(124)	(379)	-	(10,129)
Impairment loss in income	-	-	-	(1,058)	-	(683)	-	(1,741)
Impairment reversal in income	-	32	30	-	-	-	-	62
Transfers	-	39,201	7,687	1,373	-	-	(48,261)	-
<b>Closing net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,509</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,998</b>	<b>230,164</b>
<b>At 31 December 2013</b>								
At cost	13,716	202,701	43,851	18,728	168	8,828	13,998	301,990
Accumulated depreciation	-	(37,835)	(20,342)	(3,317)	(134)	(8,028)	-	(69,656)
Accumulated impairment	-	(429)	-	(1,058)	-	(683)	-	(2,170)
<b>Net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,509</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,998</b>	<b>230,164</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 22 Property, plant and equipment (continued)

Parent	Land		Buildings		Plant and equipment		Infrastructure		Improvements		Library collections		Capital Works in Progress		Total	
	000's	\$	000's	\$	000's	\$	000's	\$	000's	\$	000's	\$	000's	\$	000's	\$
<b>Year ended 31 December 2014</b>																
Opening net book amount	13,716		164,437		23,509		14,353		34		117		13,998		230,164	
Additions	-		-		7,216		-		11		-		18,548		25,775	
Disposals	(1,492)		(4,423)		(710)		(225)		-		-		-		(6,850)	
Depreciation expense	-		(5,377)		(4,733)		(527)		(34)		-		-		(10,671)	
Impairment loss in income	-		-		-		(373)		-		-		-		(373)	
Transfers	-		3,199		862		4,238		30		-		(8,329)		-	
<b>Closing net book amount</b>	<b>12,224</b>		<b>157,836</b>		<b>26,144</b>		<b>17,466</b>		<b>41</b>		<b>117</b>		<b>24,217</b>		<b>238,045</b>	
<b>At 31 December 2014</b>																
At cost	12,224		199,797		49,899		22,692		43		8,827		24,217		317,699	
Accumulated depreciation	-		(41,733)		(23,755)		(3,795)		(2)		(8,027)		-		(77,312)	
Accumulated impairment	-		(228)		-		(1,431)		-		(683)		-		(2,342)	
<b>Net book amount</b>	<b>12,224</b>		<b>157,836</b>		<b>26,144</b>		<b>17,466</b>		<b>41</b>		<b>117</b>		<b>24,217</b>		<b>238,045</b>	



**Notes to the Financial Statements**  
For the Year Ended 31 December 2014

22 Property, plant and equipment (continued)

Consolidated	Land 000's \$	Buildings 000's \$	Plant and equipment 000's \$	Infrastructure 000's \$	Improvements 000's \$	Library collections 000's \$	Capital Works in Progress 000's \$	Total 000's \$
<b>At 1 January 2013</b>								
At cost	13,722	164,711	34,627	17,377	956	10,384	48,596	290,373
Accumulated depreciation	-	(33,111)	(17,185)	(2,917)	(798)	(9,262)	-	(63,273)
Accumulated impairment	-	(461)	(30)	-	-	-	-	(491)
<b>Net book amount</b>	<b>13,722</b>	<b>131,139</b>	<b>17,412</b>	<b>14,460</b>	<b>158</b>	<b>1,122</b>	<b>48,596</b>	<b>226,609</b>
<b>Year ended 31 December 2013</b>								
Opening net book amount	13,722	131,139	17,412	14,460	158	1,122	48,596	226,609
Additions	-	-	2,808	-	-	357	13,662	16,827
Disposals	(6)	(685)	(443)	(13)	-	(300)	-	(1,447)
Depreciation expense	-	(5,250)	(3,970)	(409)	(124)	(379)	-	(10,132)
Impairment loss in income	-	-	-	(1,058)	-	(683)	-	(1,741)
Impairment reversal in income	-	32	30	-	-	-	-	62
Transfers	-	39,201	7,687	1,373	-	-	(48,261)	-
<b>Closing net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,524</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,997</b>	<b>230,178</b>
<b>At 31 December 2013</b>								
At cost	13,716	202,701	43,907	18,728	168	8,828	13,997	302,045
Accumulated depreciation	-	(37,835)	(20,383)	(3,317)	(134)	(8,028)	-	(69,697)
Accumulated impairment	-	(429)	-	(1,058)	-	(683)	-	(2,170)
<b>Net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,524</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,997</b>	<b>230,178</b>

## Notes to the Financial Statements For the Year Ended 31 December 2014

### 22 Property, plant and equipment (continued)

Consolidated Year ended 31 December 2014	Land	Buildings	Plant and equipment	Infrastructure	Improvements	Library collections	Capital Works in Progress	Total
	000's \$	000's \$	000's \$	000's \$	000's \$	000's \$	000's \$	000's \$
Opening net book amount	13,716	164,437	23,524	14,353	34	117	13,997	230,178
Additions	-	-	7,213	-	13	-	18,552	25,778
Disposals	(1,492)	(4,423)	(710)	(226)	-	-	-	(6,851)
Depreciation expense	-	(5,377)	(4,736)	(527)	(34)	-	-	(10,674)
Impairment loss in income	-	-	-	(373)	-	-	-	(373)
Transfers	-	3,199	862	4,239	28	-	(8,328)	-
<b>Closing net book amount</b>	<b>12,224</b>	<b>157,836</b>	<b>26,153</b>	<b>17,466</b>	<b>41</b>	<b>117</b>	<b>24,221</b>	<b>238,058</b>
<b>At 31 December 2014</b>								
At cost	12,224	199,797	49,952	22,692	43	8,827	24,221	317,756
Accumulated depreciation	-	(41,733)	(23,799)	(3,795)	(2)	(8,027)	-	(77,356)
Accumulated impairment	-	(228)	-	(1,431)	-	(683)	-	(2,342)
<b>Net book amount</b>	<b>12,224</b>	<b>157,836</b>	<b>26,153</b>	<b>17,466</b>	<b>41</b>	<b>117</b>	<b>24,221</b>	<b>238,058</b>

#### (a) Valuations of land and buildings

The valuation basis of land and buildings is deemed cost as outlined in note 1(n).

#### (b) Non-current assets pledged as security

There are no non-current assets pledged as security by the parent entity and its controlled entities.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 23 Intangible Assets

	Computer software 000's \$	Total 000's \$
<b>Parent</b>		
<b>At 1 January 2013</b>		
At cost	718	718
Accumulated amortisation and impairment	(108)	(108)
<b>Net book amount</b>	<b>610</b>	<b>610</b>
<b>Year ended 31 December 2013</b>		
Opening net book value	610	610
Amortisation	(143)	(143)
<b>Closing net book amount</b>	<b>467</b>	<b>467</b>
<b>At 31 December 2013</b>		
At cost	718	718
Accumulated amortisation and impairment	(251)	(251)
<b>Net book amount</b>	<b>467</b>	<b>467</b>
<b>Year ended 31 December 2014</b>		
Opening net book amount	467	467
Amortisation	(144)	(144)
<b>Closing net book amount</b>	<b>323</b>	<b>323</b>
<b>At 31 December 2014</b>		
At cost	718	718
Accumulated amortisation and impairment	(395)	(395)
<b>Net book amount</b>	<b>323</b>	<b>323</b>
<b>Consolidated</b>		
<b>At 1 January 2013</b>		
At cost	718	718
Accumulated amortisation and impairment	(108)	(108)
<b>Net book amount</b>	<b>610</b>	<b>610</b>
<b>Year ended 31 December 2013</b>		
Opening net book amount	610	610
Amortisation	(143)	(143)
<b>Closing net book amount</b>	<b>467</b>	<b>467</b>
<b>At 31 December 2013</b>		
At cost	718	718
Accumulated amortisation and impairment	(251)	(251)
<b>Net book amount</b>	<b>467</b>	<b>467</b>
<b>Year ended 31 December 2014</b>		
Opening net book amount	467	467
Amortisation	(144)	(144)
<b>Closing net book amount</b>	<b>323</b>	<b>323</b>
<b>At 31 December 2014</b>		
At cost	718	718
Accumulated amortisation and impairment	(395)	(395)
<b>Net book amount</b>	<b>323</b>	<b>323</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 24 Trade and other payables

	Note	Consolidated		Parent	
		2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Current</b>					
<b>Unsecured liabilities</b>					
Trade creditors		13,997	10,952	13,902	10,867
OS-HELP liability to Australian Government	43(g)	247	-	247	-
<b>Total current trade and other payables</b>		<b>14,244</b>	<b>10,952</b>	<b>14,149</b>	<b>10,867</b>

#### 25 Borrowings

##### Current Borrowings

##### Unsecured

Bank loans		2,440	2,440	2,440	2,440
<b>Total current borrowings</b>		<b>2,440</b>	<b>2,440</b>	<b>2,440</b>	<b>2,440</b>

##### Non-current Borrowings

##### Unsecured

Bank loans		9,900	18,340	9,900	18,340
<b>Total non-current borrowings</b>		<b>9,900</b>	<b>18,340</b>	<b>9,900</b>	<b>18,340</b>

#### (a) Assets pledged as security

The University has no assets pledged as security for borrowings drawn during the year ended 31 December 2014 (2013: Nil).

#### (b) Financing arrangements

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

##### Credit standby arrangements

##### Bank loan facilities

Total facilities		42,560	43,780	42,560	43,780
Used at balance date		(12,340)	(20,780)	(12,340)	(20,780)
<b>Unused at balance date</b>		<b>30,220</b>	<b>23,000</b>	<b>30,220</b>	<b>23,000</b>

#### (c) Bank loans

On 27 February 2012, Southern Cross University signed an agreement with the ANZ Banking Group Limited for the provision of a \$45 million loan facility for a term of 7 years.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 25 Borrowings (continued)

##### (d) Fair value

The carrying amounts and fair values of borrowings at reporting date are:

	2014		2013	
	Carrying amount 000's \$	Fair value 000's \$	Carrying amount 000's \$	Fair value 000's \$
<b>On-balance sheet</b>				
Bank loans	12,340	12,340	20,780	20,780
<b>Total borrowings</b>	<b>12,340</b>	<b>12,340</b>	<b>20,780</b>	<b>20,780</b>

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

##### (e) Risk exposures

The carrying amounts of the University's borrowings are denominated in Australian dollars. For an analysis of the sensitivity of borrowings to interest rate risk refer to note 40.

#### 26 Provisions

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits</b>				
Annual leave	6,298	6,161	6,267	6,133
Long service leave	4,334	3,927	4,332	3,926
	<b>10,632</b>	<b>10,088</b>	<b>10,599</b>	<b>10,059</b>
<b>Current provisions expected to be settled after more than 12 months</b>				
<b>Employee benefits</b>				
Annual leave	1,703	1,808	1,689	1,791
Long service leave	9,378	9,796	9,370	9,796
	<b>11,081</b>	<b>11,604</b>	<b>11,059</b>	<b>11,587</b>
<b>Total current provisions</b>	<b>21,713</b>	<b>21,692</b>	<b>21,658</b>	<b>21,646</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 26 Provisions (continued)

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Non-current provisions</b>				
<b>Employee benefits</b>				
Long service leave	2,630	2,456	2,611	2,437
Deferred benefit obligation	81,416	53,233	81,416	53,233
<b>Total non-current provisions</b>	<b>84,046</b>	<b>55,689</b>	<b>84,027</b>	<b>55,670</b>

#### 27 Other financial liabilities

##### Non-current

Derivative financial instruments -  
unsecured

40(a)	414	-	414	-
<b>Total</b>	<b>414</b>	<b>-</b>	<b>414</b>	<b>-</b>

#### 28 Other liabilities

##### Current

Fees in advance

6,503 4,896 6,465 4,897

Unspent government financial  
assistance

5,374 3,071 5,374 3,071

**Total current other liabilities**

**11,877 7,967 11,839 7,968**

#### 29 Retained earnings

**Retained earnings at 1 January**

203,944 210,189 204,741 210,688

Net result for the period

13,127 (6,570) 13,243 (6,272)

Actuarial changes for defined benefit  
schemes

42(e) (397) 325 (397) 325

**Retained earnings at 31 December**

**216,674 203,944 217,587 204,741**

## Notes to the Financial Statements For the Year Ended 31 December 2014

### 30 Key Management Personnel Disclosures

#### (a) Names of responsible persons

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

##### **Official Council Members**

Mr Nick Burton Taylor AM, Chancellor  
Professor Peter Lee, Vice Chancellor  
Professor John Jenkins, Chair Academic Board

##### **Ministerial Appointments**

Murray d'Almeida  
Elizabeth Ruthnam

##### **Elected Council Members**

Professor William Boyd  
Rebecca Hennes  
Toni Ledgerwood  
Dr Adele Wessel

##### **Council Appointed Members**

Dr Austin Curtin  
Neal Genge  
Julie Granger  
Anthony Matis  
John Shanahan  
Margot Sweeny

##### **Council members whose term concluded in 2014 are as follows**

The Hon John Robert Arthur Dowd AO QC  
Matthew Newell  
Neville Newell  
Dr Amanda Reichelt-Brushett  
Dr Nicole Rice  
Janelle Saffin  
Trevor Wilson

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 30 Key Management Personnel Disclosures (continued)

##### (b) Names of executive officers

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

Professor Peter Lee	Vice Chancellor
Professor William MacGillivray	Senior Deputy Vice Chancellor
Professor Geraldine Mackenzie	Deputy Vice Chancellor (Research)
Professor Andrew McAuley	Deputy Vice Chancellor (Education)
Chris Patton	Pro Vice Chancellor (International and Enterprise)
Helen Hughes	Executive Director, Community and Corporate Relations
Allan Morris	Executive Director, Information and Physical Resources
Travis Walker	Executive Director, Financial and Human Resources
Professor Neal Ryan	Pro Vice Chancellor (Research)
Professor Leigh Sullivan	Acting Deputy Vice Chancellor (Research)

At the reporting date of 31 December 2014, Professor Neal Ryan, Pro Vice Chancellor (Research) and Professor Leigh Sullivan, Acting Deputy Vice Chancellor (Research), were no longer executive officers.

##### (c) Remuneration of board members and executives

	Consolidated		Parent	
	2014 Number	2013 Number	2014 Number	2013 Number
<b>Remuneration of Board Members</b>				
Nil to \$14,999	15	11	15	11
\$15,000 to \$29,999	1	-	1	-
\$45,000 to \$59,999	1	-	1	-
\$75,000 to \$89,999	1	-	1	-
\$90,000 to \$104,999	1	1	1	1
\$135,000 to \$149,999	-	1	-	1
\$165,000 to \$179,999	1	-	1	-
\$195,000 to \$209,999	-	1	-	1
\$225,000 to \$239,999	-	1	-	1
\$240,000 to \$254,999	1	-	1	-
\$675,000 to \$689,999	-	1	-	1
\$720,000 to \$734,999	1	-	1	-



## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 30 Key Management Personnel Disclosures (continued)

##### (c) Remuneration of board members and executives (continued)

	Consolidated		Parent	
	2014 Number	2013 Number	2014 Number	2013 Number
<b>Remuneration of executive officers</b>				
\$60,000 to \$74,999	1	-	1	-
\$150,000 to \$164,999	1	-	1	-
\$165,000 to \$179,999	1	-	1	-
\$270,000 to \$284,999	-	1	-	1
\$285,000 to \$299,999	-	1	-	1
\$300,000 to \$314,999	2	2	2	2
\$315,000 to \$329,999	3	-	3	-
\$330,000 to \$344,999	-	1	-	1
\$345,000 to \$359,999	-	1	-	1
\$420,000 to \$434,999	-	1	-	1
\$450,000 to \$464,999	1	-	1	-
\$675,000 to \$689,999	-	1	-	1
\$720,000 to \$734,999	1	-	1	-

Remuneration bands for the Vice Chancellor appear in both tables above as this management position is a member of both Council and the Executive Committee.

##### (d) Key management personnel compensation

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
Short-term employee benefits	3,216	3,083	3,216	3,083
Post-employment benefits	485	474	485	474
Other long-term benefits	101	111	101	111
	<b>3,802</b>	<b>3,668</b>	<b>3,802</b>	<b>3,668</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 31 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:

##### Audit and review of the Financial Statements

Fees paid to the Audit Office of NSW	177	205	149	178
<b>Total</b>	<b>177</b>	<b>205</b>	<b>149</b>	<b>178</b>

##### Other audit and assurance services

Fees paid to firms unrelated to the Audit Office of NSW	122	88	122	88
<b>Total</b>	<b>122</b>	<b>88</b>	<b>122</b>	<b>88</b>

#### 32 Contingencies

##### (a) Contingent liabilities

The University has entered into bank guarantees with ANZ Banking Group Limited for \$140,000 in favour of Gold Coast Airport Pty Limited and \$25,520 in favour of Mulpha Hotel Operations Pty Ltd. These guarantees are in respect of leased premises at the University's Gold Coast and Sydney campuses.

##### (b) Claims

There are no litigation claims in progress against the parent entity or the group at balance date.

#### 33 Commitments

##### (a) Capital commitments

Capital expenditure contracted for purpose of acquiring property, plant and equipment assets at the reporting date, but not recognised as liabilities are:

	Consolidated		Parent	
	2014 000's	2013 000's	2014 000's	2013 000's
Within one year	\$ 14,872	\$ 4,206	\$ 14,872	\$ 4,206
Later than one year but no later than five years	3,699	-	3,699	-
<b>Total capital commitments</b>	<b>18,571</b>	<b>4,206</b>	<b>18,571</b>	<b>4,206</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 33 Commitments (continued)

#### (b) Lease commitments

The University leases office space, equipment, carparks and premises under non-cancellable operating leases expiring within two to thirty-two years. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Consolidated		Parent	
	2014	2013	2014	2013
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	3,328	3,057	3,328	3,057
Between one year and five years	8,420	8,649	8,420	8,649
Later than five years	69,028	73,841	69,028	73,841
<b>Total future minimum lease payments</b>	<b>80,776</b>	<b>85,547</b>	<b>80,776</b>	<b>85,547</b>

### 34 Related Parties

#### (a) Parent entities

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

#### (b) Subsidiaries

Interests in subsidiaries are set out in note 35.

#### (c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 30.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 34 Related Parties (continued)

##### (d) Transactions with related parties

The following transactions occurred between related parties:

	Parent	
	2014 000's \$	2013 000's \$
Sale of goods and services		
Recoveries for other expenses	30	49
Purchase of goods		
Catering and accommodation	141	238
Salary and related costs	356	296
Management fees	111	123
Other transactions		
Debts forgiven	-	3
Operating grants	-	1
Other costs	26	147

##### (e) Loans to related parties

	Consolidated		Parent	
	2014 000's \$	2013 000's \$	2014 000's \$	2013 000's \$
<b>Loans to associates</b>				
Beginning of the year	16	16	16	16
<b>End of year</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>

##### (f) Outstanding balances

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

	Parent	
	2014 000's \$	2013 000's \$
Current receivables		
Subsidiaries	970	946

No provisions 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 34 Related Parties (continued)

#### (g) Guarantees

There have been no guarantees given by the parent entity to its subsidiary as at balance date (2013: Nil)

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

#### (h) Terms and Conditions

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

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

### 35 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	Principle place of business	Ownership interest	
		2014 %	2013 %
Norsesearch Limited	Australia	100.00	100.00

### 36 Joint Operations

The University has entered into the following joint operations.

Name of joint operation	Nature of relationship	Principle place of business	Ownership interest/ voting rights held	
			2014	2013
The Hotel School Sydney	Represents a partnership with Mulpha Hotel Pty Ltd for the purpose of operating a school for the education and development of students who are either employed, or wishing to be employed, in the hotel and tourism industries.	Sydney	43.00	43.00

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 36 Joint Operations (continued)

Name of joint operation	Nature of relationship	Principle place of business	Ownership interest/ voting rights held	
			2014	2013
Coffs Harbour Education Campus	Represents the development and continued operation of a joint educational precinct with Coffs Harbour Senior College and North Coast TAFE at the Coffs Harbour campus	Coffs Harbour	33.33	33.33

The partnership agreement in relation to the Hotel School Sydney operation requires unanimous consent from all parties for all relevant activities. The two partners own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the University recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 1(b)(iii).

The agreements in relation to the Coffs Harbour Education Campus require unanimous consent from all parties for all relevant activities. Therefore the arrangement is classified as a joint operation and the University recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 1 (b) (iii).

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

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

	2014 000's \$	2013 000's \$
Assets (including share of jointly held assets)	19,781	20,074
Liabilities (including jointly incurred)	212	244

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

	2014 000's \$	2013 000's \$
Share of revenue from the sale of output by joint operation	2,173	2,027
Expenses (including jointly incurred)	1,562	1,465

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 37 Events Occurring After the Reporting Date

There has not occurred in the period between the balance date of 31 December 2014 and the date of this report, any item, transaction or event of a material nature that could significantly affect the financial position of the University.

#### 38 Reconciliation of net result to net cash flows provided from operating activities

	Note	Consolidated		Parent	
		2014 000's	2013 000's	2014 000's	2013 000's
		\$	\$	\$	\$
Net result for the period		13,127	(6,570)	13,243	(6,272)
Depreciation and amortisation	10	10,845	10,319	10,842	10,315
Impairment loss on property, plant & equipment	13	292	1,812	292	1,812
Net (gain) / loss on sale of non-current assets		869	829	869	829
Net exchange differences		(51)	(99)	(51)	(99)
Share of profits of joint venture partnerships		9	6	-	-
Fair value adjustments to derivative financial liabilities		414	-	414	-
Change in operating assets and liabilities, net of effects from purchase of controlled entity:					
(Increase) / decrease in trade debtors		4,380	(5,675)	4,322	(6,036)
(Increase) / decrease in inventories		1	9	(4)	3
(Increase) / decrease in other operating assets		554	(77)	561	(71)
Increase / (decrease) in trade creditors		3,289	(80)	3,280	(76)
Increase / (decrease) in other provisions		222	(636)	213	(569)
Increase / (decrease) in other operating liabilities		3,910	1,958	3,871	1,968
Net cash provided by / (used in) operating activities		<b>37,861</b>	1,796	<b>37,852</b>	1,804

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 39 Change in Accounting Policy

The aggregate effect of changes in accounting policies, as described in note 1(x), on the annual financial statements for the year ended 31 December 2014 is as follows:

	31 December 2013 Previously stated 000's \$	Adjustments 000's \$	2013 Restated 000's \$	31 December 2012 Previously stated 000's \$	Adjustments 000's \$	1 January 2013 Restated 000's \$
<b>Consolidated Entity</b>						
<b>Income Statement (extract)</b>						
Investment revenue	549	137	686	-	-	-
Share of profit on investments accounted for using the equity method	405	(411)	(6)	-	-	-
Employee related expenses	128,087	699	128,786	-	-	-
Depreciation and amortisation	10,280	39	10,319	-	-	-
Other expenses	55,194	(1,165)	54,029	-	-	-
<b>Statement of financial position (extract)</b>						
Cash and cash equivalents	18,920	276	19,196	12,176	656	12,832
Receivables (current)	13,470	150	13,620	7,788	98	7,886
Other non-financial assets	3,321	8	3,329	3,238	16	3,254
Investments accounted for using the equity method	(1,719)	2,050	331	(1,237)	1,574	337
Property, plant and equipment	230,071	107	230,178	226,490	119	226,609
Payables	10,779	173	10,952	11,795	167	11,962
Other liabilities	7,898	69	7,967	5,912	98	6,010
Retained earnings	201,595	2,349	203,944	207,991	2,198	210,189
<b>Statement of cashflows (extract)</b>						
Receipts from student fees and other customers	39,344	(78)	39,266	-	-	-
Interest received	562	137	699	-	-	-
Payments to suppliers and employees (inclusive of GST)	(192,498)	477	(192,021)	-	-	-
Payments for property, plant and equipment	(16,740)	(29)	(16,769)	-	-	-
Joint venture distributions received	887	(887)	-	-	-	-



## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 39 Change in Accounting Policy (continued)

	31 December 2013 Previously stated 000's \$	Adjustments 000's \$	2013 Restated 000's \$	31 December 2012 Previously stated 000's \$	Adjustments 000's \$	1 January 2013 Restated 000's \$
<b>Parent Entity</b>						
<b>Income Statement (extract)</b>						
Investment revenue	1,434	(750)	684	-	-	-
Employee related expenses	126,862	698	127,560	-	-	-
Depreciation and amortisation	10,276	39	10,315	-	-	-
Other expenses	55,008	(1,165)	53,843	-	-	-
<b>Statement of financial position (extract)</b>						
Cash and cash equivalents	18,860	274	19,134	12,107	655	12,762
Receivables (current)	14,372	150	14,522	8,352	97	8,449
Other non-financial assets	3,315	12	3,327	3,238	16	3,254
Investments accounted for using the equity method	275	(100)	175	275	(100)	175
Property, plant and equipment	230,057	107	230,164	226,472	120	226,592
Payables	10,694	173	10,867	11,705	167	11,872
Other liabilities	7,898	70	7,968	5,904	98	6,002
Retained earnings	204,541	200	204,741	210,165	523	210,688
<b>Statement of cashflows (extract)</b>						
Receipts from student fees and other customers	37,766	(80)	37,686	-	-	-
Interest received	560	137	697	-	-	-
Payments to suppliers and employees (inclusive of GST)	(190,976)	476	(190,500)	-	-	-
Payments for property, plant and equipment	(16,742)	(27)	(16,769)	-	-	-
Joint venture distributions received	887	(887)	-	-	-	-

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 40 Financial Risk Management

The University'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 University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University.

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

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

##### (a) Market risk

###### (i) Foreign exchange risk

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

###### (ii) Price risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The University 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 University's exposure to market interest rates relates primarily to the University's long term borrowings and investments held as interest bearing deposits and on-call bank deposits.

It is policy to protect part of the borrowings from exposure to increasing interest rates. Accordingly, the University has entered into an interest rate swap contract under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

The University entered into the interest rate swap on 23 May 2014, for a term of 4 years. This amounts to \$15 million at a fixed interest rate of 3.16%. The contracts require settlement of net interest receivable or payable each 30 days. At 31 December 2014, the interest rate swap liability had a market value of \$414,110 (2013: \$nil). This liability is recorded in other financial liabilities in the statement of financial position.

The interest rate swap currently in place covers approximately 120% (2013 – nil%) of the variable loan principal outstanding. The fixed interest rate is 3.16% (2013 – nil%) and the variable rates is set at the 1 month AUD-BBR-BBSW (pay) rate which at the end of the reporting period was 2.64% (2013 – nil%).

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 40 Financial Risk Management (continued)

##### (a) Market risk (continued)

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

The swap noted above is not effective for hedge accounting, and remeasurements to fair value have therefore been recognised in the income statement as borrowing costs in note 12.

##### (iv) Summarised sensitivity analysis

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

31 December 2014	Interest rate risk				Foreign exchange risk				
	-1%		+1%		-1%		+1%		
	Result	Equity	Result	Equity	Result	Equity	Result	Equity	
Carrying amount	000's	000's	000's	000's	000's	000's	000's	000's	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Financial assets</b>									
Cash and cash equivalents	28,981	(266)	(266)	266	266	-	-	-	-
Receivables	89,692	-	-	-	-	5	5	(5)	(5)
<b>Financial liabilities</b>									
Trade and other payables	11,993	-	-	-	-	-	-	-	-
Borrowings	12,340	123	123	(123)	(123)	-	-	-	-
Other financial liabilities	414	(4)	(4)	4	4	-	-	-	-
Total		(147)	(147)	147	147	5	5	(5)	(5)

31 December 2013	Interest rate risk				Foreign exchange risk				
	-1%		+1%		-1%		+1%		
	Result	Equity	Result	Equity	Result	Equity	Result	Equity	
Carrying amount	000's	000's	000's	000's	000's	000's	000's	000's	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Financial assets</b>									
Cash and cash equivalents	19,196	(161)	(161)	161	161	-	-	-	-
Receivables	75,030	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>									
Trade and other payables	8,873	-	-	-	-	-	-	-	-
Borrowings	20,780	208	208	(208)	(208)	-	-	-	-
Total		47	47	(47)	(47)	-	-	-	-

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 40 Financial Risk Management (continued)

##### (b) Credit risk

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. The receivables are assessed after 90 days and action taken to collect the debt.

Impairment and provision against debtors has been duly considered in determining the carrying amounts of financial assets.

There has been no change in managing credit risk since the prior year.

The carrying amount of financial assets (as contained in the table in subnote 41(a)) represents the University's maximum exposure to credit risk.

##### (c) Liquidity risk

The University 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 University's obligations over the near term.

The interest bearing deposits and deposits at call have an average maturity of 30 days.

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

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

	Average interest rate		Variable interest rate		Non Interest		Within 1 year		1 - 5 years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>												
Cash and cash equivalents	3.42	3.87	2,423	3,077	-	-	28,981	19,196	-	-	28,981	19,196
Receivables	-	-	-	-	89,692	75,030	-	-	-	-	89,692	75,030
<b>Total Financial Assets</b>			<b>2,423</b>	<b>3,077</b>	<b>89,692</b>	<b>75,030</b>	<b>28,981</b>	<b>19,196</b>	<b>-</b>	<b>-</b>	<b>118,673</b>	<b>94,226</b>
<b>Financial Liabilities:</b>												
Payables	-	-	-	-	11,993	8,873	-	-	-	-	11,993	8,873
Borrowings	4.42	4.36	12,340	20,780	-	-	2,440	2,440	9,900	18,340	12,340	20,780
Other financial liabilities	3.16	-	-	-	-	-	-	-	414	-	414	-
<b>Total Financial Liabilities</b>			<b>12,340</b>	<b>20,780</b>	<b>11,993</b>	<b>8,873</b>	<b>2,440</b>	<b>2,440</b>	<b>10,314</b>	<b>18,340</b>	<b>24,747</b>	<b>29,653</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 41 Fair Value Measurement

##### (a) Fair value measurements

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

Due to the short-term nature of current receivables, the carrying value is assumed to approximate the 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 University measures and recognises derivative financial instruments at fair value on a recurring basis. The University has also measured assets and liabilities at fair value on a non-recurring basis as a result of the reclassification of assets, as held for sale.

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

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Consolidated</b>				
<b>Financial assets</b>				
Cash and cash equivalents	28,981	19,196	28,981	19,196
Receivables	89,692	75,030	89,692	75,030
Investments using the equity method	322	331	322	331
<b>Total financial assets</b>	<b>118,995</b>	<b>94,557</b>	<b>118,995</b>	<b>94,557</b>
<b>Financial Liabilities</b>				
Payables	11,993	8,873	11,993	8,873
Borrowings	12,340	20,780	12,340	20,780
Other financial liabilities	414	-	414	-
<b>Total financial liabilities</b>	<b>24,747</b>	<b>29,653</b>	<b>24,747</b>	<b>29,653</b>
<b>Parent</b>				
<b>Financial assets</b>				
Cash and cash equivalents	28,911	19,134	28,911	19,134
Receivables	90,652	76,065	90,652	76,065
Investments using the equity method	175	175	175	175
<b>Total financial assets</b>	<b>119,738</b>	<b>95,374</b>	<b>119,738</b>	<b>95,374</b>
<b>Financial Liabilities</b>				
Payables	11,951	8,804	11,951	8,804
Borrowings	12,340	20,780	12,340	20,780
Other financial liabilities	414	-	414	-
<b>Total financial liabilities</b>	<b>24,705</b>	<b>29,584</b>	<b>24,705</b>	<b>29,584</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 41 Fair Value Measurement (continued)

##### (b) Fair value hierarchy

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

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

##### (i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels.

##### Fair value measurements at 31 December 2014

	2014	Level 1	Level 2	Level 3
	000's	000's	000's	000's
Note	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Investments using the equity method	20			
Associated companies	322	-	-	322
<b>Total financial assets</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>322</b>
<b>Financial liabilities</b>				
Derivatives used for hedging	27		414	-
<b>Total liabilities</b>	<b>414</b>	<b>-</b>	<b>414</b>	<b>-</b>
<b>Non-recurring fair value measurements</b>				
Non-current assets classified as held for sale	18		720	-
<b>Total non-recurring fair value measurements</b>	<b>720</b>	<b>-</b>	<b>720</b>	<b>-</b>

##### Fair value measurements at 31 December 2013

	2013	Level 1	Level 2	Level 3
	000's	000's	000's	000's
Note	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Investments using the equity method	20			
Associated companies	331	-	-	331
<b>Total financial assets</b>	<b>331</b>	<b>-</b>	<b>-</b>	<b>331</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 41 Fair Value Measurement (continued)

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

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

##### (ii) Disclosed fair values

Southern Cross University has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

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 current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

Recurring fair value measurements

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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Other techniques, such as discounted cashflow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities.

The best evidence of fair values is current prices in an active market for similar properties. Where such information is not available, the University considers information from a variety of sources, including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- Discounted cash flow projections based on reliable estimates of future cash flow
- Capitalised income projections based on a property's estimate net market income, and a capitalisation rate derived from an analysis of market evidence.

The level 2 fair value of investment properties has been derived from recent sales of similar properties.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 41 Fair Value Measurement (continued)

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2014 and 2013.

<b>Level 3 Fair Value Measurement 2014</b>	<b>Unlisted equity securities 000's \$</b>	<b>Buildings 000's \$</b>	<b>Other financial assets 000's \$</b>	<b>Other 000's \$</b>	<b>Total 000's \$</b>
Opening balance	-	-	331	-	331
Recognised in net result	-	-	(9)	-	(9)
Closing balance	-	-	322	-	322

<b>Level 3 Fair Value Measurement 2013</b>	<b>Unlisted equity securities 000's \$</b>	<b>Buildings 000's \$</b>	<b>Other financial assets 000's \$</b>	<b>Other 000's \$</b>	<b>Total 000's \$</b>
Opening balance	-	-	337	-	337
Recognised in net result	-	-	(6)	-	(6)
Closing balance	-	-	331	-	331

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

There were no transfers of assets/liabilities between levels 2 and 3 during the financial year ended 31 December 2014.

##### (ii) Valuation inputs and relationships to fair value

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

##### (iii) Valuation processes

All property, plant and equipment are stated at historical cost less depreciation.



## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 42 Defined Benefits Plans

##### (a) Fund specific disclosure

##### i) Nature of the benefits provided

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

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

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive a lump sum or pension benefits on retirement, death, disablement and withdrawal. All schemes are closed to new members.

##### ii) Description of the regulatory framework

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

- Superannuation Act 1916
- State Authorities Superannuation Act 1987
- Police Regulation (Superannuation) Act 1906
- State Authorities Non-Contributory Superannuation Scheme Act 1987, and their associated regulations

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

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

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

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012.

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

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 42 Defined Benefits Plans (continued)

##### (a) Fund specific disclosure (continued)

##### iv) Description of risks

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

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

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

The trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity.

##### v) Description of any plan amendments, curtailments and settlements

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

##### vi) Expected Contributions

The University expects to make a contribution of \$463,000 (2013: \$481,004) to the defined benefit plan during the next financial year.

##### vii) Maturity Profile

The weighted average duration of the defined benefit obligation is 13.3 years (2013 12.6 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$
Defined benefit obligations - 31 December 2014	4,938	5,098	16,111	129,855	156,002
Defined benefit obligations - 31 December 2013	5,095	5,206	16,698	141,268	168,267

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 42 Defined Benefits Plans (continued)

##### (b) Categories of plan assets

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

	2014 (%)		2013 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Short term securities	7.2	-	8.0	-
Australian fixed interest securities	6.7	-	4.4	-
Overseas fixed interest securities	2.4	-	2.2	-
Australian Equities	26.9	-	33.9	-
Overseas equities	30.5	-	28.3	-
Property	4.5	4.4	3.8	4.3
Alternatives	9.6	7.7	7.6	7.5
<b>Total</b>	<b>87.8</b>	<b>12.2</b>	<b>88.2</b>	<b>11.8</b>

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2014	2013
	%	%
Discount rate(s) at reporting date	2.83	4.27
Expected return on plan assets backing current pension liabilities	8.30	8.30
Expected return on plan assets backing other liabilities	7.30	7.30
Expected rate of CPI increase (weighted average)	2.50	2.50
Expected rate of salary increase	2.7 to 4.0	2.7 to 4.0

##### (c) Actuarial assumptions and sensitivity

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

	Change in assumption	Impact on defined obligation	
		Increase in assumption	Decrease in assumption
		Discount rate	1.00 % Increase by 15.0%
Rate of CPI	0.50 % Increase by 6.3%	Decrease by 5.7%	
Pensioner mortality	5.00 % Decrease by 1.1%	Increase by 1.2%	
Salary growth rate	0.50 % Increase by 0.5%	Decrease by 0.5%	

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 42 Defined Benefits Plans (continued)

##### (d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2014	Note	000's	000's	000's	000's
		\$ SASS	\$ SANCS	\$ SSS	\$ Total
<b>Liabilities</b>					
Provision for deferred government benefits for superannuation	26	4,206	909	76,301	81,416
<b>Assets</b>					
Receivable for deferred government contribution for superannuation	16	4,206	909	76,301	81,416
<b>Net liability recognised in the statement of financial position</b>		-	-	-	-
<b>Net liability reconciliation .- 2014</b>					
Defined benefit obligation	26	9,780	2,126	99,606	111,512
Fair value of plan assets		(5,574)	(1,217)	(23,305)	(30,096)
<b>Net liability</b>		4,206	909	76,301	81,416
Reimbursement right	16	4,206	909	76,301	81,416
<b>Total net liability/(asset) in statement of financial position</b>		-	-	-	-
<b>Reimbursement rights - 2014</b>					
Opening value of reimbursement right		2,906	-	49,843	52,749
Expected return on reimbursement rights		-	909	-	909
Remeasurements		1,300	-	26,458	27,758
<b>Closing value of reimbursement right</b>	16	4,206	909	76,301	81,416

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 42 Defined Benefits Plans (continued)

	000's \$ SASS	000's \$ SANCS	000's \$ SSS	000's \$ Total
<b>Present value of obligation - 2014</b>				
Opening defined benefit obligation	8,929	2,064	74,726	85,719
Current service cost	337	94	312	743
Interest expense/(income)	378	87	3,487	3,952
	<u>9,644</u>	<u>2,245</u>	<u>78,525</u>	<u>90,414</u>
<b>Remeasurements</b>				
Actuarial losses/(gains) arising from changes in financial assumptions	983	278	26,149	27,410
Experience (gains)/losses	325	155	(2,280)	(1,800)
	<u>1,308</u>	<u>433</u>	<u>23,869</u>	<u>25,610</u>
<b>Contributions</b>				
Plan participants	129	-	161	290
<b>Payments from plan</b>				
Benefits paid	(1,230)	(456)	(3,073)	(4,759)
Taxes, premiums and expenses	(71)	(96)	124	(43)
	<u>(1,301)</u>	<u>(552)</u>	<u>(2,949)</u>	<u>(4,802)</u>
<b>Closing defined benefit obligation</b>	<u>9,780</u>	<u>2,126</u>	<u>99,606</u>	<u>111,512</u>
<b>Present value of plan assets - 2014</b>				
Opening fair value of plan assets	6,022	1,580	24,884	32,486
Interest expense/(income)	240	65	995	1,300
	<u>6,262</u>	<u>1,645</u>	<u>25,879</u>	<u>33,786</u>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense	204	36	63	303
<b>Contributions</b>				
Employers	279	88	152	519
Plan participants	130	-	161	291
	<u>409</u>	<u>88</u>	<u>313</u>	<u>810</u>
<b>Payments from plan</b>				
Benefits paid	(1,230)	(456)	(3,073)	(4,759)
Taxes, premiums and expenses	(71)	(96)	123	(44)
	<u>(1,301)</u>	<u>(552)</u>	<u>(2,950)</u>	<u>(4,803)</u>
<b>Closing fair value of plans assets</b>	<u>5,574</u>	<u>1,217</u>	<u>23,305</u>	<u>30,096</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 42 Defined Benefits Plans (continued)

Amounts recognised in the statement of financial position - 2013	Note	000's \$ SASS	000's \$ SANCS	000's \$ SSS	000's \$ Total
<b>Liabilities</b>					
Provision for deferred government benefits for superannuation	26	2,906	484	49,843	53,233
<b>Total liabilities</b>		<b>2,906</b>	<b>484</b>	<b>49,843</b>	<b>53,233</b>
<b>Total pension entitlements (incl on-costs)</b>		<b>2,906</b>	<b>484</b>	<b>49,843</b>	<b>53,233</b>
<b>Assets</b>					
Receivable for deferred government contribution for superannuation	16	2,906	-	49,843	52,749
<b>Net liability recognised in the statement of financial position</b>		<b>-</b>	<b>484</b>	<b>-</b>	<b>484</b>
<b>Net liability reconciliation - 2013</b>					
Defined benefit obligation	26	8,929	2,064	74,726	85,719
Fair value of plan assets		(6,023)	(1,580)	(24,883)	(32,486)
<b>Net liability</b>		<b>2,906</b>	<b>484</b>	<b>49,843</b>	<b>53,233</b>
Reimbursement right	16	2,906	-	49,843	52,749
<b>Total net liability/(asset) in statement of financial position</b>		<b>-</b>	<b>484</b>	<b>-</b>	<b>484</b>
<b>Reimbursement rights - 2013</b>					
Opening value of reimbursement right		3,012	-	63,021	66,033
Remeasurements		(106)	-	(13,178)	(13,284)
<b>Closing value of reimbursement right</b>	16	<b>2,906</b>	<b>-</b>	<b>49,843</b>	<b>52,749</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 42 Defined Benefits Plans (continued)

	000's \$ SASS	000's \$ SANCS	000's \$ SSS	000's \$ Total
<b>Present value obligations - 2013</b>				
Opening defined benefit obligation	10,024	2,395	86,794	99,213
Current service cost	329	94	432	855
Interest expense/(income)	313	76	2,811	3,200
	<u>10,666</u>	<u>2,565</u>	<u>90,037</u>	<u>103,268</u>
<b>Remeasurements</b>				
Actuarial losses/(gains) arising from changes in financial assumptions	(276)	(107)	(10,185)	(10,568)
Experience (gains)/losses	615	15	(2,349)	(1,719)
	<u>339</u>	<u>(92)</u>	<u>(12,534)</u>	<u>(12,287)</u>
<b>Contributions</b>				
Plan participants	139	-	178	317
<b>Payments from plan</b>				
Benefits paid	(2,145)	(472)	(3,342)	(5,959)
Taxes, premium and expenses	(70)	63	387	380
	<u>(2,215)</u>	<u>(409)</u>	<u>(2,955)</u>	<u>(5,579)</u>
<b>Closing defined benefit obligation</b>	<u>8,929</u>	<u>2,064</u>	<u>74,726</u>	<u>85,719</u>

	000's \$ SASS	000's \$ SANCS	000's \$ SSS	000's \$ Total
<b>Present value of plan assets - 2013</b>				
Opening fair value of plan assets	7,012	1,588	23,772	32,372
Interest expense/(income)	213	60	731	1,004
	<u>7,225</u>	<u>1,648</u>	<u>24,503</u>	<u>33,376</u>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense	556	233	2,962	3,751
<b>Contributions</b>				
Employers	317	109	194	620
Plan participants	139	-	178	317
	<u>456</u>	<u>109</u>	<u>372</u>	<u>937</u>
<b>Payments from plan</b>				
Benefits paid	(2,145)	(472)	(3,342)	(5,959)
Taxes, premiums and expenses	(69)	62	388	381
	<u>(2,214)</u>	<u>(410)</u>	<u>(2,954)</u>	<u>(5,578)</u>
<b>Closing fair value of plans assets</b>	<u>6,023</u>	<u>1,580</u>	<u>24,883</u>	<u>32,486</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 42 Defined Benefits Plans (continued)

#### (e) Amounts recognised in other statements

The amounts recognised in the statement of profit or loss are restricted to the SANCS in accordance with note 1(t). The amounts are included in employee related expenses (note 9).

		2014	2013
		000's	000's
	Note	\$	\$
<b>Amounts recognised in the Statement of Profit or Loss</b>			
Current service cost		94	94
Interest expense		22	16
		<hr/>	<hr/>
<b>Total expense recognised in the Income Statement</b>	9	<b>116</b>	<b>110</b>
		<hr/>	<hr/>

The amounts recognised in the statement of comprehensive income are restricted to the SANCS in accordance with note 1(t). The amounts are included in reserves (note 29).

		2014	2013
		000's	000's
	Note	\$	\$
<b>Amounts recognised in the Statement of Comprehensive Income</b>			
Actuarial (losses) gains arising from changes in financial assumptions		(278)	107
Actuarial (losses) gains arising from liability experience		(155)	(15)
Actual return on plan assets less interest income		36	233
		<hr/>	<hr/>
<b>Total remeasurements recognised in the Statement of Comprehensive Income</b>	29	<b>(397)</b>	<b>325</b>
		<hr/>	<hr/>



**Notes to the Financial Statements**  
For the Year Ended 31 December 2014

**43 Acquitment of Australian Government Financial Assistance**

**(a) Education - CGS and other Education grants**

	Commonwealth Grants Scheme#1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program		Diversity and Structural Adjustment Fund #3	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
73,020	74,181	788	1,002	3,830	3,490	148	152	-	-	1,700
186	-	-	-	(454)	(425)	(1)	-	-	-	-
<b>73,206</b>	<b>74,181</b>	<b>788</b>	<b>1,002</b>	<b>3,376</b>	<b>3,065</b>	<b>147</b>	<b>152</b>	<b>-</b>	<b>1,422</b>	<b>1,700</b>
73,206	74,181	788	1,434	3,376	3,065	147	152	1,422	1,422	4,066
(73,206)	(74,181)	(788)	(1,434)	(3,376)	(3,065)	(147)	(152)	(1,012)	(1,012)	(2,643)
-	-	-	-	-	-	-	-	-	410	1,423

Parent Entity (University) Only  
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program) 2(h)

Net accrual adjustments  
Revenue for the period 2(a)  
Surplus/(deficit) from the previous year  
Total revenue including accrued revenue  
Less expenses including accrued expenses  
Surplus/(deficit) for the reporting period

**Notes to the Financial Statements**  
For the Year Ended 31 December 2014

**43 Acquittal of Australian Government Financial Assistance (continued)**

	Australian Maths & Science Partnership Program		Improving the Quality of Maths & Science Teaching Program		Promo of Exc in Learning and Teaching		Reward Funding		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
<b>Parent Entity (University) Only</b>										
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	332	-	294	-	85	144	-	352	78,497	81,021
Net accrual adjustments	-	-	-	-	-	(1)	-	(1)	(269)	(426)
Revenue for the period	332	-	294	-	85	144	-	351	78,228	80,595
Surplus/(deficit) from the previous year	-	-	-	-	221	201	-	-	1,643	2,999
Total revenue including accrued revenue	332	-	294	-	306	345	-	351	79,871	83,594
Less expenses including accrued expenses	-	-	(206)	-	(244)	(124)	-	(351)	(78,979)	(81,950)
Surplus/(deficit) for the reporting period	332	-	88	-	62	221	-	-	892	1,644

2(h)

2(a)

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

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustments Program



## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 43 Acquittal of Australian Government Financial Assistance (continued)

##### (c) Scholarships

###### Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

2(h)

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #5		Commonwealth Accommodation Scholarships #5	
	2014	2013	2014	2013	2014	2013	2014	2013
000's	000's	000's	000's	000's	000's	000's	000's	000's
\$	\$	\$	\$	\$	\$	\$	\$	\$
1,527	1,580	134	133	111	(382)	38	(750)	
1,527	1,580	134	133	111	(382)	38	(750)	
470	595	20	-	120	639	67	918	
1,997	2,175	154	133	231	257	105	168	
(1,633)	(1,705)	(128)	(113)	(144)	(137)	(65)	(101)	
364	470	26	20	87	120	40	67	

2(c)

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2014**

**43 Acquittal of Australian Government Financial Assistance (continued)**

**(c) Scholarships (continued)**

**Parent Entity (University) Only**

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

	Indigenous Access Scholarship		Indigenous Staff Scholarships		Total	
	2014	2013	2014	2013	2014	2013
	000's	000's	000's	000's	000's	000's
\$	\$	\$	\$	\$	\$	\$
2(h)	82	(4)	41	-	1,933	577
	-	-	(1)	-	(1)	-
2(c)	82	(4)	40	-	1,932	577
	-	60	-	-	677	2,212
	82	56	40	-	2,609	2,789
	(91)	(56)	(27)	-	(2,088)	(2,112)
	(9)	-	13	-	521	677

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2014

**43 Acquittal of Australian Government Financial Assistance (continued)**

**(d) Education Research**

	Joint Research Engagement <sup>#6</sup>		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		JRE Engineering Cadetships #6		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,707	1,542	3,437	3,584	581	466	801	729	20	10	6,546	6,331	
1,707	1,542	3,437	3,584	581	466	801	729	20	10	6,546	6,331	
1,707	1,542	3,437	3,584	581	466	801	729	25	10	6,551	6,331	
(1,707)	(1,542)	(3,437)	(3,584)	(581)	(466)	(801)	(729)	(11)	(5)	(6,537)	(6,326)	
-	-	-	-	-	-	-	-	14	5	14	5	

Parent Entity (University) Only<sup>#7</sup>  
2(h)

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

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

#6 The reported surpluses for JRE Engineering Cadetships (\$13,503) for 2014 are expected to be rolled over for future use by Education.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2014**

**43 Acquittal of Australian Government Financial Assistance (continued)**

**(e) Other Capital Funding**

	Teaching and Learning Capital Fund		Education Investment Fund		Total	
	2014 000's	2013 000's	2014 000's	2013 000's	2014 000's	2013 000's
	\$	\$	\$	\$	\$	\$
<b>Parent Entity (University) Only</b>						
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	-	-	26,104	2,500	26,104	2,500
Net accrual adjustments	-	-	(5,000)	5,000	(5,000)	5,000
Revenue for the period	-	-	21,104	7,500	21,104	7,500
Surplus/(deficit) from the previous year	5,826	5,910	5,679	5,930	11,505	11,840
Total revenue including accrued revenue	5,826	5,910	26,783	13,430	32,609	19,340
Less expenses including accrued expenses	-	(84)	(21,168)	(7,751)	(21,168)	(7,835)
Surplus/(deficit) for the reporting period	5,826	5,826	5,615	5,679	11,441	11,505

2(h)

2(e)

## Notes to the Financial Statements For the Year Ended 31 December 2014

### 43 Acquittal of Australian Government Financial Assistance (continued)

#### (f) Australian Research Council Grants

##### (i) Discovery

##### Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

2(h)

	Projects		Fellowships		Indigenous Researchers Development		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
000's	000's	000's	000's	000's	000's	000's	000's	000's
\$	\$	\$	\$	\$	\$	\$	\$	\$
	598	585	394	483	-	(63)	992	1,005
	-	-	1	-	-	(1)	1	(1)
2(f)(i)	598	585	395	483	-	(64)	993	1,004
	56	223	132	340	-	65	188	628
	654	808	527	823	-	1	1,181	1,632
	(467)	(752)	(443)	(691)	-	(1)	(910)	(1,444)
	187	56	84	132	-	-	271	188

2(f)(i)

##### (ii) Linkages

##### Parent Entity (University) Only

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

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

2(h)

	Infrastructure		International		Projects		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
000's	000's	000's	000's	000's	000's	000's	000's	000's
\$	\$	\$	\$	\$	\$	\$	\$	\$
	485	240	-	-	453	855	938	1,095
	485	240	-	-	453	855	938	1,095
	1	115	-	-	261	719	262	834
	486	355	-	-	714	1,574	1,200	1,929
	(486)	(354)	-	-	(383)	(1,313)	(869)	(1,667)
	-	1	-	-	331	261	331	262

2(f)(ii)



## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 43 Acquittal of Australian Government Financial Assistance (continued)

##### (g) OS-HELP

	2014	2013
	000's	000's
	\$	\$
<b>Parent Entity (University) Only</b>		
Cash received during the reporting period	965	208
Cash spent during the reporting period	(538)	(375)
Net cash received	2(h) 427	(167)
Cash surplus/(deficit) from the previous period	(180)	(13)
Cash surplus/(deficit) for the reporting period	16,24 247	(180)

##### (h) Student Services and Amenities Fee

	2014	2013
	000's	000's
	\$	\$
<b>Parent Entity (University) Only</b>		
Unspent/(overspent) revenue from previous period	892	571
SA-HELP revenue earned	2(b) 1,016	835
Student Services and Amenities Fees from students	4 708	830
Total revenue expendable in period	2,616	2,236
Student services expenses during period	(1,711)	(1,344)
Unspent/(overspent) student services revenue	905	892



To the Vice Chancellor  
Southern Cross University

### **Auditor's Independence Declaration**

As auditor for the audit of the financial statements of the Southern Cross University for the year ended 31 December 2014, I declare, to the best of my knowledge and belief, that there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'A. T. Whitfield'.

A T Whitfield PSM  
Acting Auditor-General

17 April 2015  
SYDNEY



## INDEPENDENT AUDITOR'S REPORT

### Southern Cross University

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Southern Cross University (the University), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entity it controlled at the year's end or from time to time during the financial year.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

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

The Council of the University is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the Guidelines and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 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. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 an 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 of the financial statements that give a true and fair view 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 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 carried out their activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

## Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



A T Whitfield PSM  
Acting Auditor-General

17 April 2015  
SYDNEY

# Norsearch Limited

ABN 57 003 082 406

A subsidiary of Southern Cross University

## Financial Statements

For the Year Ended 31 December 2014

# Financial Statements for the 2014 Reporting Period

## Contents

31 December 2014

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## Directors' Report

31 December 2014

The directors present their report on Norsearch Limited for the financial year ended 31 December 2014.

### Information on directors

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

#### Chris Patton

Qualifications	BA (UBC), MA (Guelph)
Experience	Over twenty years experience in both the public and private education sector.
Special responsibilities	Pro Vice Chancellor - International and Enterprise at Southern Cross University

#### David Lynch

Qualifications	BEd (JCU), Med (School Admin) (JCU), DipTeach (JCU), EdD (CQU), FAACLM (OTHAUS)
Experience	Over thirty years experience in the public education sector.
Special responsibilities	Head, Coffs Harbour campus at Southern Cross University

#### Donna Moffit

Qualifications	BCom (Griffith), MStratHRM (UOW)
Experience	Over six years experience in the higher education sector.
Special responsibilities	Director of Student Services at Southern Cross University

#### Paul Deegan

Qualifications	BBuild (UNSW), Licensed Real Estate Agent
Experience	Over thirty years experience in the property and construction industries.
Special responsibilities	Principal of LJ Hooker Franchise, Lismore NSW 2480

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

### Principal activities

The principal activity of Norsearch Limited ('the company') during the financial year was to provide on-campus amenities and services to students and staff of Southern Cross University. These principal activities include operating a licensed bar, function room, pool and gymnasium.

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

### Short term and long term objectives

The Company's short and long term objective is to:

- Provide services and amenities to students and staff of Southern Cross University.

### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategy:

## Directors' Report

31 December 2014

### Strategy for achieving the objectives (continued)

- Provide high quality service in the provision of on-campus food and beverage services and other amenities.

### Performance measure

The following measure is used within the Company to monitor performance:

- The company measures performance through the the analysis of metrics relating to the client usage of facilities provided.

### Members guarantee

Norsearch Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20, subject to the provisions of the company's constitution. At 31 December 2014, the collective liability of members was \$ 80 (2013: \$ 80).

### Going concern

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

### Meetings of directors

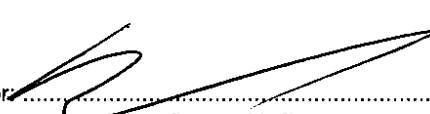
During the financial year, 3 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
Chris Patton	3	3
David Lynch	3	3
Donna Moffit	3	-
Paul Deegan	3	3

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2014 has been received and can be found on page 3 of the financial report.

Signed on behalf of and in accordance with a resolution of the Board of Directors:

Director:  .....  
Donna Moffit

Director:  .....  
Paul Deegan

Dated 15 April 2015





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 2014, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink, appearing to read "A. T. Whitfield".

A T Whitfield PSM  
Acting Auditor-General

17 April 2015  
SYDNEY

**Statement of Comprehensive Income****For the Year Ended 31 December 2014**

		<b>2014</b>	<b>2013</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	2	<b>1,294,587</b>	1,375,791
Other income	2	<b>492,977</b>	568,420
Costs of goods sold	3	<b>(253,046)</b>	(247,298)
Employee benefits expense	3	<b>(1,079,329)</b>	(1,224,626)
Depreciation and amortisation expense	3	<b>(3,426)</b>	(3,427)
Other expenses	3	<b>(561,953)</b>	(761,901)
<b>Net result for the year</b>		<b>(110,190)</b>	<b>(293,041)</b>
<b>Total comprehensive income for the year</b>		<b>(110,190)</b>	<b>(293,041)</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As At 31 December 2014

	Note	2014 \$	2013 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	69,839	60,630
Trade and other receivables	5	13,178	43,915
Inventories	6	14,665	20,884
Other assets	7	914	5,351
<b>Total current assets</b>		<b>98,596</b>	<b>130,780</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	14,407	14,288
<b>Total non-current assets</b>		<b>14,407</b>	<b>14,288</b>
<b>Total assets</b>		<b>113,003</b>	<b>145,068</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1,065,889	1,031,745
Provisions	10	53,523	44,980
Other liabilities	11	37,576	651
<b>Total current liabilities</b>		<b>1,156,988</b>	<b>1,077,376</b>
<b>Non-current liabilities</b>			
Provisions	10	18,264	19,751
<b>Total non-current liabilities</b>		<b>18,264</b>	<b>19,751</b>
<b>Total liabilities</b>		<b>1,175,252</b>	<b>1,097,127</b>
<b>Net assets</b>		<b>(1,062,249)</b>	<b>(952,059)</b>
<b>Equity</b>			
Accumulated losses	12	(1,062,249)	(952,059)
<b>Total equity</b>		<b>(1,062,249)</b>	<b>(952,059)</b>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity****For the Year Ended 31 December 2014**

	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2013</b>	<b>(659,018)</b>	<b>(659,018)</b>
Net result attributable to members of the entity	(293,041)	(293,041)
<b>Balance at 31 December 2013</b>	<b>(952,059)</b>	<b>(952,059)</b>
<b>Balance at 1 January 2014</b>	<b>(952,059)</b>	<b>(952,059)</b>
Net result attributable to members of the entity	(110,190)	(110,190)
<b>Balance at 31 December 2014</b>	<b>(1,062,249)</b>	<b>(1,062,249)</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 December 2014

	2014	2013
Note	\$	\$
<b>Cash flow from operating activities:</b>		
Receipts from customers	1,970,525	2,035,635
Payments to suppliers and employees	(1,879,343)	(1,973,447)
GST recovered/paid	(78,429)	(68,702)
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	18 <b>12,753</b>	<b>(6,514)</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(3,544)	-
	<hr/>	<hr/>
<b>Net cash used by investing activities</b>	<b>(3,544)</b>	-
<b>Net increase (decrease) in cash and cash equivalents held</b>		
	9,209	(6,514)
Cash and cash equivalents at beginning of year	60,630	67,144
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of financial year</b>	4 <b>69,839</b>	<b>60,630</b>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2014**

#### **1 Summary of Significant Accounting Policies**

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

Norsearch Limited is a not-for-profit company limited by guarantee, which is incorporated and domiciled in Australia.

##### **(a) Basis of Preparation**

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The annual financial statements represent the audited general purpose financial statements of Norsearch Limited. They have been prepared on an accrual basis in accordance with Australian Accounting Standards.

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

- *Corporations Act 2001*
- *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010*
- *Australian Charities and Not-for-profit Commission Act 2012*

Norsearch Limited is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the IFRS requirements. The main impact is in the following accounting treatments:

- the offsetting of impairment losses within a class of assets
- the timing of the recognition of non-reciprocal revenue

##### *Date of authorisation for issue*

The financial statements were authorised for issue by the directors of Norsearch Limited on 15 April 2015.

##### *Historical cost convention*

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

##### *Critical accounting estimates*

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

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(a) Basis of Preparation (continued)**

It also requires management to exercise its judgement in the process of applying Norsearch Limited's accounting policies.

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

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

#### *Going concern*

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

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

#### **(b) Comparative Amounts**

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

#### **(c) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable. 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.

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (c) Revenue and other income (continued)

Interest revenue is recognised using the effective interest method.

##### (d) Employee benefits

###### *i) Wages and salaries*

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

###### *ii) Annual leave and sick leave*

The liability for long-term employee benefits such as annual leave, is recognised in current provisions for employee benefits if they are not expected to be settled wholly before 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

###### *iii) Long service leave*

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

###### *iv) Termination benefits*

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

##### (e) Trade and other payables

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

##### (f) Leases

###### *(i) Finance leases*

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.



## **Notes to the Financial Statements**

**For the Year Ended 31 December 2014**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(f) Leases (continued)**

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

#### *(ii) Operating leases*

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### **(g) Cash and cash equivalents**

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

#### **(h) 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 known to be uncollectible are written off. A provision for impairment of receivables 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. 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 statement of comprehensive income.

#### **(i) Inventories**

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

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

#### **(j) Property, Plant and Equipment**

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

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (j) Property, Plant and Equipment (continued)

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

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

Class of Asset	Useful Life (years)
Plant and Equipment	7-10

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

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

#### (k) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either amortised cost using the effective interest rate method or cost.

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition
- (b) less principal repayments
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*
- (d) less any reduction for impairment.

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (k) Financial instruments (continued)

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

#### (ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### (iii) Impairment

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

#### (l) Income Tax

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

#### (m) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (m) Goods and Services Tax (GST) (continued)

Receivables and payable are stated inclusive of GST.

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

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

##### (n) Impairment of assets

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

##### (o) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2017	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (o) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	1 January 2017	<p>On 12 December 2014, the AASB approved AASB 15 Revenue from Contracts with Customers, incorporating IFRS 15 Revenue from Contracts with Customers which had been published by the IASB on 28 May 2014.</p> <p>AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations and establishes a new control-based revenue recognition model. The standard also changes the basis for deciding whether revenue is to be recognised over time or at a point in time. In addition, the standard expands and improves disclosures about revenue.</p> <p>However, AASB 1004 Contributions will continue to apply to nonexchange transactions until the Income from Transactions of NFP Entities project is completed.</p>	<p>The University has not yet determined the impact of the standard on its revenue from contracts with customers. Some additional disclosures will be required.</p>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 2 Revenue and Other Income

	2014	2013
	\$	\$
<b>Revenue</b>		
Membership revenue	564,344	510,847
Conference sales	7,046	147,387
Catering revenue	490,160	417,295
Bar sales	170,844	157,551
	<u>1,232,394</u>	<u>1,233,080</u>
Other revenue	62,193	142,711
<b>Total Revenue</b>	<u>1,294,587</u>	<u>1,375,791</u>
<b>Other Income</b>		
Management fees	492,977	568,420
<b>Total Other income</b>	<u>492,977</u>	<u>568,420</u>

### 3 Expenses from continuing operations

Costs of goods sold	253,046	247,298
Employee benefits expense	1,079,329	1,224,626
Utilities	181,720	193,039
Fees and charges	114,304	238,367
Auditing or reviewing the financial report	27,600	27,000
Cleaning services	52,756	62,825
Security costs	9,798	15,840
Depreciation and amortisation		
Plant and equipment	3,426	3,427
Other costs	175,775	224,832
<b>Total Expenses</b>	<u>1,897,754</u>	<u>2,237,254</u>

### 4 Cash and cash equivalents

Cash at bank and in hand	69,839	60,630
<b>Total cash and cash equivalents</b>	<u>69,839</u>	<u>60,630</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 4 Cash and cash equivalents (continued)

(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 statement of cash flows as follows:

Balances as above	<b>69,839</b>	60,630
Balance as per statement of cash flows	<b>69,839</b>	60,630

(b) Cash at bank

Cash in operating accounts earns interest at variable interest rates.

#### 5 Trade and other receivables

	2014	2013
	\$	\$
<b>Current</b>		
Trade receivables	10,565	41,258
Provision for impairment	(286)	-
	<b>10,279</b>	41,258
Other receivables	2,899	2,657
<b>Total current trade and other receivables</b>	<b>13,178</b>	43,915

Impaired receivables

As at 31 December 2014 current receivables of the Company with a nominal value of \$286 (2013: Nil ) were impaired. The amount of the provision was \$286 (2013: Nil ). The individually impaired receivables relate to a variety of debtors and it was assessed that the receivables are expected to be recovered.

The ageing of these receivables is as follows:

	2014	2013
	\$	\$
<b>Current receivables</b>		
3 to 6 months	230	-
Over 6 months	56	-
	<b>286</b>	-

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 5 Trade and other receivables (continued)

Impaired receivables (continued)

As at 31 December 2014 trade receivables of \$4,252 (2013:\$37,441) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2014	2013
	\$	\$
<b>Trade receivables</b>		
Between 0 to 3 months	4,252	37,421
Over 6 months	-	20
	<u>4,252</u>	<u>37,441</u>

	2014	2013
	\$	\$
<b>Movements in the provision for impaired receivables are as follows:</b>		
At 1 January	-	1,624
Provision for impairment recognised during the year	286	-
Unused amount reversed	-	(1,624)
<b>At 31 December</b>	<u>286</u>	<u>-</u>

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

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

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

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

#### 6 Inventories

	2014	2013
	\$	\$
<b>Current</b>		
At cost:		
Finished goods	14,665	20,884
<b>Total inventories</b>	<u>14,665</u>	<u>20,884</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 7 Other non-financial assets

	2014	2013
	\$	\$
<b>Current</b>		
Prepayments	914	5,351
<b>Total other non-financial assets</b>	<u>914</u>	<u>5,351</u>

### 8 Property, plant and equipment

#### Plant and equipment

At cost	59,251	55,706
Accumulated depreciation	(44,844)	(41,418)
<b>Total plant and equipment</b>	<u>14,407</u>	<u>14,288</u>
<b>Total property, plant and equipment</b>	<u>14,407</u>	<u>14,288</u>

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

	Plant and Equipment \$	Capital Works In Progres \$	Total \$
<b>Year ended 31 December 2013</b>			
Opening net book value	17,715	-	17,715
Depreciation expense	(3,426)	-	(3,426)
<b>Closing net book amount</b>	<u>14,289</u>	<u>-</u>	<u>14,289</u>

	Plant and Equipment \$	Capital Works In Progress \$	Total \$
<b>Year ended 31 December 2014</b>			
Opening net book value	14,289	-	14,289
Additions	-	3,544	3,544
Depreciation expense	(3,426)	-	(3,426)
<b>Closing net book amount</b>	<u>10,863</u>	<u>3,544</u>	<u>14,407</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 9 Trade and other payables

	2014	2013
	\$	\$
<b>Current</b>		
Trade payables	36,033	63,235
Related party payables	17(c) 970,471	946,247
Other payables	59,385	22,263
<b>Total current payables</b>	<u>1,065,889</u>	<u>1,031,745</u>

### 10 Provisions

	2014	2013
	\$	\$
<b>Current provisions expected to be settled wholly within 12 months</b>		
Employee benefits		
Annual leave	30,487	27,806
Long service leave	1,535	462
	<u>32,022</u>	<u>28,268</u>

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

<b>Employee benefits</b>		
Annual leave	13,110	16,712
Long service leave	8,391	-
	<u>21,501</u>	<u>16,712</u>
<b>Total current provisions</b>	<u>53,523</u>	<u>44,980</u>

	2014	2013
	\$	\$
<b>Non-current provisions</b>		
Employee benefits		
Long service leave	18,264	19,751
<b>Total non-current provisions</b>	<u>18,264</u>	<u>19,751</u>

### 11 Other liabilities

	2014	2013
	\$	\$
<b>Current</b>		
Income received in advance	37,576	651
<b>Total other liabilities</b>	<u>37,576</u>	<u>651</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 12 Accumulated Losses

	2014	2013
	\$	\$
Accumulated losses at the beginning of the financial year	(952,059)	(659,018)
Total comprehensive income for the year	<u>(110,190)</u>	<u>(293,041)</u>
<b>Accumulated losses at end of the financial year</b>	<b><u>(1,062,249)</u></b>	<b><u>(952,059)</u></b>

### 13 Remuneration of Auditors

	2014	2013
	\$	\$
<b>Remuneration of the auditor of the Company, Audit Office of NSW, for:</b>		
Auditing or reviewing the financial report	27,600	27,000

### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2014 (31 December 2013: None).

### 15 Events Occurring After the Reporting Date

The financial report was authorised for issue on 15 April 2015 by the Board of Directors.

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.

### 16 Key Management Personnel Disclosures

(a) Directors

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

Donna Moffitt  
Paul Deegan  
Chris Patton  
David Lynch

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

(b) Directors and responsible officers remuneration

No income is paid or payable, or otherwise made available, to board members by the company in connection with the management of affairs of the company.

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 16 Key Management Personnel Disclosures (continued)

- (b) Directors and responsible officers remuneration (continued)

The independent board member, Paul Deegan, is external to the company and is not remunerated. The remaining board members and responsible officers are remunerated by the company's ultimate parent entity Southern Cross University.

### 17 Related Parties

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

- (a) Ultimate Parent Entity

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

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

- (b) Transactions with related parties

The following transactions occurred with related parties:

	Purchases	Sales
<b>Parent</b>		
Catering services	-	141
Management fees	-	111
Cost recoveries	-	382
Other costs	30	-
 (c) Balances to related parties		
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Amount payable to:		
Ultimate parent entity	<b>970,471</b>	946,247

- (d) Terms and Conditions

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 18 Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

		2014	2013
		\$	\$
Net result for the year		(110,190)	(293,041)
Cash flows excluded from profit attributable to operating activities			
Non-cash flows in net result:			
Depreciation	3	3,426	3,427
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
(Increase)/decrease in trade and other receivables		30,737	(19,272)
(Increase)/decrease in other assets		4,435	(5,351)
(Increase)/decrease in inventories		6,219	4,826
Increase/(decrease) in trade and other payables		34,145	362,396
Increase/(decrease) in provisions		7,056	(47,895)
Increase/(decrease) in other liabilities		36,925	(11,604)
Cashflow from operating activities		<u>12,753</u>	<u>(6,514)</u>

#### 19 Fair Value Measurement

##### (a) Fair value measurements

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

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

## Notes to the Financial Statements

For the Year Ended 31 December 2014

### 19 Fair Value Measurement (continued)

(a) Fair value measurements (continued)

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

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	<b>69,839</b>	60,630	<b>69,839</b>	60,630
Receivables	<b>10,457</b>	41,362	<b>10,457</b>	41,362
<b>Total financial assets</b>	<b>80,296</b>	101,992	<b>80,296</b>	101,992
<b>Financial Liabilities</b>				
Payables	<b>1,059,026</b>	1,028,209	<b>1,059,206</b>	1,028,209
<b>Total financial liabilities</b>	<b>1,059,026</b>	1,028,209	<b>1,059,206</b>	1,028,209

### 20 Company Details

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

Norsearch Limited  
 Southern Cross University  
 Military Road  
 EAST LISMORE NSW 2480

### 21 Financial Risk Management

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

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

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

#### (a) Market risk

##### (i) Foreign exchange risk

The company 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 21 Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Price risk

Price risk arises on financial instruments because of changes in commodity prices or equity prices. The Company is not exposed to any material commodity 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 will fluctuate as a result of changes in market interest rates.

The Company's exposure to market interest rates relates primarily to the Company's investments on-call bank deposits.

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

31 December 2014

**Financial assets**  
Cash and Cash Equivalents  
Receivables  
**Financial liabilities**  
Payables  
Total increase/(decrease)

Carrying amount \$	Interest rate risk			
	-1%		+1%	
	Result \$	Equity \$	Result \$	Equity \$
69,839	(698)	(698)	698	698
10,457	-	-	-	-
1,059,206	-	-	-	-
	(698)	(698)	698	698

31 December 2013

**Financial assets**  
Cash and Cash Equivalents  
Receivables  
**Financial liabilities**  
Payables  
Total increase/(decrease)

Carrying amount \$	Interest rate risk			
	-1%		+1%	
	Result \$	Equity \$	Result \$	Equity \$
60,630	(606)	(606)	606	606
41,362	-	-	-	-
1,028,209	-	-	-	-
	(606)	(606)	606	606

## Notes to the Financial Statements

### For the Year Ended 31 December 2014

#### 21 Financial Risk Management (continued)

##### (b) Credit risk

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

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Trade receivables are assessed after 60 days and action taken to collect the debt. There has been no change in managing credit risk since the prior year.

##### (c) Liquidity risk

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

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

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

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

	Average interest rate		Variable interest rate		Non Interest		Within 1 year	
	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>								
Cash and cash equivalents	2.10	2.54	62,131	54,190	7,708	6,440	69,839	60,630
Receivables	-	-	-	-	10,457	41,362	10,457	41,362
<b>Total Financial Assets</b>			<b>62,131</b>	<b>54,190</b>	<b>18,165</b>	<b>47,802</b>	<b>80,296</b>	<b>101,992</b>
<b>Financial Liabilities:</b>								
Payables	-	-	-	-	1,059,206	1,028,209	1,059,206	1,028,209
<b>Total Financial Liabilities</b>					<b>1,059,206</b>	<b>1,028,209</b>	<b>1,059,206</b>	<b>1,028,209</b>



## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2014**

#### **22 Members' Guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstandings and obligations of the Company. At 31 December 2014 the number of members was 4 (2013: 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 (ultimate parent) 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 the winding up or dissolution of the company any property shall be given to some other institution or institutions, which may include Southern Cross University.

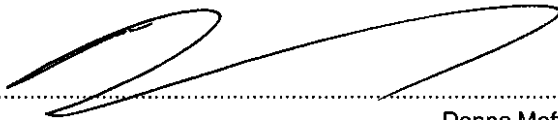
## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, set out on pages 4 to 27, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards, the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010*, *Australian Charities and Not-for-profit Commission Act 2012* and *Australian Charities and Not-for-profit Commission Regulation 2013*; and
  - b. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the Company.
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

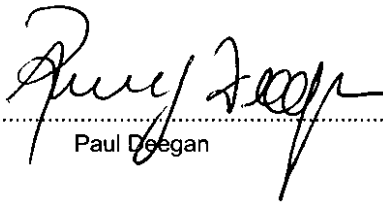
This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



Donna Moffit

Director .....



Paul Deegan

Dated 15 April 2015



## 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 comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### 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 2014 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2010
- have been prepared in accordance with Division 60 of the *Australian Charities and Not for profits Commission Act 2012* including complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

### Directors' Responsibility for the Financial Statements

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

### 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. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 an 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

## Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



A T Whitfield PSM  
Acting Auditor-General

17 April 2015  
SYDNEY

# Appendix A:



## **Digital Information Security Annual Attestation Statement for 2014 for Southern Cross University**

I, Allan Morris, Executive Director Information and Physical Resources, Southern Cross University, am of the opinion that Southern Cross University had an Information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Allan Morris, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of Southern Cross University are adequate for the foreseeable future.

I, Allan Morris, am of the opinion that all Public Sector Agencies, or part thereof, under the control of Southern Cross University, with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the Digital Information Security Policy for the NSW Public Sector.

I, Allan Morris, am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, certified compliance with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems - Requirements had been maintained by all or part of Southern Cross University and all or part of any Public Sector Agencies under its control.

A handwritten signature in blue ink, appearing to read "Allan Morris".

Allan Morris  
Executive Director, Information and Physical Resources

# Appendix B:

## Staff Employment

### ALL STAFF FTE\*

Nominal FTE	2010	2011	2012	2013	2014
Academic	347.7	332.0	347.5	363.9	326.0
Professional	561.5	557.5	563.2	575.2	553.5
<b>TOTAL</b>	<b>909.2</b>	<b>889.5</b>	<b>910.7</b>	<b>939.1</b>	<b>879.5</b>

Academic staff					
Nominal FTE	2010	2011	2012	2013	2014
Above senior lecturer	71.2	71.1	73.0	75.6	68.6
Senior lecturer	82.6	85.2	88.1	91.4	79
Lecturer	125.5	113.9	147.3	152.9	142
Below lecturer	68.4	61.8	39.1	44.0	36.4
<b>TOTAL</b>	<b>347.7</b>	<b>332.0</b>	<b>347.5</b>	<b>363.9</b>	<b>326.0</b>

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

Senior lecturer = Level C

Lecturer = Level B

Below lecturer = Level A

Professional staff					
Nominal FTE	2010	2011	2012	2013	2014
HEW 1	1.6	1.6	8.2	6.6	7.0
HEW 2	6.5	2.5	2.5	3.1	3.5
HEW 3	29.1	30.7	20.6	16.0	16.8
HEW 4	150.5	143.2	145.2	146.3	139.0
HEW 5	149.7	148.3	142.6	149.5	142.2
HEW 6	84.7	86.2	90.4	92.5	89.8
HEW 7	69.7	69.9	73.9	82.6	85.0
HEW 8	36.1	42.2	42.9	38.5	32.6
HEW 9	11.4	10.4	10.4	12.1	10.6
HEW 10 and above	22.2	22.5	26.5	28.0	27.0
<b>TOTAL</b>	<b>561.5</b>	<b>557.5</b>	<b>563.2</b>	<b>575.2</b>	<b>553.5</b>

\*these data exclude staff employed on a casual / sessional basis

Source: MIS DEEWR staff cube

03/03/2015

# Appendix C:

In 2014, 2.49 per cent of the Southern Cross University's employee related expenditure was related to senior executives.

## Senior Executives

Band	2014	
	Female	Male
Level 5 (Executive)	1	
Level 6 (Executive)		4
Level 7 (Executive)	1	
Level 8 (Executive)		1
Above Level 8 (Executive)		1
<b>Totals</b>	<b>2</b>	<b>6</b>
	<b>8</b>	

Band	Range \$	Average remuneration package
		2014 \$
Level 5 (Executive)	\$264,751 to \$305,400	\$301,600
Level 6 (Executive)	\$305,401 to \$343,200	\$313,400
Level 7 (Executive)	\$343,201 to \$430,450	\$376,300
Level 8 (Executive)	\$430,451 to \$497,300	\$434,800
Above Level 8 (Executive)	\$497,301 to \$700,000	\$672,600

# Appendix D:

## Trends in the representation of employees in diversity groups

Extract of data for 2013/2014 reporting period reporting (as at 31 March 2014; excludes casual staff)

Academic Staff	Benchmark or Target	2011	2012	2013	2014
Women	50%	49%	48%	49.3%	49.2%
Aboriginal people and Torres Strait Islanders	2.6%	2.7%	2.1%	1.3%	1.4%
People whose first language was not English	19%	9%	8.8%	9.0%	7.3%
People with a disability	N/A	8%	5.1	5.8%	6.4%
People with a disability requiring work-related adjustment	1.1%	1.0%	0.5%	0.8%	0.8%

Professional Staff	Benchmark or Target	2011	2012	2013	2014
Women	50%	67%	67%	67.4%	66.8%
Aboriginal people and Torres Strait Islanders	2.6%	4.2%	3%	2.9%	3.5%
People whose first language was not English	19%	3%	2.3%	2.8%	3.0%
People with a disability	N/A	5%	3.5%	3.8%	4.0%
People with a disability requiring work-related adjustment	1.10%	0.4%	0.2%	0.3%	0.3%

## Trends in the distribution of employees (academic staff) in diversity groups<sup>#</sup>

### Distribution Index

Academic Staff	Benchmark or Target	2011	2012	2013	2014
Women	100	78	81	83	90
Aboriginal people and Torres Strait Islanders	100	n/a	121	120	119
People whose first language was not English	100	81	79	84	92
People with a disability	100	74	89	90	100
People with a disability requiring work-related adjustment	100	n/a	n/a	112	136

## Trends in the distribution of employees (professional staff) in diversity groups<sup>#</sup>

### Distribution Index

Professional Staff	Benchmark or Target	2011	2012	2013	2014
Women	100	91	92	90	87
Aboriginal people and Torres Strait Islanders	100	73	81	77	87
People whose first language was not English	100	99	103	94	92
People with a disability	100	98	98	102	102
People with a disability requiring work-related adjustment	100	n/a	n/a	115	119

<sup>#</sup>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.



# Appendix E:

## Multicultural Policies and Services Program Report 2014

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

### 1. PLANNING AND EVALUATION

#### Outcome 1: Planning

*Multicultural policy goals are integrated into the overall corporate and business planning*

The University's Strategic Plan 2011-2015 reflects the University's commitment to equity and diversity within its mission, values, goals and strategies. The University values scholarship, innovation, social justice, ethical behaviour, sustainable practice and engagement. Its graduate attributes include intellectual vigour, creativity, ethical practice, knowledge of a discipline, lifelong learning, communication and social skills and cultural competence – an ability to engage with diverse cultural and Indigenous perspectives in both global and local settings.

In alignment with the Strategic Plan, the Equity & Diversity Plan 2011- 2015 includes goals and objectives specifically targeted at providing an environment for staff and students that embraces and supports knowledge of and respect for equity and cultural diversity. Strategies within the plan include the promotion and affirmation of diversity through celebrations, workshops, promotional materials and events and the implementation of globally relevant and inclusive teaching plans that value diverse ways of knowing and learning.

The staffing profile of people from culturally diverse backgrounds was analysed and is reported in *Appendix D*.

#### Outcome 2: Consultation and Feedback

*Policy development and service delivery is informed by expertise and client feedback*

The Equity and Diversity Committee is responsible for ensuring comprehensive integration of diversity and equity matters across the University. The committee is chaired by the Deputy Vice Chancellor (Education) and membership includes the Director, Gnibi College of Indigenous Australian Peoples, the Directors of SCU International, Human Resources and Student Administration Services, and the Heads of Equity and Diversity, Counselling and Disability Services, Gold Coast campus, Coffs Harbour campus and Academic Skills Development. The committee convenes four times each year and provides a consultative mechanism for the University community regarding equity and diversity matters. University staff with specific expertise in equity and diversity matters may attend in an advisory capacity, to provide information

and/or assistance at the request of the Committee. The Committee also has the authority to appoint specialist working parties for consultation in relation to equity and diversity issues.

### 2. CAPACITY BUILDING AND RESOURCING

#### Outcome 3: Leadership

*The implementation of the Principles of Multiculturalism are actively promoted and accountable*

- In 2014 the University became a supporter organisation of the Human Rights Commission's 'Racism: It Stops With Me' campaign and this was widely promoted to the University community.
- The University provides online anti-discrimination training modules for all staff, plus an additional module for supervisors and managers.
- The University celebrates and recognises cultural diversity and harmony by holding cultural celebrations and cultural events during the year with staff, students and the community.
- The University's Equity and Diversity website contains a Cultural Diversity Annual Calendar with links to local, national and international cultural activities.
- The University conducts 'No Bullying at SCU' workshops for staff.

#### Outcome 4: Human Resources

*Capacity is enhanced by the employment and training of people with linguistic and cultural expertise*

- The University continues to ensure employment related policies and practices promote and support work and life balance, EEO and cultural diversity, safety and security principles.
- The Recruitment and Appointment Policy requires all staff participating on selection panels to 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 the selection criteria: 'A demonstrated commitment to cultural diversity and equity within the workplace' (non-supervisory levels) and; 'A demonstrated commitment to cultural diversity and a working knowledge of equity and OH&S principles in the workplace' (supervisory or senior levels).

- Induction materials contain 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, 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 has staff and student Equity and Diversity contacts to assist with equity and diversity matters and its Grievance Policy ensures the needs of people from backgrounds other than English are met.
- The University provides online anti-discrimination training modules for all staff, plus an additional module for managers. EO Online anti-discrimination training modules are form part of staff selection and interview training and are a prerequisite for the role of an Equity and Diversity Contact. Completion of EO Online is a compulsory part of the induction program for all new staff and regular reminders are sent to staff as part of the University's overall commitment to equal employment opportunity and anti-discrimination.
- A series of workshops and activities as part of the Courageous Conversations about Race (CCAR) program is delivered annually. The program specifically addresses a model of cultural competence training for the Australian higher education context. The University is part of a consortium of universities, led by the University of Western Australia, which has participated in the project in consultation and collaboration within a 'community of practice' framework.
- The Library has a bilingual Mandarin speaker to assist Mandarin speaking students in their native language.

### 3. PROGRAMS AND SERVICES DELIVERY

#### Outcome 5: Access and Equity

*Programs and services are developed to address barriers to accessibility for people from culturally, linguistically and religiously diverse backgrounds*

The University has a strategic commitment which is reflected in its graduate attribute, to provide courses that equip students with an ability to engage with diverse cultural and Indigenous perspectives in both global and local settings.

- 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.

- Respect for cultural diversity is embedded in University units and measured regularly via the student unit feedback process.
- The School of Education routinely addresses multicultural policies and services as an important component of all courses and students are taught the meaning and national policy of multiculturalism and the implications for their teaching practice and careers.
- The School of Law and Justice integrates Indigenous and multicultural content in all courses in line with the University's cultural competence graduate attribute.
- The Centre for Teaching and Learning produces resources to support the University's Professional Learning Framework for teaching and learning. One of the features of this framework is web-based resources on key teaching and learning topics such as Inclusive Curriculum.
- A student peer mentor program is 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.
- Students are given the opportunity to study elective units overseas which provide experience living and studying in culturally diverse countries.
- A wide range of welfare-related support services are available for students including counselling, medical, childcare, chaplaincy, disability services, students loans and careers advice.
- The Equity and Diversity Office holds cultural diversity events such as Harmony Day and Diversity Week and its committee actively seeks input and involvement from staff and students from culturally diverse backgrounds.
- The UniLife Office helps students to become engaged with university life by organising cultural events, social sports and clubs and societies.
- SCU International offers language courses to staff, to assist in the development of language skills.
- The English Language program runs cross-cultural integration sessions throughout the year with the University community including student volunteers and students from non-English speaking backgrounds.

- The multi-faith Chaplaincy maintains strong links with major denominational churches and other major faiths. The membership comprises local clergy and non-clergy persons from the region's major churches, religious and spiritual organisations as well as members of the University community. The co-ordination and facilitation of the Chaplaincy is overseen by the Interfaith Advisory Committee and Pastoral Care Co-ordinators develop and facilitate campus-wide initiatives in a multicultural and multi-religious environment that fosters tolerance and respect for individual differences. Chaplaincy spaces across all campuses are multi-faith in nature, and may be accessed by people regardless of their religious faith. An additional space was added in Coffs Harbour in 2014 with the development of a Labyrinth, a multi-faith space for prayer and reflection. Activities during the year have included interfaith dialogues in which students engage with religious leaders in topical discussion.
- The Library regularly holds exhibitions open to students, staff and the wider community celebrating the University's multicultural community. It has a designated staff member responsible for monitoring 'English as a Second Language' resources and a web-based guide to resources and services with embedded translation links. The Library provides resources for its collections to support ESL students which include multi-language disciplinary dictionaries and encyclopaedias. The collection development policy focus is for e-books to contain embedded translation links and dictionary tools. A Chinese language guide to Library services and resources is available and a Mandarin-speaking Liaison Librarian is available for assistance.
- The Library maintains an English-Chinese bilingual guide to Library resources. During 2014, the guide was expanded to include information on learning Business English and online translation tools. As part of its acquisitions policy, the Library continues to provide resources to ESL students, including dictionaries and encyclopaedias in other languages.
- The University promotes staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- The University has Equity and Diversity Contacts in place across three campuses, volunteer staff members with a genuine commitment to the principles of equity and social justice. Equity and Diversity Contacts act as a contact point for staff and students who have a query or concern relating to an equity or diversity matter. Their role is in an advisory capacity assisting in clarification of the situation, identifying the nature of the enquiry and providing information on the scope of the University policies/procedures and possible options for resolution.
- 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 equity and cultural diversity.

### Outcome 6: Communication

*A range of communication strategies are used to inform people from culturally, linguistically and religiously diverse backgrounds about programs, services and activities*

- 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.
- The Centre for Peace and Social Justice (CPSJ) is an interdisciplinary community of scholars from law and justice, cultural studies, politics and policy, Indigenous studies, education, social sciences, creative arts and media. The CPSJ aims to conduct engaged scholarship with the community-at-large and welcomes collaborative endeavours. The CPSJ focuses on markers of difference that potentially contribute to the inclusion or exclusion in full citizenship. Markers include gender, sexuality, race, ethnicity, class, age, family status, material well-being, religion and identity. Members of the Centre are committed to strengthening core values of diversity including acceptance, mutual respect and recognition. Two events of note were organised in 2014. In April, the Centre hosted a public talk by Venerable Geshe Lhakdor on 'Inner Disarmament for External Disarmament'. Geshela has acted as His Holiness the Dalai Lama's translator and religious assistant. In July, in collaboration with the School of Law and Justice, a Human Rights

### Outcome 7: Social and Economic Development

*Programs and activities are in place to develop and use the skills of a culturally diverse population for the social and economic benefit of the State*

- The University promotes staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- The Centre for Peace and Social Justice (CPSJ) is an interdisciplinary community of scholars from law and justice, cultural studies, politics and policy, Indigenous studies, education, social sciences, creative arts and media. The CPSJ aims to conduct engaged scholarship with the community-at-large and welcomes collaborative endeavours. The CPSJ focuses on markers of difference that potentially contribute to the inclusion or exclusion in full citizenship. Markers include gender, sexuality, race, ethnicity, class, age, family status, material well-being, religion and identity. Members of the Centre are committed to strengthening core values of diversity including acceptance, mutual respect and recognition. Two events of note were organised in 2014. In April, the Centre hosted a public talk by Venerable Geshe Lhakdor on 'Inner Disarmament for External Disarmament'. Geshela has acted as His Holiness the Dalai Lama's translator and religious assistant. In July, in collaboration with the School of Law and Justice, a Human Rights

Symposium themed on 'Creating a Human Rights Culture' took place, featuring keynotes by The Hon John Dowd AO QC, President of International Commission of Jurists Australia and former Chancellor of Southern Cross University, and Professor Gillian Triggs, President of the Australian Human Rights Commission.

- The University's Equity and Diversity website contains a Cultural Diversity Annual Calendar with links to local, national and international cultural activities.

#### 4. KEY PERFORMANCE INDICATORS AND THE RESULTS OF EVALUATIONS

No overall program evaluation was carried out in 2014.

#### 5. PATHWAYS BETWEEN GOVERNMENT AGENCIES FOR PEOPLE FROM CULTURALLY AND LINGUISTICALLY DIVERSE BACKGROUNDS

The Equity and Diversity Office closely partners with other units across the University in particular relation to multicultural celebrations such as Harmony Day and Diversity Week.

The Sustainability, Partnerships and Community Engagement (SPaCE) work unit distributes engagement opportunities to students interested in partnering with organisations in the regions' diverse communities. SPaCE supports 'Community Engaged Learning' activities undertaken by academic schools and facilitates connectivity between organisations from a range of communities. The work unit also manages key relationships across the University's Partner Network which comprises relationships and partnerships across communities within the University's footprint. The scope of the partner network is broad and includes a range of matters spanning student, staff and institutional issues and opportunities.

#### 6. SERVICES FOR HUMANITARIAN ENTRANTS

The University offers a range of services inclusive to refugees and humanitarian entrants such as academic skills development, careers advice, chaplaincy, childcare, counselling, cultural events, disability, equity, financial, medical, social and sporting clubs and societies. Academic schools and Student Administration Services also have support strategies in place for students potentially at risk during their studies.

# Appendix F:

## Frequency of meetings and members' attendance at meetings

Council								
	February	April	June	August	September	November	December	
J Dowd	✓	✓	✓	✓	✓			Term concluded 26 Sept 14
N Burton Taylor							✓	
P Lee	✓	✓	✓	✓	✓	✓	✓	
A Curtin							✓	
W Boyd	✓	✓	✓			✓	✓	
M d'Almeida	✓	✓	✓	✓	✓	✓	✓	
J Jenkins	✓	✓	✓	✓	✓	✓	✓	
N Genge							✓	
J Granger	✓	✓	✓	✓		✓	✓	
R Hennes					✓			
T Ledgerwood					✓	✓	✓	
A Matis	✓	✓	✓				✓	
M Newell	✓	✓	✓	✓				Term concluded 10 Sept 14
N Newell	✓	✓	✓	✓				Term concluded 2 Sept 14
A Reichelt-Bruschett	✓	✓	✓	✓				Term concluded 10 Sept 14
N Rice	✓	✓	✓	✓				Term concluded 10 Sept 14
E Ruthnam	✓	✓	✓	✓		✓	✓	
J Saffin								Term concluded 2 Sept 14
J Shanahan	✓	✓	✓	✓		✓	✓	
M Sweeny	✓	✓	✓	✓	✓	✓	✓	
T Wilson	✓	✓	✓	✓				Term concluded 2 Sept 14
A Wessell					✓	✓	✓	

### Legend

- Attended meeting
- Absent from meeting
- Not on Council



# Appendix G:

## Right to Information: Statistical information about access applications

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media								
Members of Parliament								
Private sector business								
Not for profit organisations or community groups						3		
Members of the public (application by legal representative)								
Members of the public (other)	2		2	1		1		

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applicants*								
Access applications (other than personal information applications)	2		1	1		3		
Access applications that are partly personal information applications and partly other			1			1		

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

**Table C: Invalid applications**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	2
Application is for excluded information of the agency (section 43 of the Act)	
Application contravenes restraint order (section 110 of the Act)	
Total number of invalid applications received	2
Invalid applications that subsequently became valid applications	

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

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

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

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

	Number of occasions when application not successful
Responsible and effective government	2
Law information and security	
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	
Secrecy provisions	
Exempt documents under interstate Freedom of Information legislation	

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extension)	6
Decided after 35 days (by agreement with applicant)	
Not decided within time (deemed refusal)	
Total	6

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

	Decision Varied	Decision Upheld	Total
Internal review		1	1
Review by Information Commissioner*			
Internal review following recommendation under section 93 of Act			
Review by ADT			
Total		1	1

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

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

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	



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