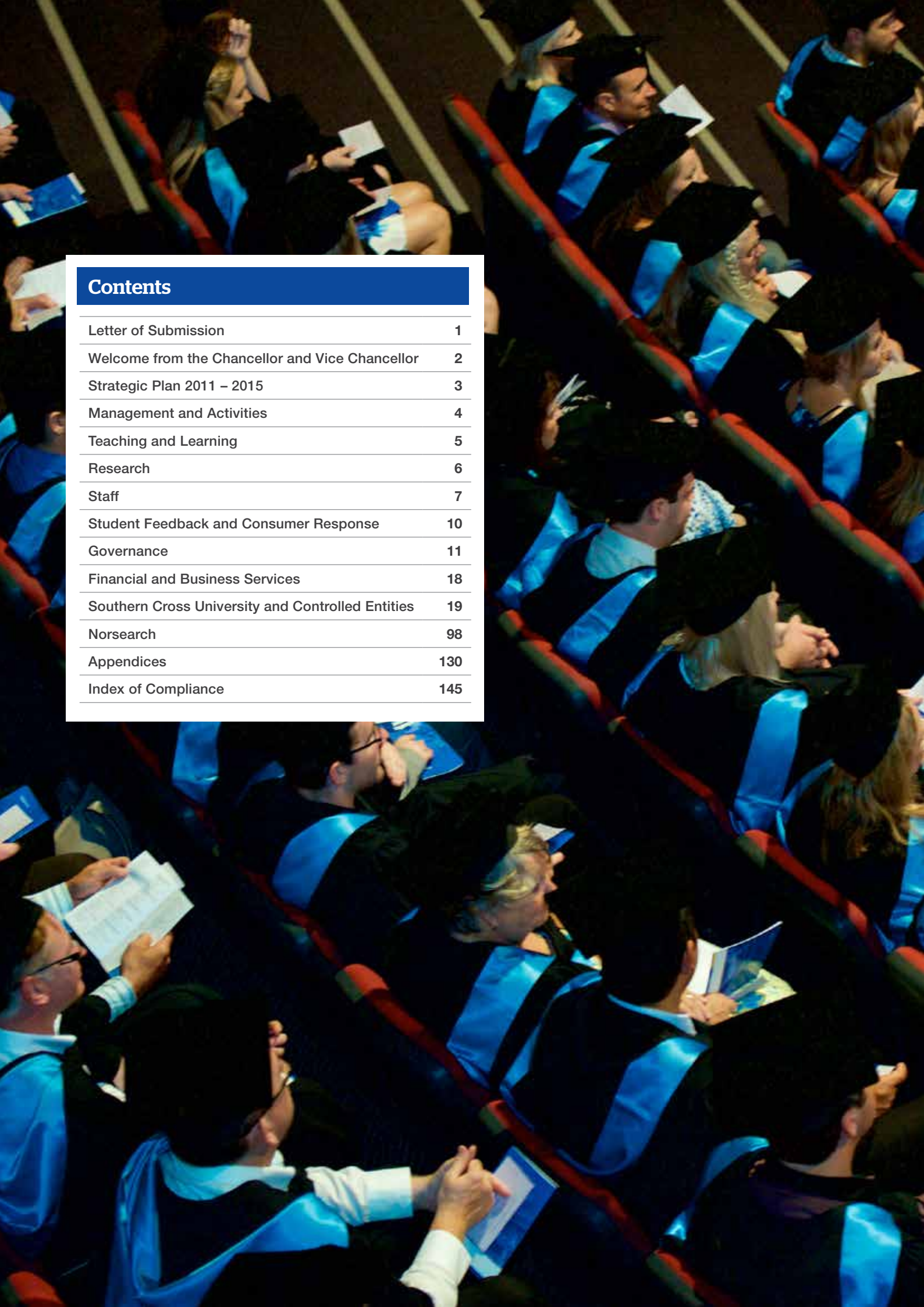


# 2015

## Annual REPORT



## Contents

Letter of Submission	1
Welcome from the Chancellor and Vice Chancellor	2
Strategic Plan 2011 – 2015	3
Management and Activities	4
Teaching and Learning	5
Research	6
Staff	7
Student Feedback and Consumer Response	10
Governance	11
Financial and Business Services	18
Southern Cross University and Controlled Entities	19
Norsearch	98
Appendices	130
Index of Compliance	145

22 April 2016

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 2015.

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

Throughout 2015 Southern Cross University continued to fulfil its mission, disseminating and creating knowledge and through its teaching and research, demonstrating a strong commitment to the regions it serves. The number of students who have graduated from the University rose to 60,000 with ceremonies held at Lismore, Coffs Harbour, the Gold Coast, Sydney, and offshore.

Inclusion for the first time in the top 500 in The Times Higher Education World University Rankings 2015-2016 provided welcome recognition for a University just 21-years-old. Our research performance also improved significantly, achieving 'at world standard' or above in 24 research fields in the 2015 Excellence in Research for Australia (ERA) national report, up from 10 in 2012. For the third consecutive year, the University was also ranked number one in Australia for international student support by the International Student Barometer 2015 survey, and ranked number two in Australia for overall learning experience.

SCU remained an active member of the Regional Universities Network and Universities Australia, lending its voice to ensure that regional students and campuses were not overlooked in the ongoing funding debate.

In July 2015, the Tertiary Education Quality and Standards Agency (TEQSA) confirmed the University's application for renewal of registration was approved until 30 July 2022 – a period of seven years, which is the maximum allowable under the TEQSA legislation.

A key focus during 2015 was the development of the University's next Strategic Plan. As globalisation and digital platforms continue to transform the higher education sector, the University set out to position itself for the future, while demonstrating its core values of collegiality and integrity and its distinctiveness as a regionally engaged university.

The engagement project SCU+20 provided input to the planning process, with University stakeholders including staff, students, alumni and community partners contributing to the University's future directions.

The new Strategic Plan 2016 – 2020 was endorsed by Council in November.



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

Nick Burton Taylor AM  
Chancellor

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

The Strategic Plan 2016 to 2020 is available at [scu.edu.au/strategicplan](http://scu.edu.au/strategicplan)

## At a glance 2015

### Total number of students

Total (persons)	14 797
Total (EFTSL)	9 144

### Students (persons) by location

Lismore Campus	3 167
Gold Coast Campus	3 326
Coffs Harbour Campus	1 271
Other Australian locations	858
Distance Education and Online	5 473
Offshore	702

### International Students (Persons)

Onshore	1 626
Offshore	642

### Total staff (FTE)

Academic staff (FTE)	319
General staff (FTE)	519

*\*The total staff FTE figure does not include Sessional or Casual FTE*

*Source: SCU Office of Planning, Quality and Review – DEEWR 2015 Data Submissions*

# Management and Activities/ Major Works

The annual Institutional Performance Review was led by the Vice Chancellor and undertaken by members of the Executive. The Review assessed the University's progress against Key Performance Indicators and identified new priority areas. Key among these was a focus on continuing to enhance the student experience. A number of regular functional and course reviews were also conducted in line with University policies.

The new Learning Centre in Lismore was formally opened by Mr Kevin Hogan MP, federal Member for Page, on May 15. The three-storey building incorporates a range of spaces for contemporary learning activities as well as offering more traditional library services. The building design includes solar panels, advanced lighting controls, sun blades and floor and labyrinth fed air-conditioning for greater efficiency.

Stage 2 of the new Science and Engineering precinct was completed in July 2015. It features state-of-the-art equipment enabling testing of materials, concrete, fluids and structures, computer labs, teaching and office spaces.

The new Bachelor of Engineering (Honours) in Mechanical Engineering was launched by Australia's first astronaut, Dr Paul Scully-Power, as part of the formal opening of this new precinct.

These projects were largely funded through a \$27.9 million Education Investment grant, as part of the Regional Priorities round. The NSW state government contributed \$258,300 to the project.

Throughout 2015 the University continued to explore options for expanding its Gold Coast Tweed operations, given the strong student demand across this region.

A new 273 space car park was completed at the Gold Coast campus and opened in time for session one, 2015. By year's end the Gold Coast Airport MDP had Ministerial approval enabling the start of construction in October 2015 of a third building at that site. Once completed the six-storey building will comprise a 500-seat lecture, Learning Centre, SCU College and teaching and learning spaces. The development will also include more than 500 additional car spaces.

Through SCU College, six new learning spaces were opened in partnership with North Coast TAFE at Kingscliff, Murwillumbah, Ballina, Casino, Grafton and Kempsey. An SCU learning space was also opened at the Sir Earle Page Library in Grafton, for distance education students.

A new suite of postgraduate courses, with six intake sessions and with full online delivery, was also introduced.

Through a partnership with the global ICT provider Huawei Technologies, the University undertook a major overhaul of the University's communications and network systems, providing new data centres and wireless access across all campuses with 2000 new pieces of sophisticated equipment installed.

The SCU Health Clinic received accreditation as a Specialised Health Service, through the National Safety and Quality Health Services Standards.

The SCU Health Clinics at the Lismore and Gold Coast campuses provided opportunities for clinical experiences for students studying health degrees. In 2015, a total of 26,579 patients made use of the allied health services available to staff, students and the general public.

Throughout the year, the University undertook a range of outreach programs with high schools across the region, including the annual Northern Rivers Science and Engineering Challenge which attracted around 600 students from 22 schools.

SCU launched the 'Live Ideas' interactive website to support the increase in community engaged learning and research by streamlining the process for partner organisations and individuals to propose staff and student projects. Live Ideas provided opportunities for SCU students and staff to work with community partners for mutual benefit.

The Asia Pacific Football Institute changed its name to Southern Cross Football Centre and completed its first year of operation focusing on a range of engagement activities with local schools and community groups.

# Teaching and Learning

In 2015 the Centre for Teaching and Learning introduced a number of initiatives including CareerHub, a web-based booking system for students seeking face-to-face consultations with Academic Skills staff. The Centre also introduced YourTutor as a third-party after-hours online support service for students enrolled in first year/ foundational units. Significant resources supporting the professional learning of staff in the area of course and unit design for blended and online learning environments were developed and the Centre welcomed the move of the Digital Resources Centre (DRC) into the work unit.

## Teaching Symposium

The annual Scholarship of Teaching Symposium was held on 22 September at the Gold Coast campus with the theme 'Learning and change'. The Symposium provided an opportunity for staff to focus on their scholarship of teaching through collegial sharing. The full-day Symposium attracted 86 delegates who participated in 18 presentations, five mini-symposia, discussions and lunchtime posters.

Delegate votes decided two awards: The *Best Presentation* was awarded to Dr Raina Mason, Carolyn Seton, Dr Graham Cooper and Dr Barry Wilks, and the *Most thought-provoking contribution* was awarded to Dr Claudia Catterall.

## Visiting Scholars

A key part of the Teaching and Learning strategy is to bring higher education researchers, thinkers and practitioners to SCU. In 2015, SCU hosted Professor Peter Bol, Vice Provost for Advances in Learning, Harvard University, and Professor Rick Cummings, jointly lead with Professor Denise Chalmers on the Office for Learning and Teaching (OLT)

Project Australian University Teaching Criteria and Standards Framework.

## 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.

**Gopi McLeod**, School of Health and Human Sciences

*For designing and embedding transformative learning strategies into an osteopathic curriculum from which students emerge as critically reflective health practitioners.*

**Dr Ken Wojcikowski**, School of Health and Human Sciences

*For creating clinical detectives: inspiring allied health students to develop sound clinical reasoning skills through a stimulating, multifaceted, case-based approach.*

## Vice Chancellor's Citations

### Citations for Outstanding Contributions to Student Learning

**Dr Roslyn Franklin**, School of Education

*For inspiring and motivating education students to develop confidence and passion for teaching health and physical education through engaging pedagogy and learning team approach.*

**Associate Professor Ross Goldingay, Dr Claudia Catterall and Associate Professor Kirsten Benkendorff**, School of Environment, Science and Engineering

*For engaged learning in content-heavy first year Biology unit in Environmental Science.*

**Associate Professor Amanda Reicheldt-Brushett**, School of Environment, Science and Engineering

*For developing multidisciplinary understanding of chemistry in society: Expanding skills in creativity, innovation and inquiry to inspire environmental science students to solve problems.*

**Professor Isaac Santos and Dr Damien Maher**, School of Environment, Science and Engineering

*For developing the foundations of scientific research skills using active learning strategies and inspirational student supervision leading to outstanding academic outcomes.*

### Citations for Excellence in Student Engagement

**Dr Lisa Jacka**, School of Education

*For innovative design and delivery of online learning experiences that facilitate education students' readiness to teach in learning environments of the future.*

**Dr Desirée Kozlowski**, School of Health and Human Sciences

*For finding the sweet spot: inspiring students to strive for excellence by creating a learning environment where safety and challenge are in balance.*

**Simone Lewis**, School of Education

*For improving student confidence and enjoyment in science and technology education through clear, simple explanations and being an approachable, enthusiastic, inclusive and encouraging educator.*

## Teacher Commendations

The *Teacher Commendations* were launched in 2015. Advertised through the tagline, "Is your teacher worth an HD?" students and staff were invited to register a complimentary comment about a peer or teacher through a statement of up to 200 words. In total, 480 Commendations were received for 186 unique individuals and 37 groups of staff.

# Research

In the Excellence in Research for Australian (ERA) 2015 national report, Southern Cross University's research in nine key areas received the highest possible classification of 'well above world standard'. The University also received the classification of 'above world standard' and 'at world standard' in an additional 15 research areas.

The top rating of five for 'well above world standard' was given in the specific research fields of Geochemistry, Oceanography, Environmental Science and Management, Zoology, Crop and Pasture Production, Forestry Sciences, Complementary and Alternative Medicine, and Nursing.

In the broader research fields, the University received the top rating of 'well above world standard' in Agricultural and Veterinary sciences. The University also received the rating of 'above world standard' in the specific research field of Civil Engineering and 'at world standard' for the broader field of Engineering. Full ERA results are available at [scu.edu.au/era](http://scu.edu.au/era)

During 2015, income from Australian Competitive Grant funding was approximately \$3.4 million. The University continued to place an emphasis on maintaining the quality of research outputs and expanding other areas of research priority.

The inaugural Research Week was held in November 2015 providing an opportunity to celebrate the University's achievements. Events were held with external stakeholders, enhancing our ability to attract new partnerships with industry and community groups at each campus location. This engagement is vital, with the move towards the wider framework of the National Innovation

Agenda, which aims to encourage and reward this end-user driven strategy for research.

Throughout 2015, the University laid the groundwork via a consultative process for a new research strategy to be initiated in 2016.

The first of our career development pathway programs launched with the Early Career Researchers. This year-long series of workshops, for a competitively recruited cohort, received positive feedback from both the participants and the senior staff who shared their experiences and expertise. Workshops were delivered to the SCU research community on topics including: writing ARC grant applications, orientation for postgraduate students and general research support information sessions.

A range of support was provided for research activities for staff and student researchers through several internal research schemes, including a seed grant funding scheme and a range of postgraduate student support schemes.

The Graduate School was established in 2015 with the aim of centralising all administration and support for enrolment and management of candidature of higher degree students. The Graduate School 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.

Two Special Research Centres, Southern Cross GeoScience and Southern Cross Plant Science,

continued to operate under the direction of the Deputy Vice Chancellor (Research). A similar reporting line continued for the Environmental Analysis Laboratory (EAL) which provides important infrastructure underpinning research activities across the University.

A range of research was conducted across the Academic Schools, including the School based Research Centres: 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.

The University's participation in the Cooperative Research Centre (CRC) program continued to enable the University to build core capacity. In 2015, SCU was a participant in the Wound Management Innovation, Remote Economic Participation, Contamination Assessment and Remediation of the Environment and Capital Markets CRCs.



# Staff

## Staff development and performance

Implementation of the Leadership Capability Framework (LCF) continued as a priority during 2015. 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 delivered in 2015 to support the LCF.

A number of human resources policies were reviewed in 2015 including the Outside Work Policy, the Performance Management Development and Review Policy and Recruitment and Appointment Policy.

The University continued to develop the capabilities of staff through Professional Learning programs, Study Assistance and the Special Studies Leave program.

Senior positions recruited during 2015 included Dean and Head of School (the John Dowd Chair), School of Law and Justice, and Manager, Financial Services.

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

## Workplace health and safety

In 2015, the University continued its focus on improving the health and wellbeing of employees, students and visitors. There was an increase in the uptake of SCU wellbeing initiatives and support with 728 employees taking advantage of free flu vaccinations, counselling services, subsidised gym and pool memberships and natural therapy consultations.

A total of 14 workers compensation claims were received during the year. A proactive approach by the University in injury management resulted in only three of the 14 claims incorporating time off work. Support provided to injured workers in the workplace enabled a faster return to pre-injury duties.

Audits of the University's Workplace Health and Safety (WHS) Management System were undertaken in 2015 to measure the performance of the health and safety program, implement a cycle of continuous improvement and benchmark health and safety performance.

New WHS training packages were introduced in 2015 including online manual handling and ergonomic programs. The online programs enabled WHS training to be more easily accessible for employees regardless of their location. The University also provided specialist WHS training to staff working in identified high risk roles and areas, including chemical spill response training, radiation safety, mental health first aid, emergency wardens, laboratory safety and WHS risk management for managers and supervisors.

## Disability action plan

The University continued to demonstrate its commitment to disability inclusion in 2015 through its ongoing support of the Southern Cross University Disability Action Plan (DAP) 2014-2017.

A number of key initiatives under the DAP were implemented, most notably the approval of the Inherent Requirement statements for the Bachelor of Nursing, with many other disciplines also making significant progress towards this goal.

Ongoing strategies identified in the DAP continue to be supported by the University, such as annual disability awareness training for staff and periodical accessibility audits on both our public websites and our infrastructure, with work units working collaboratively to pursue the goals of the DAP.

# Staff

## Workforce diversity

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

### Key achievements in 2015 included:

- Implemented key Equal Employment Opportunity (EEO) strategies from the University's Equity and Diversity Plan 2011–2015.
- Continued to implement key strategies from the University's Disability Action Plan 2014–2017.
- Delivered a suite of diversity symposia including *Racism: It Stops With Me*, *Straight Talk on Queer Hate and Homophobia and Transphobia: That's So Gay*.
- Delivered an *Understanding Gender and Sexuality Diversity* professional development workshop for all staff.
- 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.

### Key strategies for 2016:

- Develop the University's new Equity and Diversity Plan for 2016–2020 and begin the implementation of the key EEO strategies.
- Continue to implement key strategies from the University's Disability Action Plan 2014–2017.

The trends in the representation of employees in diversity groups is included at *Appendix C*.

## Multicultural policies and services program 2015

The University's School of Arts and Social Sciences, in collaboration with Lismore peace group Remembering and Healing (RaH) organised a public seminar in April titled 'Islam-West Relations: Building Bridges through Challenging Times'. Associate Professor Mehmet Ozalp from the Centre for Islamic Studies and Civilisation, Charles Sturt University, argued that building bridges of dialogue and goodwill was a necessary activity for multi-faith societies. This event was an outcome of ongoing community-engaged research between the University and RaH on their project to develop inclusive Anzac Day events and extend notions of local and national identity.

The Equity and Diversity Office delivered a diversity symposium *Racism. It Stops With Me* as part of orientation and Get Connected week. The symposium gave students and staff the opportunity to learn about the importance, both to individuals and the University community, of participating in the Australian Human Rights Commission's 'Racism. It Stops With Me' initiative.

The annual Fusion Festival was held in

August, giving students, staff and the wider community the opportunity to acknowledge, learn from and celebrate our diverse communities. Students from culturally diverse backgrounds were employed at each campus, and their input, ideas and connections, together with support and cooperation from the student associations, UniLife and facilities at each campus contributed significantly to a successful, student-focused festival.

The Southern Cross Arts Festival 2015 supported multicultural inclusiveness and diversity in its artistic programming and included performances by Samoan singer/songwriter Calepo Lafaitale, Aboriginal singer and elder Aunty Delmae Barton, Johannes Moller (Swedish musician/composer) and a performance and lecture by Stelarc, a Cyprus-born performance artist.

Information stalls, guest speakers and morning teas were held at each campus to celebrate *Harmony Day* in 2015, a day of cultural respect for all people who call Australia home which coincides with the United Nations International Day for the Elimination of Racial Discrimination.

*The Courageous Conversations About Race* (CCAR) professional development workshop for University staff was held twice in 2015. In its fourth year of operation, CCAR continued to examine race, racism, 'whiteness' and 'privilege', and enriched participants' cultural competency to work with people from diverse backgrounds. The workshop was developed and facilitated by staff from the Equity and Diversity Office, Gnibi College of Indigenous Australian Peoples and the School of Law and Justice.

The University's School of Arts and Social Sciences and the Mixed Up Reels film club, with the support of Spanish/US distributor Pragda, held a Spanish and Portuguese film festival in August. A mix of dramas and thrillers, plus a documentary on the food and market system of seven different Latin American countries were screened in Lismore and Bellingen. In Lismore, the documentary was followed by a panel of local food producers, organised by the Regional Food Network.

#### **Plan for 2016**

The University will develop and implement the new Equity and Diversity Plan 2016-2020 which will include strategies focused on supporting and promoting an inclusive culture for staff and students that embraces and supports a knowledge of, and respect for, equity and cultural diversity.

Key activities for 2016 will include:

- Student initiated projects to promote cultural/religious understanding on campus will be conducted across all campuses and students from culturally diverse backgrounds will be encouraged to become involved in these activities.
- Continue to present diversity symposia, open to staff, students and the community. Host further forums during the year that promote and affirm diversity and community harmony.
- Continue to offer curricula which is inclusive and considerate of cultural diversity.
- Continue student peer mentoring to support students, particularly students from non-English speaking backgrounds, in their transition to university life.

- Continue to improve the University's Equity profiles. Continue to analyse and report on the staffing profile of people from culturally diverse backgrounds.
- 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 and Courageous Conversations About Race training to staff across the University.
- 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 build on successes in diversity initiatives and achievements and promote these within the University and in the local community.
- Continue to monitor and review all University plans and policies to identify opportunities to embed relevant cultural diversity strategies and targets to progress the University's commitment to cultural diversity and evaluate progress made towards creating an environment that supports diversity.

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

# 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 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 2015, 68 complaints in total were received by the Complaints Assistance Officer and 15 were formalised and actioned pursuant to the Complaints Policy. Of these, 10 complaints were resolved to the student's satisfaction and included recommendations made for changes and improvements to University procedures; three were not upheld and advice and information provided to the complainant as to the reasons for the decision; one complaint was withdrawn; and one complaint is yet to be finalised.

## Student ombud

The *Student Ombud* Policy provides students with a final avenue for internal review if they are unhappy with an earlier decision. During 2015, there were no matters that required the appointment of a Student Ombud.

## 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	2015
Considered	17
Successful	1

# Governance

## Charter

Southern Cross University was established under the Southern Cross University Act 1993. 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’.

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, three elected staff members and one elected student member.

## Organisational structure

### UNIVERSITY COUNCIL

#### VICE CHANCELLOR

Coffs Harbour campus

Governance Services

#### SENIOR DEPUTY VICE CHANCELLOR

School of Arts and Social Sciences

School of Health and Human Sciences

School of Business and Tourism

School of Law and Justice

School of Education

SCU College

School of Environment, Science and Engineering

Office of Planning, Quality and Review

Gnibi College of Indigenous Australian Peoples

#### DEPUTY VICE CHANCELLOR (EDUCATION)

Centre for Teaching and Learning

Student Engagement Retention Team (SERT)

Digital Resources Centre

Equity and Diversity Office

#### PRO VICE CHANCELLOR (INTERNATIONAL AND ENTERPRISE)

SCU International

#### DEPUTY VICE CHANCELLOR (RESEARCH)

Office of the Deputy Vice Chancellor (Research)

Southern Cross GeoScience

Office of Research

Southern Cross Plant Science

Research Training Unit

Environmental Analysis Laboratory

#### EXECUTIVE DIRECTOR (INFORMATION AND PHYSICAL RESOURCES)

Facilities Management and Services

Technology Services

Student Administration Services

University Library

#### EXECUTIVE DIRECTOR (FINANCIAL AND HUMAN RESOURCES)

Financial and Business Services

HR Services

#### EXECUTIVE DIRECTOR (COMMUNITY AND CORPORATE RELATIONS)

Communications and Publications

Graduation

Development and Alumni Relations

Marketing and Recruitment

Future Students Team

Sustainability, Partnership and Community Engagement (SPaCE)

## Management and structure

UNIVERSITY COUNCIL MEMBERS FOR THE PERIOD 1 JANUARY 2015 TO 31 DECEMBER 2015

Chancellor and Chair of Council

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

Current term 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 expired 31 December 2015

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

Council appointed member

Current term expires 11 September 2018

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

Elected member – academic staff

Current term expires 9 September 2016

**Mr Murray d'Almeida**

Ministerially appointed member

Current term expires 31 December 2017

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

Council appointed member (Graduate)

Current term expires 9 November 2018

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

Council appointed member

Current term expires 9 November 2018

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

Elected member – non-academic staff

Current term 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 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

**Associate Professor Adele Wessell BA(Hons)(UNSW), PhD(UNSW)**

Elected member – academic staff

Current term expires 9 September 2016

Council Secretary

**Ms Brenda Gradwell BIntBus(Griff), GradDiplndLang(Griff)**

**The following members' appointments concluded during 2015**

**Ms Rebecca Hennes**

Elected member – student

Current term concluded 27 November 2015

Council attendance is included at *Appendix E*.

## 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

**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)

## 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***

The *Southern Cross University Act 1993* (the “SCU Act”) was amended by the Universities Governing Bodies (Southern Cross University) Order 2015 which was made by the Minister for Education on 20 February 2015 and published on the legislative website on 27 February 2015.

#### ***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 and Personal Information Protection Act 1998 (NSW)***

The *Privacy and Personal Information Protection Act 1998* (“the PPIP Act”) was amended by the *Privacy and Personal Information Protection Amendment (Exemptions Consolidation) Act 2015* which was assented to on 24 November 2015. Schedule 1[1] commenced on 1 January 2016 and Schedule 1[2] will commence on 1 April 2016.

The amendments:

- extend the meaning of investigative agency to include additional public sector agencies with investigative functions or conduct investigations on behalf of other public sector agencies with investigative functions;
- introduce new conditions about when public sector agencies may disclose personal information to interstate persons or bodies or to Commonwealth agencies;
- permit public sector agencies to collect, use and disclose personal information for certain research purposes; and
- incorporate a number of long-term NSW Privacy Commissioner public interest directions.

#### ***Education Services for Overseas Students Act 2000 (Cth)***

The *Education Services for Overseas Students Act 2000* (“the ESOS Act”) was amended by the *Education Services for Overseas Students Amendment (Streamlining Regulation) Act 2015* which was assented to on 11 December 2015. Some of the amendments came into effect on 11 December 2015, the balance will come into effect on 1 July 2016.

The amendments which commenced on 11 December 2015 are:

- The definition of study period has been removed. This was previously defined as a maximum 24 week period. A study period still must not exceed six months as defined in the National Code.
- Providers are no longer restricted to collecting outstanding tuition fees two weeks prior to a second study period.



- (c) Providers no longer need to report a student default within five business days. Providers need only report where they have provided a refund to a student in two cases of student default:
- (i) where a student's visa is refused, even if there is a compliant written agreement in place; and
  - (ii) where there is no compliant written agreement in place.
- These refunds must be reported within 35 days after the default occurs.
- (d) The timeframe for reporting changes to a student's enrolment has been extended from 14 days to 31 days.
- (e) Students, or the person responsible for paying the tuition fees, can now choose to pay more than 50% of their tuition fees before they start their course. Providers cannot require the student to pay more than 50% of their tuition fees before they start their course. Short courses with a duration of 25 weeks or less are not subject to the 50% limit. There are no longer any restrictions on collecting tuition fees after a student has started their course.

**Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015 (Cth) (the Data Retention Act)**

The Data Retention Act places obligations on internet service providers to retain certain metadata for a period of two years. The University receives its internet services through AARNET Pty Ltd. SCU will be taken to be an internet service provider when it on-provides internet services to certain third parties. Due to the limited nature of SCU's on-supply of internet services, it was granted an exemption from data retention obligations until 13 October 2020.

**The Defence Trade Controls Act 2012 (Cwth) and the Defence Trade Controls Amendment Act 2015 (Cwth)**

The offence provisions from the Defence Trade Controls Act came into effect on 2 April 2016 and require the attention of everyone involved in research and/or teaching. This legislation regulates the export from Australia, of certain goods and technologies designed or adapted for military use and equipment and technologies developed for commercial needs but which may be used for military purposes ('dual-use'), including the transmission of certain controlled information. A self-assessment tool and relevant material are available on the SCU Defence Export Controls webpage [scu.edu.au/research/index.php/177](http://scu.edu.au/research/index.php/177)

## 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) ("PIPP Act") and to provide statistical details of any review conducted by or on behalf of the University under Part 5 of the PPIP Act.

In 2015 the University took the following steps, among others, to ensure compliance with PPIP Act:

- i. Updating privacy collection notices for various sections of the University;
- ii. Providing a number of staff information sessions on the operation of the PIPP Act
- iii. Sending an email to all University staff about the requirements of the PPIP Act; and
- iv. Providing privacy advice and information to members of the University community.

The University received one application for internal review under Part 5 of the PPIP Act in the 2015 calendar year. The decision, upon review, was that further information should be released. As required by the PPIP Act when conducting an internal review, the University communicated with the Privacy Commissioner throughout 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 proactive release of information for which the public interest is in favour of release and that can be made publicly available without additional cost to the University. *The Government Information (Public Access) Regulation 2010* (NSW) requires that details of this review be included in the University’s annual report.

As a result of this review in 2015, the information available on the University’s website about the GIPA Act and how to access information held by the University was significantly revised in 2015 to further facilitate better public knowledge of, and access to, the University’s information.

### Number of access applications received

In 2015, the University received eight (8) 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 F* 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”) establishes a formal 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 its Public Interest Disclosures Policy satisfies this requirement.

Public authorities are required by section 31 of the PID Act to report annually to Parliament on their obligations under the PID Act. The report is included at *Appendix G*.

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 are available to staff on the University’s intranet and internet;
- ii. An email was sent to all staff about the PID Act and the availability of this avenue for public officers to report concerns about various types of wrongdoing;
- iii. New Disclosures Officers were briefed on the University’s PID Policy and Framework, and their roles and obligations as Disclosures Officers; and
- iv. Existing Disclosures Officers undertook refresher training about refinements to University PID processing practices and their own roles.

## 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 were identified and analysed and, where appropriate, action plans for the mitigation of unacceptably high risks were developed. High and emerging strategic risks are reviewed regularly by Executive. A refresh of the University’s Strategic Risk Register was commenced in the final quarter of 2015.

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 2015.

## Insurance

The University held the following forms of insurance cover in 2015:

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

Premiums for the University's core protections decreased notwithstanding some increased levels of cover.

Premiums for ancillary classes remained relatively unchanged for the 2015/16 protection period.

The University's claims record remains very good, however, risk management and the structure of the insurance portfolio continue to be areas of focus. New and emerging risks and the degree to which the University is exposed to such risks are 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
- Noresearch Limited

Noresearch Limited's objective is to provide services and amenities to students and staff of the University. Its principal operations include a licenced bar and on-campus catering service; gymnasium and pool; and conferencing facilities.

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

## Review of operations

Southern Cross University and its controlled entities reported a consolidated net loss of -\$3.7 million for the year ending 31 December 2015 (2014 \$13.1 million). The University reported a net loss of -\$4.8 million (2014 \$13.2 million).

The 2015 net result includes \$2.3 million (2014 \$21.1 million) of capital grant revenue relating to the refurbishing the science and engineering precinct; the completion of the Personal Learning Environment and the new Learning Centre at Lismore.

Excluding non-recurring capital grants, the net result for the University was a loss of -\$7.1 million (2014 -\$7.6 million).

Cash flows from operations was \$10.5 million (2014 \$37.9 million). Commonwealth funding for major capital projects continues to create considerable timing differences and movements in the operating result and working capital from year to year.

Total University income in 2015, excluding capital grants, increased by \$6.7 million (4%) compared to the previous year while total expenses rose by \$5.1 million (3%).

Employee related expenses were \$121.6 million (2014 \$122.0 million), after including a \$2.6 million adjustment to long service leave provisions.

Capital Expenditure of \$25.6 million remained in line with 2014 as the Commonwealth funded Learning Centre and science and engineering precinct at Lismore Campus were completed.

Cash at year end was \$20.7 million (2014 \$28.9 million).

See *Appendix H* for supplementary financial information.

# Southern Cross University and Controlled Entities

ABN 41 995 651 524

## Financial Statements for the 2015 Reporting Period

### Contents

<b>Financial Statements</b>	<b>Page</b>
SCU	20
Norsearch	98

## Financial Statements for the 2015 Reporting Period

### Contents

31 December 2015

<b>Financial Statements</b>	<b>Page</b>
Statement by the Members of Council	21
Income Statement	22
Statement of Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	26
Notes to the Financial Statements	27-94
Auditor's Independence Declaration	95
Independent Auditor's Report	96-97

## Statement by the Members of Council

31 December 2015

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:

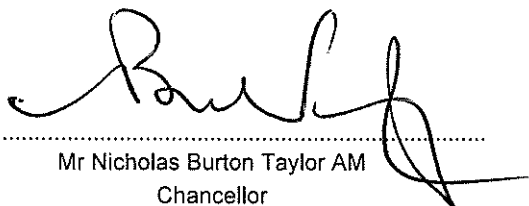
(a) The financial statements of Southern Cross University exhibit a true and fair view of the financial position as at 31 December 2015 and financial performance of the University for the financial year ended on that date;

(b) The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Southern Cross University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure;

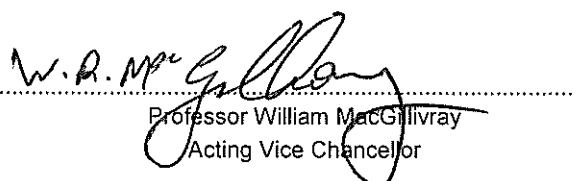
(c) The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory professional reporting requirements, the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*, *Australian Charities and Not-for-profits Commission Act (2012)*, *Australian Charities and Not-for-profits Commission Regulation 2013* and the Financial Statement Guidelines for Australian Higher Education Providers 2015;

(d) Southern Cross University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines under the Act. Revenue from the fees was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19 clause 38 (4) of the Act.

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



Mr Nicholas Burton Taylor AM  
Chancellor



Professor William MacGillivray  
Acting Vice Chancellor

Dated 31 March 2016

## Income Statement

### For the Year Ended 31 December 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	96,985	115,171	96,985	115,171
HELP - Australian Government payments	2	51,929	52,414	51,929	52,414
State and local government financial assistance	3	1,476	926	1,476	926
HECS-HELP - Student payments		2,535	2,542	2,535	2,542
Fees and charges	4	28,721	23,757	28,721	23,757
Investment revenue	5	906	1,161	905	1,160
Royalties, trademarks and licences	6	587	563	587	563
Consultancy and contracts	7	4,703	5,196	4,703	5,196
Other revenue	8	11,375	9,455	10,120	8,330
<b>Total income from continuing operations</b>		<b>199,217</b>	<b>211,185</b>	<b>197,961</b>	<b>210,059</b>
Share of profit on investments accounted for using the equity method	21	(6)	(9)	-	-
Contributions received for superannuation schemes	41(d)	-	909	-	909
Gain on exchange differences		126	51	126	51
<b>Total revenue and income from continuing operations</b>		<b>199,337</b>	<b>212,136</b>	<b>198,087</b>	<b>211,019</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	9	122,761	123,121	121,615	122,043
Depreciation and amortisation	10	11,728	10,845	11,709	10,842
Repairs and maintenance	11	3,130	2,544	3,117	2,544
Borrowing costs	12	812	1,326	812	1,326
Impairment of assets	13	528	1,937	1,661	1,937
Losses on disposal of assets		49	869	49	869
Deferred superannuation expense	41(e)	-	116	-	116
Other expenses	14	63,993	58,251	63,932	58,099
<b>Total expenses from continuing operations</b>		<b>203,001</b>	<b>199,009</b>	<b>202,895</b>	<b>197,776</b>
<b>Net result from continuing operations</b>		<b>(3,664)</b>	<b>13,127</b>	<b>(4,808)</b>	<b>13,243</b>

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



## Statement of Comprehensive Income

For the Year Ended 31 December 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Net result from continuing operations</b>		<b>(3,664)</b>	13,127	<b>(4,808)</b>	13,243
<b>Items that may be reclassified to profit or loss</b>					
Gain on revaluation of available for sale financial assets	29(a)	<b>9,198</b>	-	<b>9,198</b>	-
<b>Total</b>		<b>9,198</b>	-	<b>9,198</b>	-
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurement relating to defined benefit plans	41(e)	<b>(122)</b>	(397)	<b>(122)</b>	(397)
<b>Total</b>		<b>(122)</b>	(397)	<b>(122)</b>	(397)
<b>Total other comprehensive income</b>		<b>9,076</b>	(397)	<b>9,076</b>	(397)
<b>Total comprehensive income</b>		<b>5,412</b>	12,730	<b>4,268</b>	12,846
<b>Total comprehensive income attributable to members of Southern Cross University</b>		<b>5,412</b>	12,730	<b>4,268</b>	12,846

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

## Statement of Financial Position

As At 31 December 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	15	20,773	28,981	20,684	28,911
Receivables	16	10,154	8,688	10,149	9,645
Inventories	17	25	25	7	10
Other non-financial assets	18	2,539	2,775	2,535	2,769
Non-current assets classified as held for sale	19	-	720	-	720
<b>Total current assets</b>		<b>33,491</b>	<b>41,189</b>	<b>33,375</b>	<b>42,055</b>
<b>Non-current assets</b>					
Receivables	16	86,459	81,416	86,459	81,416
Investments accounted for using the equity method	21	316	322	175	175
Other financial assets	20	9,198	-	9,198	-
Property, plant and equipment	22	245,630	238,058	245,457	238,045
Intangible assets	23	187	323	187	323
Other non-financial assets	18	1,116	-	1,116	-
<b>Total non-current assets</b>		<b>342,906</b>	<b>320,119</b>	<b>342,592</b>	<b>319,959</b>
<b>Total assets</b>		<b>376,397</b>	<b>361,308</b>	<b>375,967</b>	<b>362,014</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	24	11,453	14,244	11,376	14,149
Borrowings	25	2,440	2,440	2,440	2,440
Provisions	26	23,707	21,713	23,646	21,658
Other liabilities	27	13,543	11,877	13,503	11,839
<b>Total current liabilities</b>		<b>51,143</b>	<b>50,274</b>	<b>50,965</b>	<b>50,086</b>
<b>Non-current liabilities</b>					
Borrowings	25	12,460	9,900	12,460	9,900
Provisions	26	90,292	84,046	90,271	84,027
Other financial liabilities	28	416	414	416	414
<b>Total non-current liabilities</b>		<b>103,168</b>	<b>94,360</b>	<b>103,147</b>	<b>94,341</b>
<b>Total liabilities</b>		<b>154,311</b>	<b>144,634</b>	<b>154,112</b>	<b>144,427</b>
<b>Net assets</b>		<b>222,086</b>	<b>216,674</b>	<b>221,855</b>	<b>217,587</b>
<b>Equity</b>					
Reserves	29	9,198	-	9,198	-
Retained earnings	29	212,888	216,674	212,657	217,587
<b>Total equity</b>		<b>222,086</b>	<b>216,674</b>	<b>221,855</b>	<b>217,587</b>

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

## Statement of Changes in Equity

### For the Year Ended 31 December 2015

	Parent		
	Retained Earnings	Reserves	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 January 2014</b>	<b>204,741</b>	-	<b>204,741</b>
Net result	13,243	-	13,243
Remeasurements of defined benefit plans	(397)	-	(397)
<b>Total comprehensive income</b>	<b>217,587</b>	-	<b>217,587</b>
<b>Balance at 31 December 2014</b>	<b>217,587</b>	-	<b>217,587</b>
<b>Balance at 1 January 2015</b>	<b>217,587</b>	-	<b>217,587</b>
Net result	(4,808)	-	(4,808)
Gain on revaluation of available for sale financial assets	-	9,198	9,198
Remeasurements of defined benefit plans	(122)	-	(122)
<b>Total comprehensive income</b>	<b>212,657</b>	<b>9,198</b>	<b>221,855</b>
<b>Balance at 31 December 2015</b>	<b>212,657</b>	<b>9,198</b>	<b>221,855</b>

	Consolidated		
	Retained Earnings	Reserves	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 January 2014</b>	<b>203,944</b>	-	<b>203,944</b>
Net result	13,127	-	13,127
Remeasurements of defined benefit plans	(397)	-	(397)
<b>Total comprehensive income</b>	<b>216,674</b>	-	<b>216,674</b>
<b>Balance at 31 December 2014</b>	<b>216,674</b>	-	<b>216,674</b>
<b>Balance at 1 January 2015</b>	<b>216,674</b>	-	<b>216,674</b>
Net result	(3,664)	-	(3,664)
Gain on revaluation of available for sale financial assets	-	9,198	9,198
Remeasurements of defined benefit plans	(122)	-	(122)
<b>Total comprehensive income</b>	<b>212,888</b>	<b>9,198</b>	<b>222,086</b>
<b>Balance at 31 December 2015</b>	<b>212,888</b>	<b>9,198</b>	<b>222,086</b>

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

## Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities:</b>					
Australian Government Grants	2(h)	148,105	173,687	148,105	173,687
OS-HELP (net)	2(h)	32	427	32	427
State Government Grants		1,476	1,623	1,476	1,623
HECS-HELP - Student payments		2,535	3,541	2,535	3,541
Receipts from student fees and other customers		47,103	40,934	45,677	39,600
Dividends received		263	-	263	-
Payments to suppliers and employees		(194,330)	(187,261)	(193,163)	(186,015)
Interest received		666	1,168	665	1,167
Interest and other costs of finance		(865)	(898)	(864)	(898)
GST recovered/paid		5,711	4,641	5,772	4,720
<b>Net cash provided by operating activities</b>	38	<b>10,696</b>	<b>37,862</b>	<b>10,498</b>	<b>37,852</b>
<b>Cash flows from investing activities:</b>					
Proceeds from sale of property, plant and equipment		1,106	6,141	1,106	6,141
Payments for property, plant and equipment		(22,570)	(25,778)	(22,391)	(25,776)
<b>Net cash used in investing activities</b>		<b>(21,464)</b>	<b>(19,637)</b>	<b>(21,285)</b>	<b>(19,635)</b>
<b>Cash flows from financing activities:</b>					
Proceeds from borrowings		5,000	-	5,000	-
Repayment of borrowings		(2,440)	(8,440)	(2,440)	(8,440)
<b>Net cash provided by/(used in) financing activities</b>		<b>2,560</b>	<b>(8,440)</b>	<b>2,560</b>	<b>(8,440)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(8,208)</b>	<b>9,785</b>	<b>(8,227)</b>	<b>9,777</b>
Cash and cash equivalents at beginning of the financial year		28,981	19,196	28,911	19,134
<b>Cash and cash equivalents at the end of the financial year</b>	15	<b>20,773</b>	<b>28,981</b>	<b>20,684</b>	<b>28,911</b>

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### Contents

#### PAGE

#### Notes to the Financial Statements

Note 1 Summary of Significant Accounting Policies.....	28
Note 2 Australian government financial assistance including Australian government loan programs (HELP).....	43
Note 3 State and local government financial assistance.....	46
Note 4 Fees and charges.....	46
Note 5 Investment revenue.....	47
Note 6 Royalties, trademarks and licences.....	47
Note 7 Consultancy and contracts.....	47
Note 8 Other revenue and income.....	47
Note 9 Employee related expenses.....	48
Note 10 Depreciation and amortisation.....	49
Note 11 Repairs and maintenance.....	49
Note 12 Borrowing costs.....	49
Note 13 Impairment of assets.....	49
Note 14 Other expenses.....	50
Note 15 Cash and cash equivalents.....	51
Note 16 Receivables.....	51
Note 17 Inventories.....	53
Note 18 Other non-financial assets.....	53
Note 19 Non-current assets classified as held for sale.....	53
Note 20 Other financial assets.....	54
Note 21 Investments accounted for using the equity method.....	54
Note 22 Property, plant and equipment.....	55
Note 23 Intangible assets.....	59
Note 24 Trade and other payables.....	60
Note 25 Borrowings.....	60
Note 26 Provisions.....	62
Note 27 Other liabilities.....	62
Note 28 Other financial liabilities.....	63
Note 29 Reserves and retained earnings.....	63
Note 30 Key management personnel disclosures.....	64
Note 31 Remuneration of auditors.....	67
Note 32 Contingencies.....	67
Note 33 Commitments.....	68
Note 34 Related Parties.....	68
Note 35 Subsidiaries.....	70
Note 36 Joint Operations.....	70
Note 37 Events occurring after the reporting date.....	72
Note 38 Reconciliation of net result to net cash provided by / (used in) operating activities.....	72
Note 39 Financial risk management.....	73
Note 40 Fair value measurement.....	76
Note 41 Defined benefits plans.....	80
Note 42 Acquittal of Australian government financial assistance.....	87

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 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 consistently 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 2015
- 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 31 March 2016.

##### ***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, 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 2015

#### 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
- Measurement of financial assets

##### (b) Basis 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 2015 and the results of the subsidiary for the year then ended. Southern Cross University and its subsidiary together are referred to in this financial report as the University or the Consolidated Entity.

Subsidiaries are all those entities (including structured entities) over which the University has control. The University has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the 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 21).

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (b) Basis of Consolidation (continued)

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. 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.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

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

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

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

##### **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.



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (c) Foreign currency translation (continued)

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 and rebates.

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. In some cases this may not be probable until consideration is received or an uncertainty is removed. 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 (or portion thereof) are treated as income in advance in other liabilities. 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (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.

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

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Alternatively, intangible assets are carried at a revalued amount after initial recognition and are revalued by reference to an active market on a regular basis, so that the carrying amount of the asset does not differ materially from its fair value at reporting date.

##### (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 and other receivables

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (h) Trade and other receivables (continued)

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 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

##### (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.

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

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

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

###### *(ii) Loans and receivables*

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

###### Classification (continued)

###### *(iii) 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.

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

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

Regular purchases and sales of financial assets are recognised on trade date - the date on which the University commits to purchase or sell the asset. Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the statement of profit or loss as gains and losses from investment securities.

###### Subsequent measurement

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

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

###### Fair value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the University establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on characteristics of the asset and the assumptions made by market participants.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

###### 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.

##### (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 'borrowing 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (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.

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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

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	2015	2014
Buildings	10-60	10-60
Plant and equipment	2-30	2-30
Improvements	5	5
Infrastructure	7-70	7-70

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.

##### (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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (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.

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.



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

###### *(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.

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

**(t) Employee benefits (continued)**

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 2015.

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. For specific disclosures refer to note 41.

**(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 properties**

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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (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 2015 Reporting Period*, as published by the Department of Education.

##### (x) 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	Mandatory Application Date	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	1 January 2018	<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 non-exchange transactions until the Income from Transactions of NFP Entities project is completed.</p>	<p>The University anticipates an impact on the treatment of revenue from contracts relating to grants received from entities within both the Not-For-Profit and For Profit sector whereby the arrangements are reciprocal in nature.</p>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

Standard Name	Mandatory Application Date	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.</p> <p>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>
AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to NFP Sector Entities	1 July 2016	<p>The AASB has extended the scope of AASB 124 Related Party Disclosures to apply to not-for-profit (NFP) public sector entities and added implementation guidance for these entities to the standard. Amongst others, the additional guidance clarifies how:</p> <ul style="list-style-type: none"> <li>- the definition of key management personnel (KMP) should be applied in the NFP public sector context,</li> <li>- related party transactions should be disclosed by NFP public sector entities</li> <li>- to identify the types of transactions that are material to the entity, and</li> <li>- to apply the limited exemption for transactions with government-related entities</li> </ul>	<p>The University currently discloses additional information on Related Parties in accordance with the Higher Education Support Act 2013 (Financial Statement Guidelines), however, it is yet to formally early adopt the standard.</p>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Commonwealth Grants Scheme		72,769	73,206	72,769	73,206
Indigenous Support Program		951	788	951	788
Partnership and Participation Program		4,466	3,376	4,466	3,376
Disability Support Program		111	147	111	147
Australian Maths & Science Partnership Program		242	332	242	332
Improving the Quality of Maths & Science Teaching		248	294	248	294
Promotion of Excellence in Learning and Teaching		20	85	20	85
<b>Total Commonwealth Grants Scheme and Other Grants</b>	42(a)	<b>78,807</b>	<b>78,228</b>	<b>78,807</b>	<b>78,228</b>

##### (b) Higher Education Loan Programs

HECS - HELP		44,901	45,153	44,901	45,153
FEE - HELP		5,992	6,245	5,992	6,245
SA-HELP payments		1,036	1,016	1,036	1,016
<b>Total Higher Education Loan Programs</b>	42(b)	<b>51,929</b>	<b>52,414</b>	<b>51,929</b>	<b>52,414</b>

##### (c) Scholarships

Australian Postgraduate Awards		1,472	1,527	1,472	1,527
International Postgraduate Research Scholarships		135	134	135	134
Commonwealth Education Costs Scholarship		59	111	59	111
Commonwealth Accommodation Scholarships		(4)	38	(4)	38
Indigenous Access scholarships		120	82	120	82
Indigenous Staff Scholarships		-	40	-	40
<b>Total Scholarships</b>	42(c)	<b>1,782</b>	<b>1,932</b>	<b>1,782</b>	<b>1,932</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (d) Education Research

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Joint Research Engagement Program		1,767	1,707	1,767	1,707
Research Training Scheme		3,283	3,437	3,283	3,437
Research Infrastructure Block Grants		612	581	612	581
Sustainable Research Excellence in Universities		890	801	890	801
Joint Research Engagement Engineering Cadetships		29	20	29	20
<b>Total Education Research</b>	42(d)	<b>6,581</b>	<b>6,546</b>	<b>6,581</b>	<b>6,546</b>

##### (e) Other Capital Funding

Education Investment Fund		2,306	21,104	2,306	21,104
<b>Total Other Capital Funding</b>	42(e)	<b>2,306</b>	<b>21,104</b>	<b>2,306</b>	<b>21,104</b>

##### (f) Australian Research Council

###### (i) Discovery

Projects		859	598	859	598
Fellowships		301	395	301	395
<b>Total Discovery</b>	42(f)(i)	<b>1,160</b>	<b>993</b>	<b>1,160</b>	<b>993</b>

###### (ii) Linkages

Infrastructure		170	485	170	485
Projects		493	453	493	453
<b>Total Linkages</b>	42(f)(ii)	<b>663</b>	<b>938</b>	<b>663</b>	<b>938</b>
<b>Total ARC</b>	42(f)	<b>1,823</b>	<b>1,931</b>	<b>1,823</b>	<b>1,931</b>

## Notes to the Financial Statements

## For the Year Ended 31 December 2015

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

## (g) Other Australian Government Financial Assistance

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Non-capital</b>					
Department of Education		3,132	1,086	3,132	1,086
Department of Health		2,554	1,900	2,554	1,900
Australian Centre for International Agricultural Research		-	743	-	743
Other		-	1,701	-	1,701
<b>Total non-capital</b>		<b>5,686</b>	<b>5,430</b>	<b>5,686</b>	<b>5,430</b>
<b>Total Other Australian Government Financial Assistance</b>		<b>5,686</b>	<b>5,430</b>	<b>5,686</b>	<b>5,430</b>
<b>Total Australian Government Financial Assistance</b>		<b>148,914</b>	<b>167,585</b>	<b>148,914</b>	<b>167,585</b>
<b>Reconciliation</b>					
Australian Government Grants (a + c + d + e + f +g)		96,985	115,171	96,985	115,171
HECS - HELP payments		44,901	45,153	44,901	45,153
FEE - HELP payments		5,992	6,245	5,992	6,245
SA-HELP payments		1,036	1,016	1,036	1,016
<b>Total Australian Government Financial Assistance</b>		<b>148,914</b>	<b>167,585</b>	<b>148,914</b>	<b>167,585</b>

## (h) Australian Government Grants received - cash

CGS and Other EDUCATION Grants	42(a)	78,679	78,497	78,679	78,497
Higher Education Loan Programmes	42(b)	51,588	53,079	51,588	53,079
Scholarships	42(c)	1,782	1,933	1,782	1,933
EDUCATION research	42(d)	6,581	6,546	6,581	6,546
Other Capital Funding	42(e)	2,306	26,104	2,306	26,104
ARC grants - Discovery	42(f)(i)	1,160	992	1,160	992
ARC grants - Linkages	42(f)(ii)	663	938	663	938
Other Australian Government Grants		5,346	5,598	5,346	5,598
<b>Total Australian Government Grants received - cash basis</b>		<b>148,105</b>	<b>173,687</b>	<b>148,105</b>	<b>173,687</b>
OS-HELP (Net)	42(g)	32	427	32	427
<b>Total Australian Government funding received - cash basis</b>		<b>148,137</b>	<b>174,114</b>	<b>148,137</b>	<b>174,114</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 3 State and local government financial assistance

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

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Non-capital</b>				
New South Wales	425	466	425	466
Queensland	174	142	174	142
Victoria	787	259	787	259
South Australia	90	59	90	59
<b>Total</b>	<b>1,476</b>	<b>926</b>	<b>1,476</b>	<b>926</b>
<b>Total State and Local Government Financial Assistance</b>	<b>1,476</b>	<b>926</b>	<b>1,476</b>	<b>926</b>

#### 4 Fees and charges

##### Course Fees and Charges

Fee-paying onshore overseas students	21,975	17,711	21,975	17,711
Fee-paying offshore overseas students	2,488	2,250	2,488	2,250
Continuing education	32	51	32	51
Fee-paying domestic postgraduate students	2,058	1,875	2,058	1,875
Fee-paying domestic undergraduate students	652	568	652	568
Fee-paying domestic non-award students	59	65	59	65
<b>Total Course Fees and Charges</b>	<b>27,264</b>	<b>22,520</b>	<b>27,264</b>	<b>22,520</b>

##### Other Non-Course Fees and Charges

Student Services and Amenities Fees from students	880	708	880	708
Late fees	83	84	83	84
Student accommodation	340	272	340	272
Other services	154	173	154	173
<b>Total Other Fees and Charges</b>	<b>1,457</b>	<b>1,237</b>	<b>1,457</b>	<b>1,237</b>
<b>Total Fees and Charges</b>	<b>28,721</b>	<b>23,757</b>	<b>28,721</b>	<b>23,757</b>



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 5 Investment revenue

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest income - bank deposits	643	1,161	642	1,160
Dividends from equity instruments	263	-	263	-
<b>Total investment revenue</b>	<b>906</b>	<b>1,161</b>	<b>905</b>	<b>1,160</b>

#### 6 Royalties, trademarks and licences

Royalties, trademarks and licences	587	563	587	563
<b>Total royalties, trademarks and licences</b>	<b>587</b>	<b>563</b>	<b>587</b>	<b>563</b>

#### 7 Consultancy and contracts

Consultancy	2,219	2,180	2,219	2,180
Contract research	2,484	3,016	2,484	3,016
<b>Total consultancy and contracts</b>	<b>4,703</b>	<b>5,196</b>	<b>4,703</b>	<b>5,196</b>

#### 8 Other revenue and income

<b>Other revenue</b>				
Donations and bequests	-	13	-	13
Scholarships and prizes	189	196	189	196
Sale of goods	117	120	117	120
Rental income	619	522	619	522
Cost recoveries	4,534	2,609	4,533	2,606
Bad debts recovered	37	7	37	7
Immersion program	55	-	55	-
Catering income	91	154	91	154
Scientific testing	3,370	3,502	3,370	3,502
Conferences and workshops	238	266	238	266
Facilities hire	141	156	141	156
Other miscellaneous revenue	1,167	1,108	659	686
Other revenue	817	802	71	102
<b>Total other revenue</b>	<b>11,375</b>	<b>9,455</b>	<b>10,120</b>	<b>8,330</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 9 Employee related expenses

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Academic</b>					
Salaries		45,298	46,026	45,298	46,026
Contributions to superannuation and pension schemes:					
Contributions to funded schemes		6,887	6,839	6,887	6,839
Payroll tax		2,961	3,027	2,961	3,027
Worker's compensation		315	254	315	254
Long service leave		1,967	1,328	1,967	1,328
Annual leave		2,848	2,917	2,848	2,917
Other		705	751	705	751
<b>Total academic</b>		<b>60,981</b>	<b>61,142</b>	<b>60,981</b>	<b>61,142</b>
<b>Non-academic</b>					
Salaries		44,410	46,421	43,435	45,541
Contributions to superannuation and pension schemes:					
Contributions to funded schemes		7,267	7,295	7,175	7,210
Payroll tax		3,038	3,056	2,995	3,001
Worker's compensation		327	272	314	252
Long service leave		2,371	839	2,377	831
Annual leave		3,334	3,063	3,305	3,033
Other		1,033	1,033	1,033	1,033
<b>Total non-academic</b>		<b>61,780</b>	<b>61,979</b>	<b>60,634</b>	<b>60,901</b>
<b>Total employee related expenses</b>		<b>122,761</b>	<b>123,121</b>	<b>121,615</b>	<b>122,043</b>
Deferred superannuation expense	41(e)	-	116	-	116
<b>Total employee related expenses, including deferred Government Employee Benefits for Superannuation</b>		<b>122,761</b>	<b>123,237</b>	<b>121,615</b>	<b>122,159</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 10 Depreciation and amortisation

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Depreciation</b>				
Buildings	5,736	5,377	5,736	5,377
Plant and equipment	5,211	4,736	5,192	4,733
Infrastructure	643	527	643	527
Leasehold improvements	2	34	2	34
Investment property	-	27	-	27
<b>Total depreciation</b>	<b>11,592</b>	<b>10,701</b>	<b>11,573</b>	<b>10,698</b>
<b>Amortisation</b>				
Computer software	136	144	136	144
<b>Total depreciation and amortisation</b>	<b>11,728</b>	<b>10,845</b>	<b>11,709</b>	<b>10,842</b>

#### 11 Repairs and maintenance

Building and plant maintenance	3,130	2,544	3,117	2,544
<b>Total repairs and maintenance</b>	<b>3,130</b>	<b>2,544</b>	<b>3,117</b>	<b>2,544</b>

#### 12 Borrowing costs

Interest expense	810	865	810	865
Fair value loss on interest rate swaps	2	461	2	461
<b>Total borrowing costs expensed</b>	<b>812</b>	<b>1,326</b>	<b>812</b>	<b>1,326</b>

#### 13 Impairment of assets

Trade receivables	528	1,645	528	1,645
Related party receivables	-	-	1,133	-
Infrastructure	-	373	-	373
Investment property	-	(81)	-	(81)
<b>Total impairment of assets</b>	<b>528</b>	<b>1,937</b>	<b>1,661</b>	<b>1,937</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 14 Other expenses

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Advertising, marketing and promotion	3,674	3,239	3,674	3,239
Audit and legal fees	426	438	399	411
Bank charges	152	125	152	125
Books and subscriptions	2,410	2,126	2,410	2,126
Cleaning	1,169	955	1,169	955
Commission to agents	8,480	4,460	8,480	4,460
Consulting and professional fees	12,446	11,687	12,446	11,687
Contributions	227	486	227	486
Entertainment	216	191	346	332
Equipment hire	959	606	962	606
Freight	345	351	345	351
Fringe Benefits Tax (FBT)	395	284	395	284
Insurance	714	777	714	777
Laboratory consumables	762	604	762	604
Leased equipment charges	1,392	1,380	1,387	1,372
Non-capitalised equipment	2,088	3,036	2,088	3,036
Other expenses	2,948	2,912	2,919	2,825
Printing and stationery	1,060	935	1,060	935
Property and facilities costs	3,880	3,422	3,882	3,422
Scholarships, grants and prizes	5,284	5,571	5,284	5,571
Security costs	1,653	1,618	1,653	1,618
Software expenses	4,248	4,032	4,248	4,032
Subscriptions	813	713	813	713
Telephone and fax	1,109	1,088	1,109	1,088
Travel and staff development	4,520	4,408	4,515	4,404
Utilities	2,623	2,807	2,493	2,640
<b>Total other expenses</b>	<b>63,993</b>	<b>58,251</b>	<b>63,932</b>	<b>58,099</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 15 Cash and cash equivalents

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	3,215	2,423	3,126	2,353
Short term deposits at call	17,558	26,558	17,558	26,558
<b>Total cash and cash equivalents</b>	<b>20,773</b>	<b>28,981</b>	<b>20,684</b>	<b>28,911</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	20,773	28,981	20,684	28,911
Balance as per cash flow statement	20,773	28,981	20,684	28,911

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

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 1.80% and 2.30% (2014: 2.30% and 2.50%).

#### (c) Deposits at call

The deposits are bearing floating interest rates between 2.00% and 2.74% (2014: 2.50% and 3.40%). These deposits have an average maturity of 30 days.

#### 16 Receivables

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
Trade receivables		5,993	5,430	5,988	5,420
Student fees		3,026	1,841	3,026	1,841
Less: Provision for impaired receivables		(1,846)	(1,788)	(1,846)	(1,788)
		7,173	5,483	7,168	5,473
Related party receivables	34(e)(f)	16	16	16	986
Other receivables		2,965	3,189	2,965	3,186
<b>Total current receivables</b>		<b>10,154</b>	<b>8,688</b>	<b>10,149</b>	<b>9,645</b>
<b>Non-current</b>					
Deferred government benefit for superannuation	41(d)	86,459	81,416	86,459	81,416
<b>Total non-current receivables</b>		<b>86,459</b>	<b>81,416</b>	<b>86,459</b>	<b>81,416</b>
<b>Total receivables</b>		<b>96,613</b>	<b>90,104</b>	<b>96,608</b>	<b>91,061</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 16 Receivables (continued)

As at 31 December 2015 current receivables of \$1,979,882 (2014: \$1,074,513 ) were past due but not impaired. These relate to a number of student fees not yet collected and trade debtors for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
3 to 6 months	113	-	113	-
6 to 12 months	818	161	818	161
Over 12 months	1,049	913	1,049	913
<b>Total past due but not impaired current receivables</b>	<b>1,980</b>	<b>1,074</b>	<b>1,980</b>	<b>1,074</b>

#### (a) Impaired receivables

As at 31 December 2015 current receivables of the University with a nominal value of \$1,845,845 (2014: \$1,787,838) were impaired. The amount of the provision was \$1,845,845 (2014: \$1,787,838). The individually impaired receivables mainly relate to student fees not yet collected and a wide variety of trade debtors. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

0 to 3 months	302	471	302	471
3 to 6 months	576	126	575	126
6 to 12 months	405	633	405	633
Over 12 months	563	558	563	558
	<b>1,846</b>	<b>1,788</b>	<b>1,845</b>	<b>1,788</b>

Movements in the provision for impaired receivables are as follows:

At 1 January	1,788	860	1,788	860
Provision for impairment recognised during the year	1,844	1,788	1,844	1,788
Receivables written off during the year as uncollectible	464	716	464	716
Unused amount reversed	(2,250)	(1,576)	(2,251)	(1,576)
<b>At 31 December</b>	<b>1,846</b>	<b>1,788</b>	<b>1,845</b>	<b>1,788</b>

The creation and release of the provision for impaired receivables has been included in 'impairments' in the statement of profit or loss. 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 2015

#### 17 Inventories

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current</b>				
At cost:				
Food & beverages stock	25	25	7	10
<b>Total inventories</b>	<b>25</b>	<b>25</b>	<b>7</b>	<b>10</b>

#### 18 Other non-financial assets

<b>Current</b>				
Prepayments	2,539	2,775	2,535	2,769
<b>Total current other non-financial assets</b>	<b>2,539</b>	<b>2,775</b>	<b>2,535</b>	<b>2,769</b>
<b>Non-current</b>				
Prepayments	1,116	-	1,116	-
<b>Total non-current other non-financial assets</b>	<b>1,116</b>	<b>-</b>	<b>1,116</b>	<b>-</b>
<b>Total other non-financial assets</b>	<b>3,655</b>	<b>2,775</b>	<b>3,651</b>	<b>2,769</b>

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

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

In August 2014, the University decided to sell its investment properties. During 2015, all remaining properties were sold with the University incurring a \$23,520 loss on sale which is included in the Income Statement.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 20 Other financial assets

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Non-current</b>				
- Available for sale	9,198	-	9,198	-
<b>Total available-for-sale financial assets</b>	<b>9,198</b>	<b>-</b>	<b>9,198</b>	<b>-</b>

There are no fixed returns or fixed maturity dates attached to this investment. No intention to dispose of the unlisted available-for-sale financial asset existed at 31 December 2015. Southern Cross University holds 10,000 of 380,000 fully ordinary paid shares in Education Australia Limited. Education Australia is a company owned by 38 Australian universities (in equal shares) which holds a 50% shareholding in IDP Education Ltd. The remaining shareholding in IDP Education Ltd is publicly traded on the Australian stock exchange.

#### 21 Investments accounted for using the equity method

##### Associates

Name of Entity	Place of business/ Country of incorporation	Measurement method	Ownership Interest %	
			2015	2014
Coffs Harbour Technology Park Ltd	Coffs Harbour, Australia	At Cost	33.30	33.30

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

	2015	2014
	\$'000	\$'000
<b>Financial Position</b>		
Current assets	95	91
Non-current assets	982	1,016
<b>Total assets</b>	<b>1,077</b>	<b>1,107</b>
Current liabilities	(33)	(46)
Non-current liabilities	(96)	(96)
<b>Total liabilities</b>	<b>(129)</b>	<b>(142)</b>
<b>Net assets</b>	<b>948</b>	<b>965</b>
Share of associates' net assets	316	322
<b>Reconciliation of carrying amounts:</b>		
Balance at 1 January	322	331
Share of profit for year	(6)	(9)
<b>Balance at 31 December</b>	<b>316</b>	<b>322</b>
<b>Financial Performance</b>		
Income	103	105
Expenses	(121)	(131)
Profit/(loss) from continuing operations	(18)	(26)
<b>Total comprehensive income</b>	<b>(18)</b>	<b>(26)</b>
Share of associates' profit/(loss)	(6)	(9)



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 22 Property, plant and equipment

Parent	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Improvements \$'000	Library collections \$'000	Capital Works in Progress \$'000	Total \$'000
<b>At 1 January 2014</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>	13,716	164,437	23,509	14,353	34	117	13,998	230,164
<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 charge	-	(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>	12,224	157,836	26,144	17,466	41	117	24,217	238,045
<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>	12,224	157,836	26,144	17,466	41	117	24,217	238,045

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

Parent	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Improvements \$'000	Library collections \$'000	Capital Works in Progress \$'000	Total \$'000
<b>Year ended 31 December 2015</b>								
Opening net book amount	12,224	157,836	26,144	17,466	41	117	24,217	238,045
Additions	-	883	5,972	83	-	-	12,482	19,420
Disposals	-	(50)	(385)	-	-	-	-	(435)
Depreciation expense	-	(5,736)	(5,192)	(643)	(2)	-	-	(11,573)
Transfers	-	22,164	6,302	2,855	-	-	(31,321)	-
<b>Closing net book amount</b>	<b>12,224</b>	<b>175,097</b>	<b>32,841</b>	<b>19,761</b>	<b>39</b>	<b>117</b>	<b>5,378</b>	<b>245,457</b>
<b>At 31 December 2015</b>								
At cost	12,224	222,647	60,810	25,630	43	8,827	5,378	335,559
Accumulated depreciation	-	(47,438)	(27,969)	(4,438)	(4)	(8,027)	-	(87,876)
Accumulated Impairment	-	(112)	-	(1,431)	-	(683)	-	(2,226)
<b>Net book amount</b>	<b>12,224</b>	<b>175,097</b>	<b>32,841</b>	<b>19,761</b>	<b>39</b>	<b>117</b>	<b>5,378</b>	<b>245,457</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

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

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Improvements \$'000	Library collections \$'000	Capital Works in Progress \$'000	Total \$'000
<b>Consolidated</b>								
<b>At 1 January 2014</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>
<b>Year ended 31 December 2014</b>								
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>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

Consolidated	Land	Buildings	Plant and equipment	Infrastructure	Improvements	Library collections	Capital Works in Progress	Total
Year ended 31 December 2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book amount	12,224	157,836	26,153	17,466	41	117	24,221	238,058
Additions	-	883	6,151	83	-	-	12,482	19,599
Disposals	-	(50)	(385)	-	-	-	-	(435)
Depreciation expense	-	(5,736)	(5,211)	(643)	(2)	-	-	(11,592)
Transfers	-	22,164	6,306	2,855	-	-	(31,325)	-
<b>Closing net book amount</b>	<b>12,224</b>	<b>175,097</b>	<b>33,014</b>	<b>19,761</b>	<b>39</b>	<b>117</b>	<b>5,378</b>	<b>245,630</b>
<b>At 31 December 2015</b>								
At cost	12,224	222,647	61,047	25,630	43	8,827	5,378	335,796
Accumulated depreciation	-	(47,438)	(28,033)	(4,438)	(4)	(8,027)	-	(87,940)
Accumulated impairment	-	(112)	-	(1,431)	-	(683)	-	(2,226)
<b>Net book amount</b>	<b>12,224</b>	<b>175,097</b>	<b>33,014</b>	<b>19,761</b>	<b>39</b>	<b>117</b>	<b>5,378</b>	<b>245,630</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 2015

#### 23 Intangible assets

<b>Consolidated</b>	<b>Computer software \$'000</b>	<b>Total \$'000</b>
<b>At 1 January 2014</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>Year ended 31 December 2015</b>		
Opening net book amount	323	323
Amortisation	(136)	(136)
<b>Closing net book amount</b>	<b>187</b>	<b>187</b>
<b>At 31 December 2015</b>		
At cost	718	718
Accumulated amortisation and impairment	(531)	(531)
<b>Net book amount</b>	<b>187</b>	<b>187</b>

The intangible assets balance shown above reflect the parent entity only. No other entities within the consolidated group recognise intangible assets.

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 24 Trade and other payables

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current</b>					
Unsecured liabilities					
Trade creditors		11,174	13,997	11,097	13,902
OS-HELP liability to Australian Government	42(g)	279	247	279	247
<b>Total current trade and other payables</b>		<b>11,453</b>	<b>14,244</b>	<b>11,376</b>	<b>14,149</b>

#### (a) Foreign currency risk

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

Australian Dollars	11,426	14,244	11,349	14,149
US Dollars	27	-	27	-

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 39.

### 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	12,460	9,900	12,460	9,900
<b>Total non-current borrowings</b>	<b>12,460</b>	<b>9,900</b>	<b>12,460</b>	<b>9,900</b>
<b>Total borrowings</b>	<b>14,900</b>	<b>12,340</b>	<b>14,900</b>	<b>12,340</b>

#### (a) Assets pledged as security

The University has no assets pledged as security for borrowings drawn during the year ended 31 December 2015 (2014: Nil).

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 25 Borrowings (continued)

##### (b) Financing arrangements

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

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Credit standby arrangements</b>				
<b>Bank loan facilities</b>				
Total facilities	38,900	42,560	38,900	42,560
Used at balance date	(14,900)	(12,340)	(14,900)	(12,340)
<b>Unused at balance date</b>	<b>24,000</b>	<b>30,220</b>	<b>24,000</b>	<b>30,220</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.

##### (d) Fair value

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

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
<b>On-balance sheet</b>				
Bank loans	14,900	14,900	12,340	12,340
<b>Total borrowings</b>	<b>14,900</b>	<b>14,900</b>	<b>12,340</b>	<b>12,340</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 39.

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 26 Provisions

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits</b>				
Annual leave	6,397	6,298	6,365	6,267
Long service leave	3,916	4,334	3,916	4,332
	<b>10,313</b>	10,632	<b>10,281</b>	10,599
<b>Current provisions expected to be settled after more than 12 months</b>				
<b>Employee benefits</b>				
Annual leave	1,981	1,703	1,953	1,689
Long service leave	11,413	9,378	11,412	9,370
	<b>13,394</b>	11,081	<b>13,365</b>	11,059
<b>Total current provisions</b>	<b>23,707</b>	21,713	<b>23,646</b>	21,658
<b>Non-current provisions</b>				
<b>Employee benefits</b>				
Long service leave	3,711	2,630	3,690	2,611
Deferred benefit obligation	86,581	81,416	86,581	81,416
<b>Total non-current provisions</b>	<b>90,292</b>	84,046	<b>90,271</b>	84,027
<b>Total provisions</b>	<b>113,999</b>	105,759	<b>113,917</b>	105,685

### 27 Other liabilities

#### Current

Fees in advance	9,390	6,503	9,350	6,465
Australian Government unspent financial assistance	4,153	5,374	4,153	5,374
<b>Total current other liabilities</b>	<b>13,543</b>	11,877	<b>13,503</b>	11,839



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 28 Other financial liabilities

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Non-current</b>					
Derivative financial instruments - unsecured	39(a)	416	414	416	414
<b>Total</b>		<b>416</b>	<b>414</b>	<b>416</b>	<b>414</b>

#### 29 Reserves and retained earnings

##### (a) Reserves

###### Reserves

Available-for-sale investments revaluation surplus

9,198	-	9,198	-
-------	---	-------	---

###### Total reserves

9,198	-	9,198	-
-------	---	-------	---

###### Movements

###### Available-for-sale investments revaluation surplus

Gain on revaluation of available for sale financial assets

9,198	-	9,198	-
-------	---	-------	---

###### Balance 31 December

9,198	-	9,198	-
-------	---	-------	---

###### Total reserves

9,198	-	9,198	-
-------	---	-------	---

<b>Retained earnings at 1 January</b>	<b>216,674</b>	203,944	<b>217,587</b>	204,741
Net result for the period	(3,664)	13,127	(4,808)	13,243
Actuarial changes for defined benefit schemes 41(e)	(122)	(397)	(122)	(397)
<b>Retained earnings at 31 December</b>	<b>212,888</b>	216,674	<b>212,657</b>	217,587

##### (b) Nature and purpose of reserves

Available-for-sale investments revaluation reserve

The reserve reflects the difference between the carrying cost and market value of available-for-sale investments.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 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 Nicholas 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  
Associate Professor Adele Wessell

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

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

##### **Council members whose term concluded in 2015 are as follows**

Professor John Jenkins, Chair of Academic Board  
Rebecca Hennes

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 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

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

	Consolidated		Parent	
	2015	2014	2015	2014
<b>Remuneration of Board Members</b>				
Nil to \$14,999	10	15	10	15
\$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
\$120,000 to \$134,999	1	-	1	-
\$150,000 to \$164,999	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
\$690,000 to \$704,999	1	-	1	-
\$720,000 to \$734,999	-	1	-	1

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 30 Key management personnel disclosures (continued)

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

	Consolidated		Parent	
	2015	2014	2015	2014
<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
\$300,000 to \$314,999	2	2	2	2
\$315,000 to \$329,999	1	3	1	3
\$330,000 to \$344,999	2	-	2	-
\$390,000 to \$404,999	1	-	1	-
\$435,000 to \$449,999	1	-	1	-
\$450,000 to \$464,999	-	1	-	1
\$690,000 to \$704,999	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	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	3,302	3,216	3,302	3,216
Post-employment benefits	486	485	486	485
Other long-term benefits	80	101	80	101
	<b>3,868</b>	<b>3,802</b>	<b>3,868</b>	<b>3,802</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 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:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Audit of the Financial Statements</b>				
Fees paid to the Audit Office of NSW	196	177	168	149
<b>Total</b>	<b>196</b>	<b>177</b>	<b>168</b>	<b>149</b>
<b>Other audit and assurance services</b>				
Fees paid to the Audit Office of NSW	11	10	11	10
Fees paid to firms unrelated to the Audit Office of NSW	122	112	122	112
<b>Total</b>	<b>133</b>	<b>122</b>	<b>133</b>	<b>122</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.

##### (c) Contingent assets

###### Infrastructure works

The University entered into a lease in 2012 with Gold Coast Airport Pty Ltd for the purpose of the construction of a building whereby Gold Coast Airport agreed to undertake and fund infrastructure works up to the value of \$2,500,000.

###### Bonds and guarantees

The University has entered into a construction contract in 2015 with Adco Constructions Pty Ltd. The parties agreed to enter into a performance bond with Vero Insurance up to \$816,031 and a maintenance bond up to \$816,031, both in favour of the University. These performance bonds are in respect to Adco Construction Pty Ltd contract obligations for the construction of a building.

The University has entered into a bank guarantee with Westpac Banking Corporation for \$7,943 in favour of the University. This bank guarantee is in respect of See Civil Pty Ltd maintenance obligations for the provision of earthworks.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 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	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Property, plant and equipment</b>				
Within one year	33,436	14,872	33,436	14,872
Between one and five years	2,901	3,699	2,901	3,699
<b>Total capital commitments</b>	<b>36,337</b>	<b>18,571</b>	<b>36,337</b>	<b>18,571</b>

##### (b) Lease commitments

The University leases office space, equipment, carparks and premises under non-cancellable operating leases expiring within one to thirty-one 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:

Within one year	4,016	3,328	4,016	3,328
Between one and five years	9,282	8,420	9,282	8,420
Later than five years	70,894	69,028	70,894	69,028
<b>Total future minimum lease payments</b>	<b>84,192</b>	<b>80,776</b>	<b>84,192</b>	<b>80,776</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 2015

#### 34 Related Parties (continued)

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

The following transactions occurred between related parties:

	<b>Parent</b>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Sale of goods and services		
Recoveries for other expenses	<b>27</b>	30
Purchase of goods		
Catering and accommodation	<b>133</b>	141
Salary and related costs	<b>475</b>	356
Management fees	<b>111</b>	111
Other transactions		
Debts forgiven	<b>1,133</b>	-
Other costs	<b>56</b>	26

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

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Loans to associated companies</b>				
Beginning of the year	<b>16</b>	16	<b>16</b>	16
End of year	<b>16</b>	16	<b>16</b>	16

##### (f) Outstanding balances

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

	<b>Parent</b>	
	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Current receivables		
Subsidiaries	-	970

The University forgave the outstanding balance of the loan payable by Norsearch Limited of \$1,133,278 effective 31 December 2015.

##### (g) Guarantees

There have been no guarantees given by the parent entity to its subsidiary as at balance date (2014: Nil)

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 34 Related Parties (continued)

##### (g) Guarantees (continued)

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

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	
		2015 %	2014 %
Norsearch 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	
			2015	2014
The Hotel School	Represents a partnership with Mulpha Education Group Pty Ltd for the purpose of the education and development of students who are either employed, or wishing to be employed, in the hotel and tourism industries.	Sydney & Melbourne	50.00	-
The Hotel School Sydney	Represents the previous partnership with Mulpha Hotel Pty Ltd.	Sydney	-	50.00
Coffs Harbour Education Campus	Represents the development and continued operation of a joint educational precinct with Coffs Harbour Senior College and North Coast TAFE at the Coffs Harbour campus	Coffs Harbour	33.33	33.33



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 36 Joint Operations (continued)

On the 14 September 2015 the University entered into a new agreement with Mulpha Hotel Pty Ltd and Mulpha Education Group Pty Ltd for the purpose of replacing the previous 2007 agreement with a new joint operation (The Hotel School) that would reflect changes in the educational environment and the operations of the previous joint operation.

In accordance with the new agreement, Mulpha Hotel Pty Ltd assigned all of its rights, title and interest in the previous joint operation (The Hotel School Sydney) to Mulpha Education Group Pty Ltd.

The new agreement coincided and facilitated the commencement of the Hotel School operations at the Melbourne campus.

The partnership agreement in relation to the Hotel School operations require 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.

	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Assets (including share of jointly held assets)	<b>21,085</b>	19,781
Liabilities (including jointly incurred)	<b>353</b>	212

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.

	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
Share of revenue from the sale of output by joint operation	<b>2,655</b>	2,173
Expenses (including jointly incurred)	<b>2,119</b>	1,562

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 37 Events occurring after the reporting date

There has not occurred in the period between the balance date of 31 December 2015 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 provided by / (used in) operating activities

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Net result for the period</b>		<b>(3,664)</b>	13,127	<b>(4,808)</b>	13,243
Depreciation and amortisation	10	<b>11,728</b>	10,845	<b>11,709</b>	10,842
Impairment loss on property, plant & equipment	13	-	292	-	292
Net (gain) / loss on sale of non-current assets		<b>49</b>	869	<b>49</b>	869
Net exchange differences		<b>(126)</b>	(51)	<b>(126)</b>	(51)
Share of profits of joint venture partnerships		<b>6</b>	9	-	-
Fair value adjustments to derivative financial liabilities		<b>2</b>	414	<b>2</b>	414
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entity:</b>					
(Increase) / decrease in trade debtors		<b>(1,340)</b>	4,380	<b>(378)</b>	4,322
(Increase) / decrease in inventories		-	1	<b>3</b>	(4)
(Increase) / decrease in other operating assets		<b>(881)</b>	554	<b>(883)</b>	561
Increase / (decrease) in trade creditors		<b>181</b>	3,290	<b>199</b>	3,280
Increase / (decrease) in other provisions		<b>3,075</b>	222	<b>3,067</b>	213
Increase / (decrease) in other operating liabilities		<b>1,666</b>	3,910	<b>1,664</b>	3,871
<b>Net cash provided by / (used in) operating activities</b>		<b>10,696</b>	37,862	<b>10,498</b>	37,852

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 39 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 \$416,203 (2014: \$414,110). This liability is recorded in other financial liabilities in the statement of financial position.

The interest rate swap currently in place covers approximately 100% (2014 – 120%) of the variable loan principal outstanding. The fixed interest rate is 3.16% (2014 – 3.16%) and the variable rates is set at the 1 month AUD-BBR-BBSW (pay) rate which at the end of the reporting period was 2.07% (2014 – 2.64%).

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 39 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 2015	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Financial assets</b>													
Cash and cash equivalents	20,773	(176)	(176)	176	176	-	-	-	-	-	-	-	-
Receivables	96,090	-	-	-	-	17	17	(17)	(17)	-	-	-	-
Financial assets - Available for sale	9,198	-	-	-	-	-	-	-	-	-	(920)	-	920
<b>Financial liabilities</b>													
Trade and other payables	(9,200)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	(14,900)	149	149	(149)	(149)	-	-	-	-	-	-	-	-
Other financial liabilities	(416)	(4)	(4)	4	4	-	-	-	-	-	-	-	-
<b>Total</b>		<b>(31)</b>	<b>(31)</b>	<b>31</b>	<b>31</b>	<b>17</b>	<b>17</b>	<b>(17)</b>	<b>(17)</b>	<b>-</b>	<b>(920)</b>	<b>-</b>	<b>920</b>

31 December 2014	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<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	-	-	-	-	-	-	-	-
<b>Total</b>		<b>(147)</b>	<b>(147)</b>	<b>147</b>	<b>147</b>	<b>5</b>	<b>5</b>	<b>(5)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 39 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 40(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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets:</b>												
Cash and cash equivalents	2.74	3.42	20,675	2,423	40	-	58	28,981	-	-	20,773	28,981
Receivables	-	-	-	-	96,090	89,692	-	-	-	-	96,090	89,692
<b>Total financial assets</b>			<b>20,675</b>	<b>2,423</b>	<b>96,130</b>	<b>89,692</b>	<b>58</b>	<b>28,981</b>	<b>-</b>	<b>-</b>	<b>116,863</b>	<b>118,673</b>
<b>Financial Liabilities:</b>												
Payables	-	-	-	-	9,200	11,993	-	-	-	-	9,200	11,993
Borrowings	4.26	4.42	-	12,340	-	-	2,440	2,440	12,460	9,900	14,900	12,340
Other financial liabilities	3.16	3.16	-	-	-	-	-	-	416	414	416	414
<b>Total financial liabilities</b>				<b>- 12,340</b>	<b>9,200</b>	<b>11,993</b>	<b>2,440</b>	<b>2,440</b>	<b>12,876</b>	<b>10,314</b>	<b>24,516</b>	<b>24,747</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 40 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	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>				
<b>Financial assets</b>				
Cash and cash equivalents	20,773	28,981	20,773	28,981
Receivables	96,090	89,692	96,090	89,692
Investments using the equity method	316	322	316	322
Other financial assets	9,198	-	9,198	-
<b>Total financial assets</b>	<b>126,377</b>	<b>118,995</b>	<b>126,377</b>	<b>118,995</b>
<b>Financial Liabilities</b>				
Payables	9,200	11,993	9,200	11,993
Borrowings	14,900	12,340	14,900	12,340
Other financial liabilities	416	414	416	414
<b>Total financial liabilities</b>	<b>24,516</b>	<b>24,747</b>	<b>24,516</b>	<b>24,747</b>
<b>Parent</b>				
<b>Financial assets</b>				
Cash and cash equivalents	20,684	28,911	20,684	28,911
Receivables	96,086	90,652	96,086	90,652
Investments using the equity method	175	175	175	175
Other financial assets	9,198	-	9,198	-
<b>Total financial assets</b>	<b>126,143</b>	<b>119,738</b>	<b>126,143</b>	<b>119,738</b>
<b>Financial Liabilities</b>				
Payables	9,154	11,951	9,154	11,951
Borrowings	14,900	12,340	14,900	12,340
Other financial liabilities	416	414	416	414
<b>Total financial liabilities</b>	<b>24,470</b>	<b>24,705</b>	<b>24,470</b>	<b>24,705</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 40 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.

	<b>Other</b>
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 2015

	Note	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Available-for-sale financial assets	20				
Equity securities		9,198	-	9,198	-
Investments using the equity method	21				
Associated companies		316	-	-	316
<b>Total financial assets</b>		<b>9,514</b>	<b>-</b>	<b>9,198</b>	<b>316</b>
<b>Financial liabilities</b>					
Derivatives used for hedging	28	416	-	416	-
<b>Total liabilities</b>		<b>416</b>	<b>-</b>	<b>416</b>	<b>-</b>

#### Fair value measurements at 31 December 2014

	Note	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Investments using the equity method	21				
Associated companies		322	-	-	322
<b>Total financial assets</b>		<b>322</b>	<b>-</b>	<b>-</b>	<b>322</b>
Derivatives used for hedging	28	414	-	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	19	720	-	720	-
<b>Total non-recurring fair value measurements</b>		<b>720</b>	<b>-</b>	<b>720</b>	<b>-</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 40 Fair value measurement (continued)

##### (b) Fair value hierarchy (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.



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 40 Fair value measurement (continued)

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

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

##### (i) Non-recurring fair value measurement

Non-current assets (or disposal groups) classified as held for sale during the reporting period were measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification.

##### (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 2015 and 2014.

Level 3 Fair Value Measurement 2015	Unlisted equity securities \$'000	Buildings \$'000	Other financial assets \$'000	Other \$'000	Total \$'000
Opening balance	-	-	322	-	322
Recognised in net result	-	-	(6)	-	(6)
Closing balance	-	-	316	-	316

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

##### (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 2015.

##### (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 2015

### 41 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 2015.

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

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 41 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 requirements. No explicit asset-liability matching strategy is used by the Trustee.

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

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

###### vi) Expected Contributions

The University expects to make a contribution of \$479,009 (2014: \$463,000) to the defined benefit plan during the next financial year.

###### vii) Maturity Profile

The weighted average duration of the defined benefit obligation is 13.1 years (2014 13.3 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligations - 31 December 2015	5,098	5,285	16,334	121,285	148,002
Defined benefit obligations - 31 December 2014	4,938	5,098	16,111	129,855	156,002

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 41 Defined benefits plans (continued)

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

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

	2015 (%)		2014 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Short term securities	7.50	-	7.20	-
Australian fixed interest	6.70	-	6.70	-
International fixed interest	2.10	-	2.40	-
Australian equities	24.00	-	26.90	-
International equities	28.90	2.50	30.50	-
Property	4.40	4.30	4.50	4.40
Alternatives	9.20	10.40	9.60	7.70
<b>Total</b>	<b>82.80</b>	<b>17.20</b>	<b>87.80</b>	<b>12.10</b>

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

	2015	2014
	%	%
Discount rate(s)	2.90	4.27
Expected rate of return on fund assets backing current pension liabilities	7.80	8.30
Expected rate of return on fund assets backing other liabilities	6.80	7.30
Expected rate(s) of salary increase	3.0 to 3.5	2.7 to 4.0
Expected rate of CPI increase	2.50	2.50

##### (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%	Decrease by -12%
Rate of CPI	0.50 %	Increase by 6%	Decrease by -6%
Salary inflation rate	0.50 %	Increase by 0.4%	Decrease by -0.4%
Pensioner mortality	5.00 %	Decrease by -1%	Increase by 1%

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 41 Defined benefits plans (continued)

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

Amounts recognised in the statement of financial position - 2015		Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<b>Liabilities</b>						
Provision for deferred government benefits for superannuation		26	4,461	714	81,406	86,581
<b>Assets</b>						
Receivable for deferred government benefit for superannuation		16	4,382	671	81,406	86,459
<b>Net liability recognised in the statement of financial position</b>			<b>79</b>	<b>43</b>	<b>-</b>	<b>122</b>
<b>Net liability reconciliation - 2015</b>						
Defined benefit obligation			10,477	2,080	102,213	114,770
Fair value of plan assets			(6,016)	(1,366)	(20,807)	(28,189)
<b>Net liability</b>			<b>4,461</b>	<b>714</b>	<b>81,406</b>	<b>86,581</b>
Reimbursement right		16	4,382	671	81,406	86,459
<b>Total net liability/(asset) in statement of financial position</b>			<b>79</b>	<b>43</b>	<b>-</b>	<b>122</b>
<b>Reimbursement rights - 2015</b>						
Opening value of reimbursement right			4,206	909	76,301	81,416
Expected return on reimbursement rights			179	56	2,293	2,528
Remeasurements			(3)	(294)	2,812	2,515
<b>Closing value of reimbursement right</b>		16	<b>4,382</b>	<b>671</b>	<b>81,406</b>	<b>86,459</b>
<b>Present value of obligation - 2015</b>						
Opening defined benefit obligation			9,781	2,127	99,604	111,512
Current service cost			345	88	262	695
Interest expense/(income)			262	58	2,768	3,088
			<b>10,388</b>	<b>2,273</b>	<b>102,634</b>	<b>115,295</b>
<b>Remeasurements</b>						
Actuarial losses/(gains) arising from changes in demographic assumptions			199	(21)	3,352	3,530
Actuarial losses/(gains) arising from changes in financial assumptions			(4)	1	(1,057)	(1,060)
Experience (gains)/losses			8	(222)	701	487
			<b>203</b>	<b>(242)</b>	<b>2,996</b>	<b>2,957</b>
<b>Contributions</b>						
Plan participants			122	-	114	236
<b>Payments from plan</b>						
Benefits paid			(175)	-	(3,822)	(3,997)
Taxes, premiums and expenses			(61)	50	290	279
			<b>(236)</b>	<b>50</b>	<b>(3,532)</b>	<b>(3,718)</b>
<b>Closing defined benefit obligation</b>			<b>10,477</b>	<b>2,081</b>	<b>102,212</b>	<b>114,770</b>

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 41 Defined benefits plans (continued)

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

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<b>Present value of plan assets - 2015</b>				
Opening fair value of plan assets	5,575	1,217	23,304	30,096
Interest expense/(income)	147	33	611	791
	<b>5,722</b>	<b>1,250</b>	<b>23,915</b>	<b>30,887</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in net interest expense	127	8	184	319
<b>Contributions</b>				
Employers	281	57	127	465
Plan participants	122	-	114	236
	<b>403</b>	<b>57</b>	<b>241</b>	<b>701</b>
<b>Payments from plan</b>				
Benefits paid	(175)	-	(3,822)	(3,997)
Taxes, premiums and expenses	(61)	50	290	279
	<b>(236)</b>	<b>50</b>	<b>(3,532)</b>	<b>(3,718)</b>
<b>Closing fair value of plans assets</b>	<b>6,016</b>	<b>1,365</b>	<b>20,808</b>	<b>28,189</b>

#### Amounts recognised in the statement of financial position - 2014

##### Liabilities

Provision for deferred government benefits for superannuation

Note

26

4,206 909 76,301 81,416

##### Total liabilities

4,206 909 76,301 81,416

##### Total pension entitlements (incl on-costs)

4,206 909 76,301 81,416

##### Assets

Receivable for deferred government contribution for superannuation

16

4,206 909 76,301 81,416

#### Net liability reconciliation - 2014

Note

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)

##### Net liability

4,206 909 76,301 81,416

Reimbursement right

16

4,206 909 76,301 81,416

#### Total net liability/(asset) in statement of financial position

- - - -

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 41 Defined benefits plans (continued)

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

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<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	<b>4,206</b>	<b>909</b>	<b>76,301</b>	<b>81,416</b>
<b>Present value obligations - 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
		<b>9,644</b>	<b>2,245</b>	<b>78,525</b>	<b>90,414</b>
<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)
		<b>1,308</b>	<b>433</b>	<b>23,869</b>	<b>25,610</b>
<b>Contributions</b>					
Plan participants		129	-	161	290
<b>Payments from plan</b>					
Benefits paid		(1,230)	(456)	(3,073)	(4,759)
Taxes, premium and expenses		(71)	(96)	124	(43)
		<b>(1,301)</b>	<b>(552)</b>	<b>(2,949)</b>	<b>(4,802)</b>
<b>Closing defined benefit obligation</b>		<b>9,780</b>	<b>2,126</b>	<b>99,606</b>	<b>111,512</b>
<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
		<b>6,262</b>	<b>1,645</b>	<b>25,879</b>	<b>33,786</b>
<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
		<b>409</b>	<b>88</b>	<b>313</b>	<b>810</b>
<b>Payments from plan</b>					
Benefits paid		(1,230)	(456)	(3,073)	(4,759)
Taxes, premiums and expenses		(71)	(96)	123	(44)
		<b>(1,301)</b>	<b>(552)</b>	<b>(2,950)</b>	<b>(4,803)</b>
<b>Closing fair value of plans assets</b>		<b>5,574</b>	<b>1,217</b>	<b>23,305</b>	<b>30,096</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 41 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).

		2015	2014
	Note	\$'000	\$'000
<b>Amounts recognised in the Income Statement</b>			
Current service cost		-	94
Interest expense		-	22
<b>Total expense recognised in the Income Statement</b>	9	<u>-</u>	<u>116</u>

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 retained earnings (note 29(a)).

	Note		
<b>Amounts recognised in other comprehensive income</b>			
Actuarial (losses) gains arising from changes in financial assumptions		(122)	(278)
Actuarial (losses) gains arising from liability experience		-	(155)
Actual return on plan assets less interest income		-	36
<b>Total amounts recognised in the Statement of Comprehensive Income</b>	29	<u>(122)</u>	<u>(397)</u>



**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**42 Acquittal 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>										
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	73,186	73,020	951	788	3,739	3,830	111	148	-	-
Net accrual adjustments	(417)	186	-	-	727	(454)	-	(1)	-	-
Revenue for the period	72,769	73,206	951	788	4,466	3,376	111	147	-	-
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	410	1,422
Total revenue including accrued revenue	72,769	73,206	951	788	4,466	3,376	111	147	410	1,422
Less expenses including accrued expenses	(72,769)	(73,206)	(951)	(788)	(4,466)	(3,376)	(111)	(147)	(410)	(1,012)
Surplus/(deficit) for the reporting period	-	-	-	-	-	-	-	-	-	410

Note 2(h)

2(a)

**Notes to the Financial Statements**  
For the Year Ended 31 December 2015

**42 Acquittal of Australian government financial assistance (continued)**

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

Parent Entity (University) Only	Australian Maths & Science Partnership Program		Improving the Quality of Maths & Science Teaching Program		Promo of Exc in Learning and Teaching		Total
	2015	2014	2015	2014	2015	2014	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	332	332	340	294	20	85	78,497
Net accrual adjustments	(90)	-	(92)	-	-	-	(269)
Revenue for the period	242	332	248	294	20	85	78,807
Surplus/(deficit) from the previous year	332	-	88	-	62	221	892
Total revenue including accrued revenue	574	332	336	294	82	306	79,699
Less expenses including accrued expenses	(574)	-	(336)	(206)	(66)	(244)	(79,683)
Surplus/(deficit) for the reporting period	-	332	-	88	16	62	16
							892

#1 Includes the 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 Adjustment Program

**Notes to the Financial Statements**  
For the Year Ended 31 December 2015

**42 Acquittal of Australian government financial assistance (continued)**

**(b) Higher education loan programs (excl OS-HELP)**

	HECS-HELP (Aust. Government payments only)		FEE-HELP #4		SA-HELP		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>								
Cash Payable/(Receivable) at the beginning of the year	(1,229)	(2,614)	(218)	505	(1)	(4)	(1,448)	(2,113)
Financial assistance received in cash during the reporting period	44,418	46,538	6,180	5,522	989	1,019	51,587	53,079
Cash available for the period	43,189	43,924	5,962	6,027	988	1,015	50,139	50,966
Less: Revenue earned	44,901	45,153	5,992	6,245	1,036	1,016	51,929	52,414
Cash Payable/(Receivable) at the end of the year	(1,712)	(1,229)	(30)	(218)	(48)	(1)	(1,790)	(1,448)

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

**Notes to the Financial Statements**  
For the Year Ended 31 December 2015

**42 Acquittal of Australian government financial assistance (continued)**

**(c) Scholarships**

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #5		Commonwealth Accommodation Scholarships #5		Indigenous Access Scholarship		Indigenous Staff Scholarships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>														
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	1,472	1,527	135	134	59	111	(4)	38	120	82	-	41	1,782	1,933
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)
Revenue for the period	1,472	1,527	135	134	59	111	(4)	38	120	82	-	40	1,782	1,932
Surplus/(deficit) from the previous year	364	470	26	20	87	120	40	67	(9)	-	13	-	521	677
Total revenue including accrued revenue	1,836	1,997	161	154	146	231	36	105	111	82	13	40	2,303	2,609
Less expenses including accrued expenses	(1,497)	(1,633)	(140)	(128)	(146)	(144)	(36)	(65)	(111)	(91)	(13)	(27)	(1,943)	(2,088)
Surplus/(deficit) for the reporting period	339	364	21	26	-	87	-	40	-	(9)	-	13	360	521

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

**Notes to the Financial Statements**  
For the Year Ended 31 December 2015

**42 Acquittal of Australian government financial assistance (continued)**

**(d) Education Research**

	Joint Research Engagement#6		Research Training Scheme		Infrastructure Grants		Research Block		Sustainable Research Excellence in Universities		JRE Engineering Cadetships #6		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>														
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	1,767	1,707	3,283	3,437	612	581	890	801	29	20	6,581	6,546		
Revenue for the period	1,767	1,707	3,283	3,437	612	581	890	801	29	20	6,581	6,546		
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	14	5	14	5
Total revenue including accrued revenue	1,767	1,707	3,283	3,437	612	581	890	801	43	25	6,595	6,551		
Less expenses including accrued expenses	(1,767)	(1,707)	(3,283)	(3,437)	(612)	(581)	(890)	(801)	(6)	(11)	(6,558)	(6,537)		
Surplus/(deficit) for the reporting period	-	-	-	-	-	-	-	-	37	14	37	14		

#6 The reported surpluses for JRE Engineering Cadetships (\$36,921) for 2015 are expected to be rolled over for future use by Education.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2015

**42 Acquittal of Australian government financial assistance (continued)**

**(e) Other Capital Funding**

**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

Note	Teaching and Learning Capital Fund		Education Investment Fund		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
2(h)	-	-	2,306	26,104	2,306	26,104
	-	-	-	(5,000)	-	(5,000)
2(e)	5,826	5,826	2,306	21,104	2,306	21,104
	5,826	5,826	5,615	5,679	11,441	11,505
	5,826	5,826	7,921	26,783	13,747	32,609
	-	-	(8,156)	(21,168)	(8,156)	(21,168)
	5,826	5,826	(235)	5,615	5,591	11,441

**Notes to the Financial Statements**  
For the Year Ended 31 December 2015

**42 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

Note	Projects		Fellowships		Indigenous Researchers Development		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2(h)	859	598	301	394	-	-	1,160	992
	-	-	-	1	-	-	-	1
2(f)(i)	859	598	301	395	-	-	1,160	993
	187	56	84	132	-	-	271	188
	1,046	654	385	527	-	-	1,431	1,181
	(726)	(467)	(315)	(443)	-	-	(1,041)	(910)
	320	187	70	84	-	-	390	271

**(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

Note	Infrastructure		International		Projects		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2(h)	170	485	-	-	493	453	663	938
2(f)(ii)	170	485	-	-	493	453	663	938
	-	1	-	-	331	261	331	262
	170	486	-	-	824	714	994	1,200
	(170)	(486)	-	-	(445)	(383)	(615)	(869)
	-	-	-	-	379	331	379	331

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 42 Acquittal of Australian government financial assistance (continued)

##### (g) OS-HELP

	2015	2014
<b>Parent Entity (University) Only</b>	<b>\$'000</b>	<b>\$'000</b>
Cash received during the reporting period	663	965
Cash spent during the reporting period	(631)	(538)
Net cash received	2(h) 32	427
Cash surplus/(deficit) from the previous period	247	(180)
Cash surplus/(deficit) for the reporting period	24 279	247

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

	2015	2014
<b>Parent Entity (University) Only</b>	<b>\$'000</b>	<b>\$'000</b>
Unspent/(overspent) revenue from previous period	906	892
SA-HELP revenue earned	2(b) 1,036	1,016
Student Services and Amenities Fees from students	4 880	708
Total revenue expendable in period	2,822	2,616
Student services expenses during period	(2,293)	(1,711)
Unspent/(overspent) student services revenue	529	905





To the Vice Chancellor  
Southern Cross University

### Auditor's Independence Declaration

As auditor for the audit of the financial statements of Southern Cross University for the year ended 31 December 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A T Whitfield PSM  
Acting Auditor-General

29 March 2016  
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 statements of financial position as at 31 December 2015, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

### 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 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, 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 University Council 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 management, 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 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

1 April 2016  
SYDNEY

# Norsearch Limited

ABN 57 003 082 406

A subsidiary of Southern Cross University

## Financial Statements

For the Year Ended 31 December 2015

# Financial Statements for the 2015 Reporting Period

## Contents

31 December 2015

<b>Financial Statements</b>	<b>Page</b>
Directors' Report	100
Auditors Independence Declaration	102
Statement of Comprehensive Income	103
Statement of Financial Position	104
Statement of Changes in Equity	105
Statement of Cash Flows	106
Notes to the Financial Statements	107-126
Directors' Declaration	127
Independent Auditor's Report	128

## Directors' Report

31 December 2015

The directors present their report on Norsearch Limited for the financial year ended 31 December 2015.

### 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 thirteen 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 2015

### 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 2015, the collective liability of members was \$ 80 (2014: \$ 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:

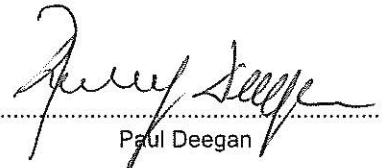
	Directors' Meetings	
	Number eligible to attend	Number attended
Chris Patton	3	3
David Lynch	3	2
Donna Moffit	3	3
Paul Deegan	3	3

### 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 2015 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:   
 Director: .....  
 Donna Moffit

Director:   
 Director: .....  
 Paul Deegan

Dated 15 March 2016



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 2015, 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

10 March 2015  
SYDNEY



**Statement of Comprehensive Income****For the Year Ended 31 December 2015**

		<b>2015</b>	2014
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	2	<b>1,413,815</b>	1,294,587
Other income	2	<b>1,775,442</b>	492,977
Costs of goods sold		<b>(284,426)</b>	(253,046)
Employee benefits expense		<b>(1,148,807)</b>	(1,079,329)
Depreciation expense		<b>(19,138)</b>	(3,426)
Other expenses	3	<b>(586,305)</b>	(561,953)
<b>Net result for the year</b>		<b><u>1,150,581</u></b>	<b><u>(110,190)</u></b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As At 31 December 2015

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	89,145	69,839
Trade and other receivables	5	6,120	13,178
Inventories	6	17,579	14,665
Other assets	7	998	914
<b>Total current assets</b>		<b>113,842</b>	<b>98,596</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	173,146	14,407
<b>Total non-current assets</b>		<b>173,146</b>	<b>14,407</b>
<b>Total assets</b>		<b>286,988</b>	<b>113,003</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	77,477	1,065,889
Provisions	10	60,414	53,523
Other liabilities	11	39,923	37,576
<b>Total current liabilities</b>		<b>177,814</b>	<b>1,156,988</b>
<b>Non-current liabilities</b>			
Provisions	10	20,842	18,264
<b>Total non-current liabilities</b>		<b>20,842</b>	<b>18,264</b>
<b>Total liabilities</b>		<b>198,656</b>	<b>1,175,252</b>
<b>Net assets</b>		<b>88,332</b>	<b>(1,062,249)</b>
<b>Equity</b>			
Retained earnings/(accumulated losses)	12	88,332	(1,062,249)
<b>Total equity</b>		<b>88,332</b>	<b>(1,062,249)</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

### For the Year Ended 31 December 2015

	Retained earnings/ (accumulated losses)	Total
	\$	\$
<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>
<b>Balance 1 January 2015</b>	<b>(1,062,249)</b>	<b>(1,062,249)</b>
Net result attributable to members of the entity	1,150,581	1,150,581
<b>Balance at 31 December 2015</b>	<b>88,332</b>	<b>88,332</b>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 31 December 2015**

	2015	2014
Note	\$	\$
<b>Cash flow from operating activities:</b>		
Receipts from customers	2,190,518	1,970,525
Payments to suppliers and employees	(1,932,571)	(1,879,343)
GST paid	(60,762)	(78,429)
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	18 <b>197,185</b>	12,753
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(177,879)	(3,544)
	<hr/>	<hr/>
<b>Net cash used by investing activities</b>	<b>(177,879)</b>	<b>(3,544)</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>		
	<b>19,306</b>	9,209
Cash and cash equivalents at beginning of year	<hr/> <b>69,839</b>	<hr/> 60,630
<b>Cash and cash equivalents at end of financial year</b>	4 <b>89,145</b>	<hr/> <hr/> 69,839

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 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.

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

- *Corporations Act 2001*
- *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015*
- *Australian Charities and Not-for-profit Commission Act 2012 and Australian Charities and Not-for-profit Commission Regulations 2013*

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 March 2016.

#### *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.

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

The areas involving a higher degree of judgment 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.

Interest revenue is recognised using the effective interest method.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

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

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

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

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

##### (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.

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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

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.

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.



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

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

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 (yrs)
Plant and Equipment	5 - 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.

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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

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

##### (k) Financial instruments (continued)

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).

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.

## Notes to the Financial Statements For the Year Ended 31 December 2015

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

#### (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 2018	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.
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 company 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 2015

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

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 2015-6 Amendments to Australian Accounting Standards –Extending Related Party Disclosures to NFP Sector Entities	1 July 2016	<p>The AASB has extended the scope of AASB 124 Related Party Disclosures to apply to not-for-profit (NFP) public sector entities and added implementation guidance for these entities to the standard. Amongst others, the additional guidance clarifies how:</p> <ul style="list-style-type: none"> <li>• the definition of key management personnel (KMP) should be applied in the NFP public sector context,</li> <li>• related party transactions should be disclosed by NFP public sector entities</li> <li>• to identify the types of transactions that are material to the entity, and</li> <li>• to apply the limited exemption for transactions with government-related entities.</li> </ul>	The Company currently discloses additional information on Related Parties, however, it is yet to formally early adopt the standard.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 2 Revenue and Other Income

	2015	2014
	\$	\$
<b>Revenue</b>		
Membership revenue	614,812	564,344
Conference sales	5,120	7,046
Catering revenue	522,526	490,160
Bar sales	202,425	170,844
	<u>1,344,883</u>	<u>1,232,394</u>
Other revenue	68,932	62,193
<b>Total Revenue</b>	<u>1,413,815</u>	<u>1,294,587</u>
<b>Other Income</b>		
Management fees	642,164	492,977
Forgiveness of related party loan	1,133,278	-
<b>Total Other income</b>	<u>1,775,442</u>	<u>492,977</u>

#### 3 Other expenses

Utilities	141,911	181,720
Fees and charges	141,861	114,304
Auditing or reviewing the financial report	27,500	27,600
Cleaning services	70,547	52,756
Security costs	8,589	9,798
Other costs	195,897	175,775
<b>Total Other expenses</b>	<u>586,305</u>	<u>561,953</u>

#### 4 Cash and cash equivalents

Cash at bank and in hand	<u>89,145</u>	69,839
<b>Total cash and cash equivalents</b>	<u>89,145</u>	<u>69,839</u>

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 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>89,145</b>	69,839
Balance as per statement of cash flows	<b>89,145</b>	69,839

(b) Cash at bank

Cash in operating accounts earns interest at variable interest rates.

### 5 Trade and other receivables

	2015	2014
	\$	\$
<b>Current</b>		
Trade receivables	4,669	10,565
Provision for impairment	-	(286)
	<b>4,669</b>	10,279
Other receivables	1,451	2,899
<b>Total current trade and other receivables</b>	<b>6,120</b>	13,178

Impaired receivables

As at 31 December 2015 current receivables of the Company with a nominal value of \$Nil (2014: \$286) were impaired. The amount of the provision was \$Nil (2014: \$286). 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:

	2015	2014
	\$	\$
<b>Current receivables</b>		
3 to 6 months	-	230
Over 6 months	-	56
	-	286

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 5 Trade and other receivables (continued)

Impaired receivables (continued)

As at 31 December 2015 trade receivables of \$1,671 (2014:\$4,252) 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:

	2015	2014
	\$	\$
<b>Trade receivables</b>		
Between 0 to 3 months	1,671	4,252
	<u>1,671</u>	<u>4,252</u>
	2015	2014
	\$	\$
<b>Movements in the provision for impaired receivables are as follows:</b>		
At 1 January	286	-
Provision for impairment recognised during the year	-	286
Unused amount reversed	(286)	-
<b>At 31 December</b>	<u>-</u>	<u>286</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

	2015	2014
	\$	\$
<b>Current</b>		
At cost:		
Food and beverage stock	17,579	14,665
<b>Total inventories</b>	<u>17,579</u>	<u>14,665</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2015

### 7 Other non-financial assets

	2015	2014
	\$	\$
<b>Current</b>		
Prepayments	998	914
<b>Total other non-financial assets</b>	<u>998</u>	<u>914</u>

### 8 Property, plant and equipment

#### Plant and equipment

At cost	237,127	59,251
Accumulated depreciation	(63,981)	(44,844)
<b>Total plant and equipment</b>	<u>173,146</u>	<u>14,407</u>
<b>Total property, plant and equipment</b>	<u>173,146</u>	<u>14,407</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 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>
<b>Year ended 31 December 2015</b>			
Opening net book value	10,863	3,544	14,407
Additions	151,907	25,970	177,877
Transfers	3,544	(3,544)	-
Depreciation expense	(19,138)	-	(19,138)
<b>Closing net book amount</b>	<u>147,176</u>	<u>25,970</u>	<u>173,146</u>



## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 9 Trade and other payables

	2015	2014
Note	\$	\$
<b>Current</b>		
Trade payables	2,817	36,033
Related party payables	-	970,471
Other payables	74,660	59,385
	<u>77,477</u>	<u>1,065,889</u>

#### 10 Provisions

	2015	2014
	\$	\$
<b>Current provisions expected to be settled wholly within 12 months</b>		
Employee benefits		
Annual leave	31,686	30,487
Long service leave	695	1,535
	<u>32,381</u>	<u>32,022</u>
<b>Current provisions expected to be settled wholly after more than 12 months</b>		
Employee benefits		
Annual leave	27,154	13,110
Long service leave	879	8,391
	<u>28,033</u>	<u>21,501</u>
<b>Total current provisions</b>	<u>60,414</u>	<u>53,523</u>

	2015	2014
	\$	\$
<b>Non-current provisions</b>		
Employee benefits		
Long service leave	20,842	18,264
<b>Total non-current provisions</b>	<u>20,842</u>	<u>18,264</u>

#### 11 Other liabilities

	2015	2014
	\$	\$
<b>Current</b>		
Income received in advance	39,923	37,576
<b>Total other liabilities</b>	<u>39,923</u>	<u>37,576</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 12 Retained earnings

	2015	2014
	\$	\$
Retained earnings/(accumulated losses) at the beginning of the financial year	(1,062,249)	(952,059)
Net result for the year	1,150,581	(110,190)
<b>Retained earnings/(accumulated losses) at end of the financial year</b>	<b>88,332</b>	<b>(1,062,249)</b>

#### 13 Remuneration of Auditors

	2015	2014
	\$	\$
<b>Remuneration of the auditor of the Company, Audit Office of NSW, for:</b>		
Auditing or reviewing the financial report	27,500	27,600

#### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2015 (31 December 2014: None).

#### 15 Events Occurring After the Reporting Date

The financial report was authorised for issue on 15 March 2016 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 2015

### 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:

		Expenses	Income
<b>Parent</b>			
Catering services		-	129,154
Management fees		-	642,164
Equipment hire		-	4,311
Other costs		27,101	-
Forgiveness of related party loan		-	1,133,278
<b>(c) Balances to related parties</b>			
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Current</b>			
Amount payable to:			
Ultimate parent entity	9	-	970,471

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 17 Related Parties (continued)

- (d) Terms and Conditions

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

#### 18 Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2015	2014
	\$	\$
Net result for the year	1,150,581	(110,190)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in net result:		
Depreciation expense	19,138	3,426
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	7,058	30,737
(Increase)/decrease in other assets	(82)	4,435
(Increase)/decrease in inventories	(2,914)	6,219
Increase/(decrease) in trade and other payables	(988,412)	34,145
Increase/(decrease) in provisions	9,469	7,056
Increase/(decrease) in other liabilities	2,347	36,925
Cashflow from operating activities	<u>197,185</u>	<u>12,753</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 2015

### 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	89,145	69,839	89,145	69,839
Receivables	4,831	10,457	4,831	10,457
<b>Total financial assets</b>	<b>93,976</b>	<b>80,296</b>	<b>93,976</b>	<b>80,296</b>
<b>Financial Liabilities</b>				
Payables	61,822	1,059,206	61,822	1,059,206
<b>Total financial liabilities</b>	<b>61,822</b>	<b>1,059,206</b>	<b>61,822</b>	<b>1,059,206</b>

### 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 2015

#### 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 2015

Carrying amount	Interest rate risk			
	-1%		+1%	
\$	Result	Equity	Result	Equity
\$	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	89,145	(891)	(891)	891
Receivables	4,831	-	-	-
<b>Financial liabilities</b>				
Payables	61,822	-	-	-
<b>Total increase/(decrease)</b>		(891)	(891)	891

#### 31 December 2014

Carrying amount	Interest rate risk			
	-1%		+1%	
\$	Result	Equity	Result	Equity
\$	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	69,839	(698)	(698)	698
Receivables	10,457	-	-	-
<b>Financial liabilities</b>				
Payables	1,059,206	-	-	-
<b>Total increase/(decrease)</b>		(698)	(698)	698

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 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 Bearing		Within 1 year	
	2015	2014	2015	2014	2015	2014	2015	2014
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>								
Cash and cash equivalents	1.80	2.10	76,697	62,131	12,448	7,708	89,145	69,839
Receivables	-	-	-	-	4,831	10,457	4,831	10,457
<b>Total Financial Assets</b>			<b>76,697</b>	<b>62,131</b>	<b>17,279</b>	<b>18,165</b>	<b>93,976</b>	<b>80,296</b>
<b>Financial Liabilities:</b>								
Payables	-	-	-	-	61,822	1,059,206	61,822	1,059,206
<b>Total Financial Liabilities</b>					<b>61,822</b>	<b>1,059,206</b>	<b>61,822</b>	<b>1,059,206</b>

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2015**

#### **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 2015 the number of members was 4 (2014: 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.



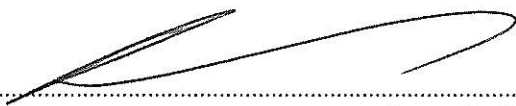
## Directors' Declaration

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 2015*, *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 2015 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.

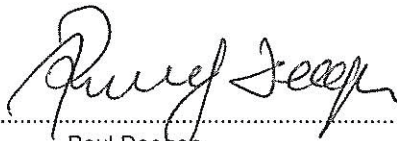
This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



Donna Moffit

Director .....



Paul Deegan

Dated 15 March 2016



## 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 2015, 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 2015 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not for profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

### 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 management, 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.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Norsearch Limited on 10 March 2016, would be in the same terms if provided to the directors as at the time of this auditor's report.



A T Whitfield PSM  
Acting Auditor-General

16 March 2016  
SYDNEY

# Appendix A:

## Staff employment

### ALL STAFF FTE\*

Nominal FTE	2010	2011	2012	2013	2014	2015
Academic	347.3	331.9	347.3	363.7	326.0	319.0
Professional	561.2	557.1	563.1	575.0	553.4	519.0
<b>Employment Category</b>	<b>908.5</b>	<b>889.0</b>	<b>910.4</b>	<b>938.8</b>	<b>879.4</b>	<b>838.0</b>

Academic staff						
Nominal FTE	2010	2011	2012	2013	2014	2015
Above senior lecturer	71.2	71.1	73.0	75.6	68.6	77.1
Senior lecturer	82.6	85.1	88.0	91.4	79.0	80.2
Lecturer	125.4	113.9	147.2	152.8	142.0	122.4
Below lecturer	68.1	61.8	39.1	44.0	36.4	39.3
<b>TOTAL</b>	<b>347.3</b>	<b>331.9</b>	<b>347.3</b>	<b>363.7</b>	<b>326.0</b>	<b>319.0</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	2015
HEW 1	1.6	1.6	8.2	6.6	7.0	8.0
HEW 2	6.5	2.5	2.5	3.1	3.5	2.0
HEW 3	29.1	30.7	20.6	16.0	16.8	17.4
HEW 4	150.5	143.2	145.2	146.3	139.0	124.4
HEW 5	149.6	148.1	142.6	149.4	142.3	133.9
HEW 6	84.7	86.2	90.4	92.5	89.7	79.1
HEW 7	69.7	69.9	73.9	82.6	85.0	88.5
HEW 8	36.1	42.2	42.9	38.5	32.6	27.0
HEW 9	11.4	10.4	10.4	12.1	10.6	13.8
HEW 10 and above	22.2	22.5	26.5	28.0	27.0	24.9
<b>TOTAL</b>	<b>561.2</b>	<b>557.1</b>	<b>563.1</b>	<b>575.0</b>	<b>553.4</b>	<b>519.0</b>

\*This data excludes staff employed on a casual/sessional basis.

Figures might not add exactly to the total FTE due to rounding.

Source: MIS DEEWR staff cube

08/03/2016

# Appendix B:

## Senior executives

Band	2015		2014	
	Female	Male	Female	Male
Band 1 (Executive)				
Band 2 (Executive)	1		1	2
Band 3 (Executive)	1	4	1	3
Band 4 (Executive)		1		
Above Band 4 (Executive)		1		1
<b>Totals</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>6</b>
		<b>8</b>		<b>8</b>

Band	Range \$	Average remuneration	
		2015 \$	2014 \$
Band 1 (Executive)	\$174,500 to \$248,850	\$0	\$0
Band 2 (Executive)	\$248,851 to \$313,050	\$307,900	\$307,100
Band 3 (Executive)	\$313,051 to \$441,200	\$333,860	\$361,250
Band 4 (Executive)	\$441,201 to \$509,750	\$445,800	\$0
Above Band 4 (Executive)	Over \$509,751	\$669,300	\$672,600

In 2014 and 2015, 2.5% of the Southern Cross University's employee related expenditure was related to senior executives.

# Appendix C:

## Trends in the representation of employees in diversity groups

Extract of data for 2014/2015 reporting period reporting (as at 31 March 2015; excludes casual staff)

Academic Staff	Benchmark or Target	2011	2012	2013	2014	2015
Women	50%	49%	48%	49.3%	49.2%	50.3%
Aboriginal people and Torres Strait Islanders	2.6%	2.7%	2.1%	1.3%	1.4%	1.5%
People whose first language was not English	19%	9%	8.8%	9.0%	7.3%	7.4%
People with a disability	N/A	8%	5.1	5.8%	6.4%	6.5%
People with a disability requiring work-related adjustment	1.1%	1.0%	0.5%	0.8%	0.8%	0.6%

Professional Staff	Benchmark or Target	2011	2012	2013	2014	2015
Women	50%	67%	67%	67.4%	66.8%	67.9%
Aboriginal people and Torres Strait Islanders	2.6%	4.2%	3%	2.9%	3.5%	3.2%
People whose first language was not English	19%	3%	2.3%	2.8%	3.0%	3%
People with a disability	N/A	5%	3.5%	3.8%	4.0%	3.5%
People with a disability requiring work-related adjustment	1.1%	0.4%	0.2%	0.3%	0.3%	0.2%

## Trends in the distribution of employees in diversity groups<sup>#</sup>

Academic Staff	Benchmark or Target	Distribution Index				
		2011	2012	2013	2014	2015
Women	100	78	81	83	90	90
Aboriginal people and Torres Strait Islanders	100	n/a	121	120	119	139
People whose first language was not English	100	81	79	84	92	93
People with a disability	100	74	89	90	100	101
People with a disability requiring work-related adjustment	100	n/a	n/a	112	136	127

Professional Staff	Benchmark or Target	Distribution Index				
		2011	2012	2013	2014	2015
Women	100	91	92	90	87	90
Aboriginal people and Torres Strait Islanders	100	73	81	77	87	81
People whose first language was not English	100	99	103	94	92	94
People with a disability	100	98	98	102	102	105
People with a disability requiring work-related adjustment	100	n/a	n/a	115	119	106

<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 D:

## Multicultural policies and services program report 2015

Southern Cross University is committed to fostering equity for its student and staff community and to reflect the multiculturalism 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 reflected 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 and Diversity Plan 2011-2015 included goals and objectives specifically targeted at providing an environment for staff and students that embraced knowledge of and respect for equity and cultural diversity. Strategies within the plan included 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 employees in diversity groups was analysed and is reported in *Appendix C*.

#### Outcome 2: Consultation and Feedback

*Policy development and service delivery is informed by expertise and client feedback*

The Equity and Diversity Committee was responsible for ensuring comprehensive integration of diversity and equity matters across the University. The committee was chaired by the Deputy Vice Chancellor (Education) and membership included 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, SCU College, and Teaching and Learning. Student representation was also a feature of the committee which convened four times each year and provided a consultative mechanism for the University community regarding equity and diversity matters. The Committee also has the authority to appoint specialist working parties for consultation in relation to equity and diversity issues.

The University actively seeks input and involvement from people from culturally diverse backgrounds. Multicultural community groups were consulted and participated in the

week-long Fusion Festival celebrations. Students from culturally diverse backgrounds were employed on a casual basis by the University to manage the Fusion Festival events and activities, and all staff and students were encouraged to contribute.

### 2. CAPACITY BUILDING AND RESOURCING

#### Outcome 3: Leadership

*The implementation of the Principles of Multiculturalism are actively promoted and accountable for*

The University continued as a member organisation of the Australian Human Rights Commission's Racism: It Stops With Me campaign in 2015, and delivered a number of anti-racism events to support and promote this initiative.

The Courageous Conversations About Race (CCAR) anti-racism and cultural competence staff training program was delivered in 2015. The program specifically addressed a model of cultural competence training for the Australian higher education context. The University was part of a consortium of universities which developed and delivered CCAR within a 'community of practice' framework. Evaluations of the CCAR program continued to be positive, with 100% of participants rating the October workshop as effective or very effective in changing their awareness about race and how it related to their life.

Numerous cultural events and celebrations were held during 2015 in recognition of multiculturalism and harmony, involving students, staff and members of the wider community. The online Diversity Calendar was actively promoted to the University community. This calendar of events contained comprehensive information about cultural diversity and social inclusion activities at the University in 2015 with links to other local, national and international cultural activities.

#### Outcome 4: Human Resources

*Capacity is enhanced by the employment and training of people with linguistic and cultural expertise*

Employment policies and practices promote and support Equal Employment Opportunity (EEO) and cultural diversity and all advertised vacancies express the University's commitment to equal opportunity, cultural diversity and workplace health and safety. The Recruitment and Appointment Policy requires all staff participating on staff selection panels to have completed training in staff selection and interviewing. This training includes anti-discrimination and cultural diversity 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 criterion 'A demonstrated commitment to cultural diversity and equity within the workplace' (non-supervisory levels) or 'A demonstrated commitment to cultural diversity and a working

# Appendix D:

knowledge of equity and OH&S principles in the workplace' (supervisory or senior levels).

The University provides online equal opportunity and anti-discrimination training modules (EO Online) for all staff, plus an additional module for managers. Completion of EO Online is a compulsory part of induction for all new staff and regular email reminders are sent to staff as part of the University's overall commitment to equal employment opportunity and anti-discrimination. The University also conducts anti-bullying workshops for staff. Equity and Diversity contact people were available to assist staff and students with equity and diversity matters. Equity and Diversity Contacts receive comprehensive training on anti-discrimination, cultural diversity, bullying and harassment and the principles and practices of a socially inclusive university. Under requirements to meet professional and statutory accreditation, most University courses have to address aspects of culture and diversity. This requires academic staff to have professional development in cultural care, cultural diversity and cultural competency.

The University regularly hosted visiting academic scholars from different countries and cultural backgrounds. This promoted cultural awareness and interaction at an academic level. New staff appointments to the University in 2015 included academics from Russia, Poland and Italy, contributing to a culturally diverse academy. All staff and students were provided with opportunities for cross-cultural experiences during integration classes for English Language program students.

Reflective of our student population, the University Library employed a range of staff from non-English speaking backgrounds who contribute to social harmony and student wellbeing. In 2015, languages spoken by Library staff included Mandarin and Arabic. The Library's student rovers also come from a variety of ethnic backgrounds and are instrumental in supporting the University's diverse student body.

## 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 international students, mature age students, and a wide variety of ethnic, regional and remote students. In the delivery of its courses, the University requires that consideration is given to the diverse range of backgrounds and learning needs of students.

Programs and services promoting access and equity included:

- SCU students are supported to undertake international exchange programs at partner institutions all over the world, providing them with the opportunity to experience learning and life in other cultures. The University also hosts international students from a number of other countries which promotes multiculturalism on campus. Many incoming exchange students contribute to University cultural diversity events and activities.
- The School of Law and Justice established a cultural competency focus group in 2015 to work on increasing the multicultural content in identified Law units. The Law Lounge, an online student study space supports study groups in cultural groupings and tutors provide language skill development assistance.
- A project to embed essential academic skills into unit curricula commenced in 2015, aimed at assisting all students and of particular relevance to students from non-English speaking backgrounds.
- 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.
- A wide range of welfare-related support services are available for students including counselling, medical, childcare, chaplaincy, disability support services, students loans and careers advice. All of these services assist students from non-English speaking backgrounds.
- SCU College offers an intensive preparation course to equip students with necessary academic skills for University study, and English Language programs prepare students from non-English speaking backgrounds for academic study by focussing on reading, writing, speaking and listening skills.
- The Student Advocacy service ensures that students are fairly represented by providing relevant information, referral and advice as well as acting as an advocate, liaison or support person. This service provides confidential advocacy in relation to the rules and regulations of the University and may also provide assistance, advice or referral for a broad range of issues that affect a student's ability to maintain their studies, including discrimination, harassment and court matters.
- The UniLife Office helps students to become engaged with university life by organising cultural events, social sports and clubs and societies, and orientation includes activities to encourage interaction amongst students from diverse cultural backgrounds. Student-run associations are active on all campuses and regularly run events to encourage students to engage and socialise.



- 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.
- The Library has several guides for students from non-English speaking backgrounds including Studying English for Academic Purposes and English-Chinese Bilingual Business Resources.
- Primary and secondary schools with high concentrations of students from low socio-economic backgrounds are part of the University's UNI-BOUND program which raises aspirations for higher education. University students from migrant backgrounds are often employed in this program and share their culture and experiences with younger school students.

#### **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.
- Media coverage and University publications reflect and celebrate cultural diversity and inclusion.
- 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 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's School of Arts and Social Sciences, in collaboration with Lismore peace group Remembering and Healing (RaH) organised a public seminar in April titled

"Islam-West Relations: Building Bridges through Challenging Times". Associate Professor Mehmet Ozalp from the Centre for Islamic Studies and Civilisation, Charles Sturt University argued that building bridges of dialogue and goodwill is a necessary activity for multi-faith societies. This event was an outcome of ongoing community-engaged research between the University and RaH on their project to develop inclusive Anzac Day events and extend notions of local and national identity. Community members, staff and students attended the seminar, with a large group of students from the unit CUL00210 Australia, Asia and the World. The seminar can be viewed at <https://youtu.be/48jz-g3zqJY>

The University's 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 at the Centre are committed to strengthening core values of diversity in the community, including acceptance, mutual respect and recognition.

A new engaged learning and research program – Live Ideas – was launched to expand experiential learning in communities. The program broadened the existing emphasis on individualised placements and practicums as part of student learning. Projects can be completed remotely, providing significantly greater opportunities for student equity and access to this form of experiential learning. Through Live Ideas, partner organisations and individuals in communities are able to propose ideas for collaborative projects, and this crowd sourced model to identify community engaged learning opportunities has resulted in more culturally diverse and socially focused student learning.

#### **4. KEY PERFORMANCE INDICATORS AND THE RESULTS OF EVALUATIONS**

No overall program evaluation was carried out in 2015.

#### **5. SERVICES FOR HUMANITARIAN ENTRANTS**

The University offered a range of services inclusive to refugees and humanitarian entrants such as academic skills development, careers advice, chaplaincy, childcare, counselling, cultural events, disability support services, advocacy, financial, medical, social and sporting clubs and societies. Support strategies are also in place for students potentially at risk during their studies.

The University's Equity and Diversity Office offered casual employment to students who were refugees, to raise aspirations for higher education and mentor secondary school students from low socio economic backgrounds.

# Appendix E:

## Frequency of meetings and members' attendance at meetings

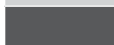
Council 2015 Attendance						
	February	April	July	September	November	
W Boyd	✓	✓	✓	✓	✓	
N Burton Taylor	✓	✓	✓	✓	✓	
A Curtin	✓	✓	✓		✓	
M d'Almeida	✓	✓	✓	✓	✓	
N Genge	✓			✓	✓	
J Granger		✓	✓		✓	
R Hennes		✓	✓			<i>Term concluded 27 Nov 2015</i>
J Jenkins	✓	✓	✓	✓	✓	<i>Term concluded 31 Dec 2015</i>
T Ledgerwood	✓	✓	✓	✓	✓	
P Lee	✓	✓	✓	✓	✓	
A Matis	✓		✓	✓	✓	
E Ruthnam	✓	✓			✓	
J Shanahan	✓	✓	✓	✓	✓	
M Sweeny		✓	✓	✓		
A Wessell	✓	✓	✓	✓	✓	

### Legend

Attended meeting



Absent from meeting



# Appendix F:

## Statistical information about access applications - Clause 7(d) and Schedule 2

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	8	0	0	0	0	0	0

\*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*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	8	0	0	0	0	0	0

\*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).

PLEASE NOTE: The total number of decisions in Table B should be the same as Table A.

# Appendix F:

**Table C: Invalid applications**

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

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	2
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

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

	Number of occasions when application not successful
Responsible and effective government	4
Law information and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extension)	6
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	1
Total	8

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

	<b>Decision Varied</b>	<b>Decision Upheld</b>	<b>Total</b>
Internal review	0	2	2
Review by Information Commissioner*	0	2	2
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>

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

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

	<b>Number of applications for review</b>
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	2

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

	<b>Number of applications transferred</b>
Agency-initiated transfers	0
Applicant-initiated transfers	0

# Appendix G:

## Public Interest Disclosures report 2015

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	0
(1) Public interest disclosures made by public officials in performing their day to day functions	0
(2) Public interest disclosures not covered by (1) that are made under a statutory or other legal obligation	0
(3) All other public interest disclosures	0

# Appendix H:

For the year ended 31 December 2015 (Parent Entity only)

<b>Budget and Actual Performance (Parent entity only)</b>			
<b>Southern Cross University Income Statement</b>	<b>Budget 2015 \$,000</b>	<b>Actual 2015 \$,000</b>	<b>Budget 2016 \$,000</b>
<b>Income from continuing operations</b>			
Australian Government financial assistance			
Australian Government grants	104,454	96,985	111,353
HELP – Australian Government payment	53,986	51,929	53,746
State and local government financial assistance	1,267	1,476	1,450
HECS-HELP – student payments	2,650	2,535	2,585
Fees and charges	28,903	28,721	34,485
Investment revenue	666	905	204
Royalties, trademarks and licences	551	587	575
Consultancy and contracts	4,881	4,703	5,115
Other revenue	8,449	10,120	9,677
<b>Total income from continuing operations</b>	<b>205,807</b>	<b>197,961</b>	<b>219,190</b>
Share of profit on investments accounted for using the equity method	-	-	-
Gain on exchange differences	-	126	-
<b>Total revenue and income from continuing operations</b>	<b>205,807</b>	<b>198,087</b>	<b>219,190</b>
<b>Expenses from continuing operations</b>			
Employee related expenses	124,842	121,615	122,215
Depreciation and amortisation	13,246	11,709	13,061
Repairs and maintenance	2,870	3,117	2,824
Borrowing costs	1,800	812	930
Impairment of assets	500	1,661	528
Loss on disposal of assets	-	49	-
Other expenses	62,049	63,931	70,451
<b>Total expenses from continuing operations</b>	<b>205,307</b>	<b>202,894</b>	<b>210,009</b>
<b>Net result from continuing operations</b>	<b>500</b>	<b>(4,807)</b>	<b>9,181</b>
<b>Total comprehensive income attributable to members of Southern Cross University</b>	<b>500</b>	<b>(4,807)</b>	<b>9,181</b>

# Appendix H:

## Investment performance

The University's investment funds of \$18 million as at 31st December 2015 were made up of cash investments (maturing 30 days or less).

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

Cash Investments	2.74%
TCorp Hourglass Facility – Cash	2.42%

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 2015 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 2015, 77 per cent of invoices were paid in accordance with these terms. No interest was incurred during 2015.

## Aged analysis at the end of each quarter

Quarter	Current \$	Between 30 and 60 days overdue \$	Between 61 and 90 days overdue \$	Over 90 days overdue \$
March	168,029	38,404	8,265	1,830
June	609,578	44,234	220	10,035
September	1,091,373	253,794	21,388	2,221
December	681,023	19,435	168	2,258

## Accounts paid within each quarter

Measure	March	June	September	December
Number of accounts paid on time	2,874	3,617	3,819	3,994
Actual percentage of accounts paid on time (based on number of accounts)	65%	75%	85%	83%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

## Land Disposal

The University did not dispose of any land holdings greater than \$5,000,000.

## Travel

The University spent \$4.5 million on travel and related staff development and training in 2015 compared to \$4.4 million in 2014. The travel was undertaken for a wide range of purposes including the promotion and marketing of the University and specific programs, visits to overseas partners and the development of new partner relationships, the attendance and presentation of research papers at international 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 2015. Table 2 lists those consultants costing greater than \$50,000.

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

Consultancy	No.	Amount \$'000
Financial Services	1	17
Management Services	8	144
<b>Total consultancies costing less than \$50,000</b>		<b>161</b>

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

Consultant Name	Description	Amount \$'000
Priiva Consulting Group	SCU Strategic Plan	75

# Appendix I:



Information and Physical Resources

## Digital Information Security Annual Attestation Statement for 2015 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 black ink, appearing to read "Allan Morris".

Allan Morris  
Executive Director, Information and Physical Resources

## Annual Report compliance list of requirements

<b>Compliance list</b>	<b>Page</b>
Letter of submission	1
Application for extension of time	N/A
Charter	11
Aims and objectives	3
Access	147
Management and structure	13
Summary review of operations	18
Funds granted to non-government community organisations	N/A
Legal change	14
Economic or other factors	18, 141-143
Management and activities	4
Research and development	6
Human resources	7-9
Consultants	143
Workforce diversity	8
Disability action plan	7
Land disposal	142
Promotion (overseas visits)	142
Consumer response	10
Payment of accounts	142
Time for payment of accounts	142
Risk management and insurance activities	16-17
Internal audit and risk management policy attestation	N/A
Disclosure of controlled entities	18
Disclosure of subsidiaries	N/A
Multicultural policies and services program	8-9
Agreements with Multicultural NSW	N/A
Workplace health and safety	7
Budgets	141
Financial statements	19-98
Identification of audited financial statements	95
Inclusion of unaudited financial statements	N/A
Privacy and personal information	15

## Annual Report compliance list of requirements

<b>Compliance list</b>	<b>Page</b>
Investment performance	142
Liability management performance	N/A
Exemptions	N/A
Numbers and remuneration of senior executives	131
Implementation of price determination	N/A
Credit card certification	142
Government Information (Public Access) Act	16
Digital information security policy attestation	144
Public interest disclosures	16
Requirements arising from employment arrangements	N/A
Public availability of annual reports	147
Production costs of annual reports	147

## Southern Cross University Annual Report 2015

Available at: [scu.edu.au/publications](http://scu.edu.au/publications)

ISSN:1324-1001

Produced by: SCU Communications and Publications

Design and Layout: SCU Communications and Publications

Printing: Lismore City Printery copies printed: 100

Total production cost: \$1,560

### Locations

#### Lismore campus

Military Road

East Lismore NSW 2480

#### Coffs Harbour campus

Hogbin Drive

Coffs Harbour NSW 2450

#### Gold Coast campus

Southern Cross Drive

Bilinga QLD 4225

### Business Hours

Monday to Friday

9am – 5pm

**T:** 1800 626 481

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

