

# 2013 Annual Report

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14 April 2014

The Hon Adrian Piccoli MP  
Minister for Education and Training  
Parliament House  
Sydney NSW 2000

Dear Minister

The Council of Southern Cross University presents the report of proceedings of the University and the audited financial statements for the year ended 31 December 2013.

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



The Honourable John Dowd AO QC  
Chancellor Southern Cross University



Professor Peter Lee FTSE  
Vice Chancellor Southern Cross University

## A message from the Chancellor and Vice Chancellor

2013 was a year of setting in place significant building blocks to sustain the future growth of the University.

The second stage of the southern Gold Coast campus was opened by the Governor of Queensland Ms Penelope Wensley AC. The \$50 million investment provides state-of-the-art teaching and research facilities.

The University expanded its Science, Technology, Engineering and Mathematics profile with the successful launch of civil engineering at the Lismore campus following extensive consultation with local government and industry. Across all campuses we continued to improve facilities for our students with the roll-out of new technology including the extension of wireless access.

Research activity grew – total Australian Competitive Grant income was just under \$4.4 million, a 10 per cent increase on 2012.

The University strategically withdrew from some offshore collaborations and explored new international activity. To support this endeavour, by year's end a new branch campus had opened in Sydney, building on the success of The Hotel School Sydney run in partnership with Mulpha Australia. Onshore, international enrolments showed early signs of renewed growth. SCU ranked number one in Australia based on the 2013 International Student Barometer for international student support.

SCU played an active role in the higher education sector as a member of the Regional Universities Network and Universities Australia.

In 2014 SCU celebrates 20 years as an independent university and throughout 2013 planning took place to mark this significant milestone.



The Hon John Dowd AO QC  
Chancellor



Professor Peter Lee FTSE  
Vice Chancellor

# Strategic Plan

## Our Vision

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

## Our Mission

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

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

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

## Our Values

### Scholarship

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

### Innovation

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

### Social Justice

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

### Ethical Behaviour

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

### Sustainable Practice

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

### Engagement

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

## Our Goals

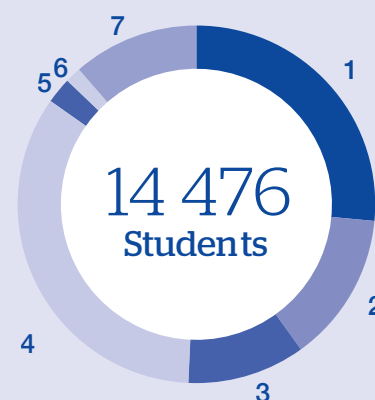
**Goal 1:** We will provide inspirational learning experiences for our students through high quality teaching engaged with scholarship.

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

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

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

## At a glance 2013



### Students (persons) by location

1	Lismore campus	3 864
2	Gold Coast campus	2 514
3	Coffs Harbour campus	1 529
4	Distance education	5 020
5	The Hotel School Sydney	330
6	Other Australian locations	67
7	Offshore campus	1 152

### Total number of students

Total (persons)	14 476
Total (EFTSL)	9 033.8

### Internal (EFTSL)

Lismore campus	2 168.1
Gold Coast campus	1 598.7
Coffs Harbour campus	880.9
Other Australian locations	285.8
Offshore campus	681.5
External (EFTSL)	3 418.8
International Students (persons)	2 029
Onshore	989
Offshore	1 040

### Total number of staff

Total staff full-time equivalent (FTE)	939.1*
Academic staff (FTE)	363.9
Professional staff (FTE)	575.2

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

Source: SCU Office of Planning, Quality and Review – DEEWR 2013 Data Submissions

# Management and Activities

The University's mission-based compact with the Australian Government was developed and approved during 2013. This new compact set out the agreed broad directions across the University's core activities in teaching and learning, research and research training, as well as in community engagement activities. It covers the period 2014 – 2016.

During 2013, important changes were made to improve the student experience by re-engineering the University's approach to managing the student life cycle.

Organisational reviews continued to provide relevant and regular input into the University's strategic planning. Review activities finalised during 2013 included the School of Education; the Division of Teaching and Learning; the Research Strategy; Staffing, Structure and Service Delivery within the Division of Research; and an audit of all offshore delivery of courses. SCU's internationalisation and enterprise strategy was captured in a White Paper for ongoing implementation, following consultation on the 2012 Green Paper.

The University was an active participant in the Regional Universities Network (RUN), with Vice Chancellor Professor Lee taking up a two-year appointment as Chair of RUN in September 2013.

The inaugural Regional Universities Conference, presented by RUN in partnership with the Informa Higher Education Series, was held in November 2013 and hosted at the University's Gold Coast campus. It highlighted the pivotal role regional universities have in regional development. Major RUN projects for 2013 included its policy launch prior to the federal election; the release of the commissioned report *Engaging with*

*regions: building a stronger nation* (June); and two successful funding submissions pursuant to the Office for Teaching and Learning's "Enhancing the Training of Mathematics and Science Teachers" round (\$1 million project led by SCU) and the priority round of Australian Mathematics and Science Partnership Program.

An Economic Impact Study, also commissioned by RUN and released in March 2013, reported that the University contributed a total of \$506.8 million to the Lismore, Coffs Harbour and Gold Coast and Tweed Heads economies and provided 2365 equivalent full-time jobs. The report, using input output modelling software, analysed the economic impact of all member universities, including Southern Cross University.

12 graduation ceremonies were held in Australia during 2013 at Lismore, Coffs Harbour, Tweed Gold Coast and Sydney; the Chancellor and Vice Chancellor also attended graduation events in China, Hong Kong and Singapore. Alumni functions were organised to coincide with graduations. During 2013 the number of alumni rose to 55 000, of which 48 per cent were contactable.

## International

Southern Cross University's international office ranked number one in Australia, among participating universities, in the 2013 International Student Barometer (ISB) for international student support. SCU ranked first in the category of living, which is an average of satisfaction across the areas of safety, host culture, home friends, worship facilities, contacts, sport facilities and visa advice. SCU also ranked first in

the learning category, covering areas such as teachers, assessment, learning support and careers advice. SCU was ranked second overall, comparing SCU International's results across the other 27 Australian universities in the areas of learning, living, support and arrival.

International delegations were hosted to build relationships and opportunities for Southern Cross University including Sekolah Tinggi Pariwisata Bandung (Indonesia), Northwest Agriculture and Forestry University (China), Tianjin University of Science and Technology (China), Chinese Consulate (Sydney) and Manakau Institute of Technology (New Zealand).

During 2013, SCU International secured 75 AsiaBound Scholarships, totalling \$248 000, from the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education. This gave domestic students the opportunity to study in Asia and included short-term programs with the School of Environment, Science and Engineering. The number of students participating increased from 58 in 2012 to 162 in 2013. Additional IEP scholarships were made available to students to travel to Europe, the United Kingdom and the United States of America.

Southern Cross University ceased two education collaborations in 2013.

The University experienced growth in the number of onshore international students, principally through the Southern Cross Business School and the School of Tourism and Hospitality Management.



*New engineering facilities, Lismore campus*

## Travel

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

## Major Works

The University continued a number of major projects in 2013, in particular the completion of the second building (Building B) at the Gold Coast campus and technology projects supporting student learning and retention.

The \$50 million 10-storey Building B includes purpose-built laboratories for a range of allied health disciplines, flexible teaching and learning spaces, student lounge, computer laboratories, dedicated spaces for Higher Degree Research students and staff offices.

To address parking requirements at the Gold Coast campus 600 car spaces were leased from the Gold Coast Airport. Work also started on a new 110 space car park adjacent to Buildings A and B.

The development of a new Science and Engineering Precinct and planning for a new Learning Centre at the Lismore campus commenced in 2013, following the announcement of \$27.9 million in

the Education Investment Fund (EIF) Regional Priorities round. The NSW State Government is contributing \$258 300 to the project.

As part of the Science and Engineering Precinct project, phase one of the engineering building comprised a number of laboratory, teaching and office spaces as well as group study and student lounge spaces. This was completed in December 2013. Design of the second phase of the project (level two of the current library building) was also completed. Construction is due to commence following completion of the Learning Centre.

A number of other major projects continued during 2013 under a \$32 million Structural Adjustment Fund (SAF) grant.

In November, a project to upgrade 62 learning spaces commenced, including audiovisual, video conferencing and lecture recording facilities as well as physical upgrades for furniture and air-conditioning. These upgrades will further improve SCU's ability to deliver lectures across multiple sites, stream lectures and/or record for later playback, enhancing student flexibility and providing greater consistency in the technology used by academic staff. The project is scheduled for completion in Session 1, 2014.

Significant work on an integrated Unit and Course Management System (UCMS) was undertaken. The system went live on schedule in November with work on a variety of enhancements continuing into 2014. This new

system will deliver significant quality, productivity and cost benefits to SCU with the introduction of a single, authoritative repository for all course and unit information supported by standardised business and governance processes across all schools.

The desktop collaboration solution, Microsoft Lync, was rolled out to staff at all campuses. Integrated into SCU's email system and providing desktop video conferencing, screen sharing and Instant Message or online chat capabilities, Lync improved staff communications and reduced inter-campus travel.

Construction of the Capital Development Pool funded Asia Pacific Football Institute in Lismore neared completion with a first-class artificial pitch fully installed and club and change room facilities nearing completion. An access road was installed and following further minor fit out and landscaping activities during 2014, the facility will be complete.

# Teaching and Learning

Southern Cross University supported students undertaking preparatory, undergraduate and postgraduate degrees at the Lismore, Gold Coast and Coffs Harbour campuses and by distance education. Courses were delivered through the University's seven academic schools and two colleges. The University operated The Hotel School Sydney in partnership with Mulpha Australia. A number of courses were also delivered through onshore and offshore education collaborations.

## 2013 Highlights

A review of the Division of Teaching and Learning was conducted in 2013 and the Vice Chancellor's response to the review triggered the move from a Division of Teaching and Learning to a Centre in early 2014. This change will enhance the delivery of services across the key areas of Teaching and Curriculum and Academic Skills Development.

A new project Inclusive Teaching and Curriculum, funded through the Higher Education Participation and Partnership Program, began in late August 2013 and continues for a year into 2014.

The Teaching and Learning component of the Partners for the Future Project, under the federal government's Structural Adjustment Fund, focused on the implementation of the Personal Learning Environment concept across the University. This included upgrades to the learning management system, educational technologies available as part of the University's standard operating environment, and the introduction of the UCMS. Within the Division of Teaching and Learning, four project officers assisted school academic staff to transition to new University systems.

Teaching and Learning launched its first Scholarship of Teaching Symposium in October 2013. This event replaced the Festival of Teaching that had been part of the Teaching and Learning calendar for the past three years. The Visiting Scholar program in 2013 featured two key scholars – Professor Diana Laurillard, London Media Lab, UK, and Professor Marcia Devlin, Federation University. Both scholars' presentations attracted a wide audience from SCU campuses.

## Teaching and Learning Grants

### Australian Government Office for Learning and Teaching Grants

**Dr Geoff Woolcott and Professor Leigh Sullivan**, leading a Regional University Network project.

'It's part of my life: engaging university and community to enhance science and mathematics education' (\$1 000 000).

**Dr Keri Moore**, in a project led by Queensland University of Technology. Building institutional capacity to enhance access, participation and progression in work integrated learning (\$211 000).

**Dr Judith Wilks**, in conjunction with the University of Notre Dame Australia. Developing a culturally appropriate data quality framework for Aboriginal and Torres Strait Islander higher education statistics (\$50 000).

**Associate Professor Gail Wilson**, in conjunction with the University of Queensland. Embedding a peer review culture in online and blended teaching and learning at two universities (\$30 000).

## Schools and Colleges

School of Arts and Social Sciences

Southern Cross Business School

School of Education

School of Environment, Science and Engineering

Gnibi College of Indigenous Australian Peoples

School of Health and Human Sciences

School of Law and Justice

School of Tourism and Hospitality Management

SCU College



## Citations

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

### Australian Government Office for Learning and Teaching Citations

**Julie Streckfuss**, School of Health and  
Human Sciences

*For sustained commitment to inspiring  
and engaging students in a content-  
heavy, confronting second year anatomy  
unit.*

### Vice Chancellor's Citations

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

*For transforming students in second  
year osteopathy from beginners to pre-  
practice professionals through critically  
reflective learning*

**The Education for Sustainability in  
Bachelor of Business (ESBB) Team**,  
Southern Cross Business School and  
School of Tourism and Hospitality  
Management

Team members: Dr Tania von der  
Heidt, Dr Erica Wilson and Dr Geoffrey  
Lamberton

*For a scholarly-driven, team-based  
approach that champions Education for  
Sustainability and enhanced learning  
and teaching the undergraduate  
business curriculum.*

# Research

During 2013, income from Australian Competitive Grant funding increased to \$4 396 366 million (unaudited estimate at time of printing) from \$3 979 317 million in 2012. The total research income for 2013 was \$13 380 209 (unaudited estimate at time of printing), up from the reported income for 2012 (\$13 054 042).

There was continued emphasis on maintaining the quality of research outputs (such as publications and how research is applied) and expanding other areas of research priority.

Research staff generated and disseminated research and provided training in key areas that have global and regional relevance. The University's participation in the Cooperative Research Centre (CRC) program continued to enable the University to build core capacity. Income from CRCs during 2013 was \$2 214 999 (unaudited estimate at time of printing).

SCU participated in the following CRCs:

- Rail Innovation
- Integrated Engineering Asset Management
- Wound Management Innovation
- Remote Economic Participation
- Contamination Assessment and Remediation of the Environment
- Forestry.

The Division of Research managed Southern Cross University's two Special Research Centres — Southern Cross GeoScience and Southern Cross Plant

Science, and the Environmental Analysis Laboratory (EAL) which provides important infrastructure underpinning research activities across the University. Five Research Centres were supported by the University: Centre for Coastal Biogeochemistry Research, Marine Ecology Research Centre, Centre for Tourism, Leisure and Work, Centre for Gambling Education and Research and the Centre for Children and Young People.

In 2013 the federal government's Collaborative Research Network (CRN) scheme continued to fund research at SCU in partnership with The University of Queensland, The University of New South Wales and the University of Sydney. This CRN network incorporated three elements linked to health, social wellbeing and economic sustainability. CRN projects enabled expertise to be shared between partners resulting in further enhancement of both income and publications across the disciplines represented. The CRN network also provided an excellent opportunity for project collaborations, and career development through workshops covering grant applications and publication strategies.

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

During 2013, the Division delivered

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

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

# Staff

The University employed a total of 939 full-time equivalent staff (not including sessional or casual). Of these, 364 were academic and 575 were professional staff. The full breakdown of staff is included at *Appendix A*.

## Staff Development and Performance

During 2013 initiatives designed to support and provide development opportunities for academic and professional staff were implemented. A range of leadership and management development programs were conducted with a strong focus on managing for performance. In addition, the framework for performance management was reviewed and improved to enhance the experience for staff.

The University continued its promotion of professional learning for staff through the Study Assistance Policy and the Special Studies Leave program.

In June, voluntary redundancies were offered to academic and professional employees. 34 employees had their applications approved.

Senior positions filled during 2013 included the Acting Head, School of Arts and Social Sciences (Professor Matthew Marshall), Director Gribi College of Indigenous Australian Peoples (Dr Norm Sheehan), Director Financial Operations (Richard Jones) and Director Management Accounting (Stewart Brown). High performance by staff was recognised through the Vice Chancellor's Awards for Excellence, Vice Chancellor's Citations for Outstanding Contributions to Student Learning, the Professional Staff Rewards Program and the Community Engagement Awards.

## Workplace Health and Safety

During 2013, 15 workers compensation claims were received, a reduction on the 19 claims made in 2012. The proactive approach by the University in health, safety and injury management resulted in only six of the 15 claims requiring time off work.

Health and safety training included Mental Health First Aid, Emergency Warden refresher training, Senior First Aid for designated First Aid Officers, Emergency Drills, workplace inspections training for Safety Support Officers, and chemical awareness.

The WHS team worked collaboratively with schools such as Health and Human Sciences on the implementation of safe systems of work at the Gold Coast campus. Safe work procedures, specialist training, new signage and periodic health and safety inspection programs were implemented across a diverse range of teaching and research related activities.

## Disability Action Plan

In 2013, following consultation with stakeholders, the SCU Disability Action plan underwent a significant re-draft to ensure that it provided a more comprehensive and university-wide approach to maximise the positive impacts for students and staff with disability. Back on Track, a mental health casework service offered to University students in partnership with On Track Community Programs continued during 2013, with an increase in students accessing this service through referral from Student Disability and Equity Services.

## Equal Employment and Opportunity

In 2013 the University continued to implement key strategies from its Equity and Diversity Plan 2011-2015.

### Key achievements:

- Implemented key Equal Employment and Opportunity (EEO) strategies from the University's Equity and Diversity Plan 2011-2015.
- Developed and implemented the SCU EEO Management Plan 2013-2015.
- Implemented the Courageous Conversations about Race Program across the University with workshops for supervisors and managers.
- 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.

Trends in the Representation of EEO Target Groups is included at *Appendix B*.

## Multicultural Policies and Services Program

A number of events and activities were held across the University's campuses to promote diversity and celebrate the multicultural community. The annual Fusion Festival was held from September 2 to 6 at the Lismore, Coffs Harbour and Gold Coast campuses. The theme of the festival was 'UNlty in diVERSITY: the coming together of cultures and communities'. The event promoted intercultural understanding and communal harmony through interaction in various forms – cultural, educational, social and sporting. Guest speakers were highlighted throughout the week and included Mrs Bonita Mabo, crusader for her South Sea Islander people; Mr Sandy Sur from Vanuatu, who presented a film screening of the Leweton Cultural Group featuring the 'water music' from Espiritu Santo; and Ms Robin de Crespigny, author of 'The People Smuggler' and literary award winner including The Ned Kelly Award for True Crime. Brigid Muir OAM and Mt Everest summiteer gave a public talk video-linked across campuses about the 'Beyond the Smile' women's literacy program and other projects she has set up in the village of Lura in Nepal.

Harmony Day was celebrated across the three campuses with the theme 'Everyone Belongs: *Many Stories, One Australia*'.

### Plan for 2014

During 2014, the University's Equity and Diversity Plan 2011-2015 will continue to be implemented. This is 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 will include:

- A Diversity Lecture open to staff, students and the community.
- Forums that promote and affirm diversity and community harmony.

- Curricula, which is inclusive and considerate of cultural diversity.
- Develop a Chinese Language Referencing Guide to complement the existing Language Guide to Library Services and Resources and Chinese-speaking liaison librarian. The Language Guide to Library Services and Resources will also be embedded in appropriate units of study to provide translation and other assistance to English-as-a-second-language learners. Librarians will also be available to provide face-to-face tutorials in information literacy skills.
- Continue student peer mentoring to support students in the transition to university life across all of the University's academic schools.
- Continue with celebrations and recognition of cultural diversity by holding cultural celebrations during the year with staff, students and the community.
- Continue to provide events on the Lismore, Coffs Harbour, and Gold Coast campuses bringing together students, staff and community members to affirm diversity and celebrate communal harmony.
- Continue to improve the University's Indigenous and equity profiles.
- Continue to promote a positive culture that is free from discrimination and harassment and recognises and values cultural diversity.
- Continue to offer Equal Opportunity Online training to all staff across the University and as a compulsory component of the induction process for new staff.
- Continue to promote a University culture that is supportive of diversity in order to attract and retain staff from culturally and linguistically diverse backgrounds.
- Continue to analyse and report on the staffing profile of people from culturally diverse backgrounds.
- Continue to build on successes in diversity initiatives and achievements and promote these within the University and in the local community.
- Continue to monitor and review all University plans and policies to identify opportunities to embed relevant cultural diversity strategies and targets to progress the University's commitment to cultural diversity and evaluate progress made towards creating an environment that supports diversity.
- Continue with proposed chaplaincy initiatives to increase the support and dialogue of people with religiously diverse backgrounds.
- The University's Equity and Diversity Committee will lead the development of the 2014 Multicultural Policies and Services Program (MPSP) which will include key strategies which address program requirements and how these will be evaluated.
- The Multicultural Policies Services Program will be promoted across the University and wider community.

The Southern Cross University Multicultural Policies and Services Program Report – 2013 is included at *Appendix C*.

# Student feedback and consumer response

## Student Representation Committee

Following consultation across the University's student cohort during 2012, a new model for student representation was implemented, with the first Student Representation Committee elected and in office from January 1, 2013. The term of office for committee members is 12 months and elected members are limited to two consecutive terms of office.

The role of the Student Representation Committee representatives is to:

- develop recommendations for the Vice Chancellor about how the student services and amenities fee (SAAF) and non-SAAF student services monies should be spent;
- be the 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 the relevant staff member. When this is not possible, students or members of the public can lodge a written formal complaint with the Complaints Assistance Officer under the *Complaints Policy - Students and Members of the Public*. An important function of the Complaints Assistance Officer is to provide advice and assistance to students about their options. During 2013, 14 formal complaints were actioned pursuant to the Complaints Policy. Of these, 10 complaints were either (fully or partially) upheld or recommendations made for changes to University policies or practices.

The *Student Ombud Policy* provides students with a final avenue for internal review if they are unhappy with an earlier decision. During 2013, a Student Ombud was appointed to investigate one complaint, however this investigation did not proceed at the student's request.

## 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	2012	2013
Considered	17	9
Successful	2	1

# Sustainability and Waste

The University continued to demonstrate a strong commitment to environmental sustainability through its campus operations and regional leadership in 2013. The Sustainability, Partnerships and Community Engagement (SPaCE) work unit coordinated sustainability initiatives focused on sustainable education, operations, research and community engagement. In 2013, Southern Cross University was awarded Bronze Recognition from the NSW Government's Sustainability Advantage Program for its strong commitment to sustainability.

## Transport

The University implemented a range of initiatives to enhance workplace productivity and alleviate unnecessary travel, effectively reducing greenhouse gas emissions. Initiatives included upgraded video conferencing technology and cloud-based communications platforms, such as Microsoft Lync. SCU achieved a 10 per cent reduction in Greenhouse Gas Emissions from its car fleet from 2012 to 2013.

During 2013, the University completed a Travel Mode and Behaviour Survey of staff and students to identify transport improvement strategies. The data collected highlighted significant potential for carpooling; identified improvements needed in public transport services; and indicated rates of active modes of transport. This data will inform a broader sustainable transport strategy to be rolled out in 2014.

## Waste Management

The University joined the National Television and Computer Recycling Scheme which saw ewaste from the campuses traded-in or recycled. Sixteen tonnes of waste was collected from the Lismore campus and taken to Lismore City Council's ewaste recycling facility. An additional shipping container (approximately 33m<sup>3</sup>) was collected from Lismore campus by TechCollect. These products were broken down in Australia into their individual parts and materials and recycled.

A range of staff engagement initiatives resulted in increased recycling rates. Students and staff at the Coffs Harbour campus contributed to a 16 per cent increase in recycling rates from 2011 to 2013.

## Resource Efficiency

Despite having added an additional 25 per cent floor space to the University's building profile, there was only a 1.9 per cent increase in energy consumption in 2013 from the previous year. This was the result of efficiency measures implemented by Facilities Management and Technology Services, including retrofit of lighting, timing devices, improved PC power management and enhanced building performance information through additional Archibus modules.

During 2013 the University reviewed printing across all campuses and a project to reduce the number of printers on campus and reduce the volume of paper used was scheduled to start in 2014.

Timers were installed in many of the campus hot water systems including the Carina Residential College at the Coffs Harbour campus. Coupled with proposed upgrades to the campus power factor correction systems it was expected that identifiable savings in consumption and demand would be evident in 2014. The base water flow of 20-25 litres per minute was reduced to a general flow of 5 litres per minute. It is expected that the cost of water should reduce in 2014.

# Governance

## Charter

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

Under the Act, the University has the following principal functions for the promotion of its object:

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

Southern Cross University is governed by a Council to which its Chief Executive Officer, the Vice Chancellor, reports. The major academic body providing advice to Council on academic matters is the Academic Board. The Council, chaired by the Chancellor, has 17 members, including the Vice Chancellor, the Chair of the Academic Board, six members appointed by the Minister, four members appointed by Council, three elected staff members and one elected student member.

## Organisational Structure

### UNIVERSITY COUNCIL

#### VICE CHANCELLOR

Gold Coast campus	Governance Services
Coffs Harbour campus	

#### DEPUTY VICE CHANCELLOR

Southern Cross Business School	School of Education
School of Health and Human Sciences	School of Arts and Social Sciences
School of Tourism and Hospitality Management	School of Environment, Science and Engineering
School of Law and Justice	SCU College
Gnibi College of Indigenous Australian Peoples	Office of Planning, Quality and Review

#### PRO VICE CHANCELLOR (ACADEMIC)

Division of Teaching and Learning
Equity and Diversity Office

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

SCU International
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#### PRO VICE CHANCELLOR (RESEARCH)

Division of Research	Southern Cross GeoScience
Higher Degrees Research	Southern Cross Plant Science
Research Services and Grants	Environmental Analysis Laboratory

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

Technology Services	Quality Assurance Office
University Library	Digital Resources Centre for Learning and Research
Facilities Management and Services	

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

Financial and Business Services
HR Services

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

Marketing and Recruitment	Community Engagement
Development and Alumni Relations	Graduation
Communications and Publications	



2013 University Council Members

## Management and Structure

### University Council Members for the period 1 January 2013 to 31 December 2013

Chancellor and Chair of Council

**The Hon John Robert Arthur Dowd AO QC, LLB(Syd)**

Current term expires 26 September 2014

Deputy Chancellor

**Mr Trevor Wilson BSc(Griff), DiplIntBus(UNSW Global)**

Ministerial appointment

Current term expires 2 September 2014

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)**

**Professor William Boyd BSc(Hons)(StAnd),**

**MEdLead(HigherEd)(MACQU), DSc(StAnd), PhD(Glas)**

Elected member of academic staff

Current term expires 9 September 2014

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

Graduate appointment

Current term expires 9 November 2014

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

Graduate appointment

Current term expires 9 November 2014

**Mr Matthew Newell**

Elected – student member

Current term expires 9 September 2014

**Mr Neville Newell**

Ministerial appointment

Current term expires 2 September 2014

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

Elected – academic staff

Current term expires 9 September 2014

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

Ministerial appointment

Current term expires 2 September 2014

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

External appointment

Current term expires 17 February 2017

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

External appointment

Current term expires 17 February 2017

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

Council Secretary

Appointed from 3 March 2013

### The following members' appointments concluded during 2013

**Ms Rhoda Roberts**

Ministerial appointment

Resigned 14 April 2013

**The Hon Justice Terrence Sheahan AO, BA, LLB(Syd)**

Ministerial appointment

Resigned 31 December 2013

**Mr Warren Albert Grimshaw AM, BBus(NSWIT), ASTC**

Ministerial appointment

Resigned 9 August 2013

**Ms Fiona Wright BA(MAC), GradDipIT(IS) (CSturt)**

Elected – non-academic staff member

Resigned 13 December 2013

**Ms Helen Hughes BA(QLD)**

Acting Council Secretary

Concluded appointment 2 March 2013

Council attendance is included at *Appendix E*.

## Executive Officers

### Vice Chancellor

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

### Deputy Vice Chancellor

Professor William MacGillivray BSc, PhD(Qld)

### Pro Vice Chancellor (Research)

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

### Pro Vice Chancellor (Academic)

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 and Acting Council Secretary

Ms Helen Hughes BA(Qld) (ceasing in the role of Acting Council Secretary effective from 2/03/2013)

### 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) – commenced at SCU on 11 February 2013.

## Executive Performance and Salary

Name	Position and Level	Remuneration Package	Period in Position	Results	Responsibility for Assessment of Performance
Professor Peter Lee	Vice Chancellor	632 374	Whole Year	Met all performance objectives	Council
Professor William MacGillivray	Deputy Vice Chancellor	404 053	Whole Year	Met all performance objectives	Vice Chancellor
Ms Helen Hughes	Executive Director, Community and Corporate Relations	291 328	Whole Year	Met all performance objectives	Vice Chancellor
Mr Travis Walker	Executive Director, Financial and Human Resources	260 571	11/2/12 to 31/12/13	Met all performance objectives	Vice Chancellor
Professor Andrew McAuley	Pro Vice Chancellor (Academic)	299 920	Whole Year	Met all performance objectives	Vice Chancellor
Mr Allan Morris	Executive Director, Information and Physical Resources	304 866	Whole Year	Met all performance objectives	Vice Chancellor
Professor Neal Ryan	Pro Vice Chancellor (Research)	335 431	Whole Year	Met all performance objectives	Vice Chancellor
Mr Chris Patton	Pro Vice Chancellor (International and Enterprise)	311 412	Whole Year	Met all performance objectives	Vice Chancellor

## Legal Change

### New legislation and changes to legislation

The University is required to report on changes in acts and subordinate legislation and significant judicial decisions affecting the statutory body or users of the services provided by the body pursuant to the *Annual Report (Statutory Bodies) Regulation 2010 (NSW)*.

#### Fair Work Amendment Act 2013 (Cth)

The *Fair Work Amendment Act 2013 (Cth)* (the “Amendment Act”) was assented to on 28 June 2013. The Amendment Act includes a number of amendments to the “Right to request flexible working arrangements” and “Parental leave” provisions which came into effect from 1 July 2013. The remaining changes will take effect from 1 January 2014, and these include, amongst other things, the introduction of anti-bullying measures, and the requirement that modern awards and enterprise agreements must contain a term requiring employers to consult with employees about changes to their regular rosters or ordinary hours of work. The University reviewed relevant policies and procedures as a result of the changes introduced by the Amendment Act.

#### Civil and Administrative Tribunal Act 2013 No 2 (NSW)

In 2013, the NSW Government established the NSW Civil and Administrative Tribunal, to be known as ‘NCAT’. The *Civil and Administrative Tribunal Act 2013 No 2 (NSW)* sets out NCAT’s governance framework and contains provisions that are required to facilitate NCAT’s establishment. More than 20 of the state’s tribunals were integrated into NCAT, which provides a single gateway for tribunal services to the people of NSW. The Administrative Decisions Tribunal is one of the Tribunals that was integrated into the new NCAT. This is of relevance to the University because access applications and privacy requests now have review avenues to the new NCAT. The *Civil and Administrative Tribunal Act 2013 No 2 (NSW)* was assented to on 20 November 2013. The Act will commence on 1 January 2014.

#### Statute Law (Miscellaneous Provisions) Act 2013 (NSW)

This legislation amended the *Southern Cross University Act 1993 (NSW)* so that documents that require authentication may be sufficiently authenticated without a seal, in accordance with section 50(3) of the *Interpretation Act 1987 (NSW)*. It also clarified the prohibition of Council members from taking part in any deliberation or decision with respect to a matter in which they have a material interest. The amendment makes it clear that the provision does not prevent the Council member from taking part in any consideration, discussion or voting with respect to their remuneration.

## Privacy and Personal Information

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

The steps that the University has taken during 2013 to ensure compliance with PPIP Act include: updating privacy collection notices for sections of the University, and providing privacy advice and information to members of the University community. The University’s Privacy Management Plan, which is published on the University’s website ([www.scu.edu.au/privacy](http://www.scu.edu.au/privacy)), sets out the University’s privacy practices including for the collection, handling, use, storage and disclosure of personal information. The Plan was reviewed during 2013 and will be formally updated in 2014.

The University conducted three reviews under Part 5 of the PPIP Act during 2013.

The first application related to an email that was sent by a student to a staff member and which contained personal information. The student complained when the email was then circulated by that staff member to members of staff, including a staff member’s external personal email address, without the consent of the student. Investigations by the reviewing officer concluded that the email had been sent to the staff member’s external address in error due to the auto-complete function within Microsoft Outlook. The reviewing officer determined that there was no evidence that the University had breached the PPIP Act in regard to the complaint. The review recommended that procedures be established to remind students of the University’s Privacy Management Plan and associated notices. It also recommended that an all-staff email be circulated to remind staff of the care that must be taken when emailing and how to disable the auto-complete function. The review recommendations were carried out by the University.

The second application related to a decision by the University to regard a privacy access application as invalid. The reviewing officer determined that the alleged conduct had occurred, that it did not comply with the information privacy principles/public register provisions and that the non-compliance was not authorised. As a result of the review, the University acted immediately to treat the privacy access application as valid, and provided the applicant with the information applied for.

The third application related to a decision by the University to not amend personal information. The complaint related to a former employee’s request for the University to amend a report drafted in 2008 by an external party. The University had offered to annex a statement by the former employee to all University records of the report to correct the personal information. The reviewing officer upheld the decision and again extended the offer to the former employee to provide a statement for the University to annex to all records of the report.

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

## Government Information (Public Access) Act 2009

### Program for the release of information

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

Procedures are in place to enable anyone wishing to obtain information to do so and the emphasis is on the facilitation of access to documentation wherever possible. As much information as practical regarding the University's affairs is publicly available or accessible through administrative mechanisms.

During the reporting period, the University conducted a review of this program. No further information was made publicly available as a result of this review.

### Number of access applications received

During 2013, the University received a total of four formal access applications (including withdrawn applications but not invalid applications).

### Number of refused applications for Schedule 1 information

The University refused a total of three formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act i.e. information for which there was a conclusive presumption of overriding public interest against disclosure. Of those applications, one was refused in full, and two were refused in part.

Statistical information about access applications is available at *Appendix D*.

## Public Interest Disclosures

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

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

### The University's report for 2013:

Number of public officials who made Public Interest Disclosures (PIDs) to the University	0
Number of PIDs received by the University	0
Of PIDs received by the University, number primarily about:	N/A
Corrupt conduct	
Maladministration	
Serious and substantial waste of public money	
Government information contravention	
Number of PIDs finalised	N/A

During 2013 the Vice Chancellor, as the head of the University, undertook the following actions to ensure that his staff awareness responsibilities under section 6E(1)(b) of the PID Act were met: Policy briefing to senior managers in relation to the University's Public Interest Disclosures Policy; staff attended training provided by the NSW Ombudsman in relation to the PID Act; links to the Public Interest Disclosures Policy were created on the University's intranet and internet sites.

## 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's aim is to have in place a strategy, structure and process to effectively identify and manage, in a timely fashion and at an appropriate level, its exposure to risk.

To achieve this, the key strategic risks faced by the University were identified and analysed and, where appropriate, action plans for the mitigation of unacceptably high risks developed.

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.

In the second half of 2013 the University commenced a phase of review and improvement of the Risk Management Framework and implementation of the associated Risk Management Action Plan was under way.

## Insurance

The University effected the following forms of insurance cover in 2013:

- Industrial Special Risk (Property)
- General and Products Liability (including Casual Hirer's Liability)
- Professional Indemnity
- Management Liability
- Medical Malpractice
- Clinical Trials
- Motor Vehicle
- Corporate Travel
- Marine Hull
- Group Personal Injury
- Workers' Compensation

Premiums for the University's core insurance protections and ancillary classes again remained relatively stable for the 2013/14 protection period.

The Professional Liability premium decreased slightly notwithstanding an increase in coverage.

The Motor Vehicle and Marine Hull insurance premiums increased marginally based on fleet value, and the cost of Corporate Travel insurance remained unaltered from the previous year.

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

# Financial and Business Services

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

- Southern Cross University
- Norsearch Limited

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

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

## Review of Operations

Southern Cross University and its controlled entities reported a consolidated net loss of \$6.7 million for the year ending 31 December 2013. The University reported a net loss of \$5.9 million, reflecting programs in teach-out and write down of asset values relating to the demolition of some of the Lismore plaza buildings in readiness for the construction of the new Learning Centre, development costs of land for resale, and library books no longer in use.

The 2013 financial performance included \$9.2 million in non-recurrent grant revenue for refurbishing phase one of the Lismore science and engineering precinct; the continued roll-out of the Personal Learning Environment; the new Learning Centre and the second phase of the Gold Coast campus.

Total consolidated revenue from continuing operations was \$192.5m reflecting a decrease of 1.2 per cent on 2012. The majority of the decrease in revenue and the flow-on to the operating result arose from Australian Commonwealth Grants. Commonwealth Grants included the Diversity and Structural Adjustment Fund, Education Investment Fund and the Commonwealth Grant scheme. In addition, revenue declined from the teach-out of some collaborations.

Consolidated expenses from continuing operations increased by 3.7 per cent on 2012. Graph 2 provides an analysis of expenditure by source compared to the prior year. Employee costs increased by 4.9 per cent due to increases in the Enterprise Bargaining Agreement and staff numbers. Depreciation expense rose by 18.5 per cent as a result of the commissioning of major assets constructed, such as the Gold Coast campus Building B. Borrowing costs were recognised

this year due to the commencement of drawdowns on the University's loan facility.

Significant decreases were made in travel-related expenses and other non-salary discretionary items.

## Investment Performance

The University's investment funds of \$16 million as at 31 December 2013 were made up of cash investments (maturing 90 days or less).

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

Cash Investments	3.87%
TCorp Hourglass Facility – Cash	1.46%

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.

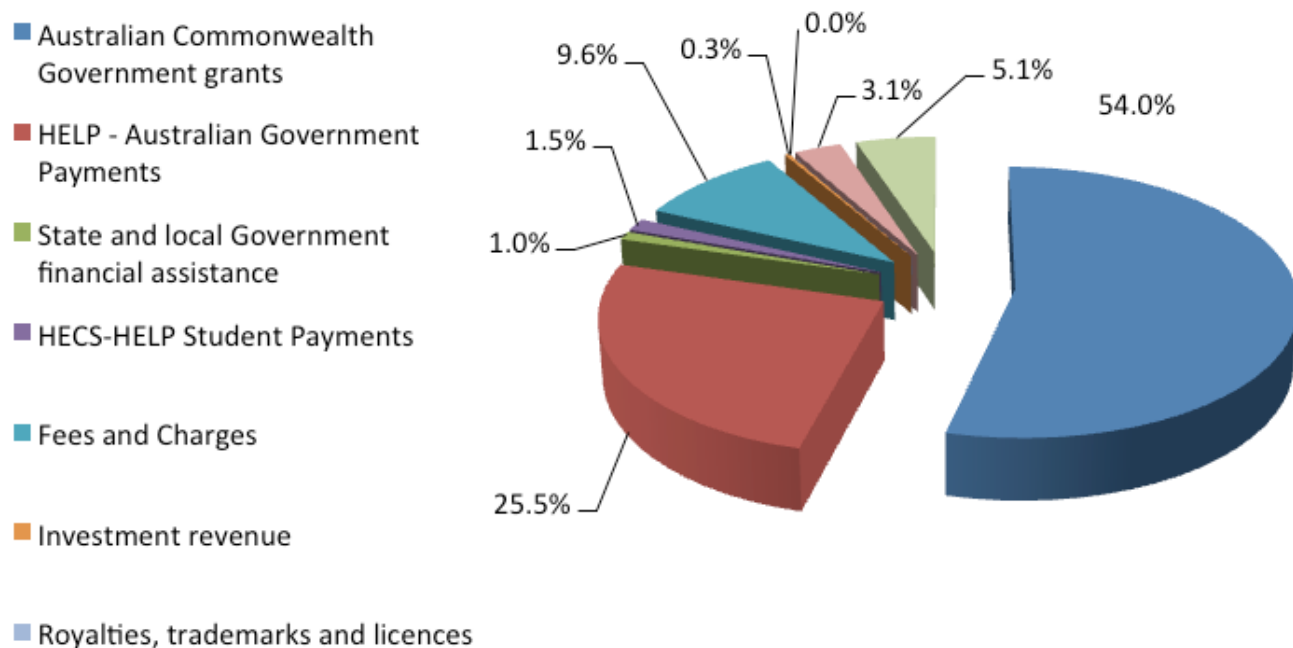
## Credit Card Certification

During the 2013 financial year, credit card use was in accordance with both the University's Corporate Credit Card Policy and Purchasing Policy. These policies are based on the requirements of the New South Wales Treasury.

Credit card use within the University was largely limited to claimable work-related travel expenses and accommodation (excluding airfares), and for minor consumable expenses where the use of credit cards is a more efficient process.

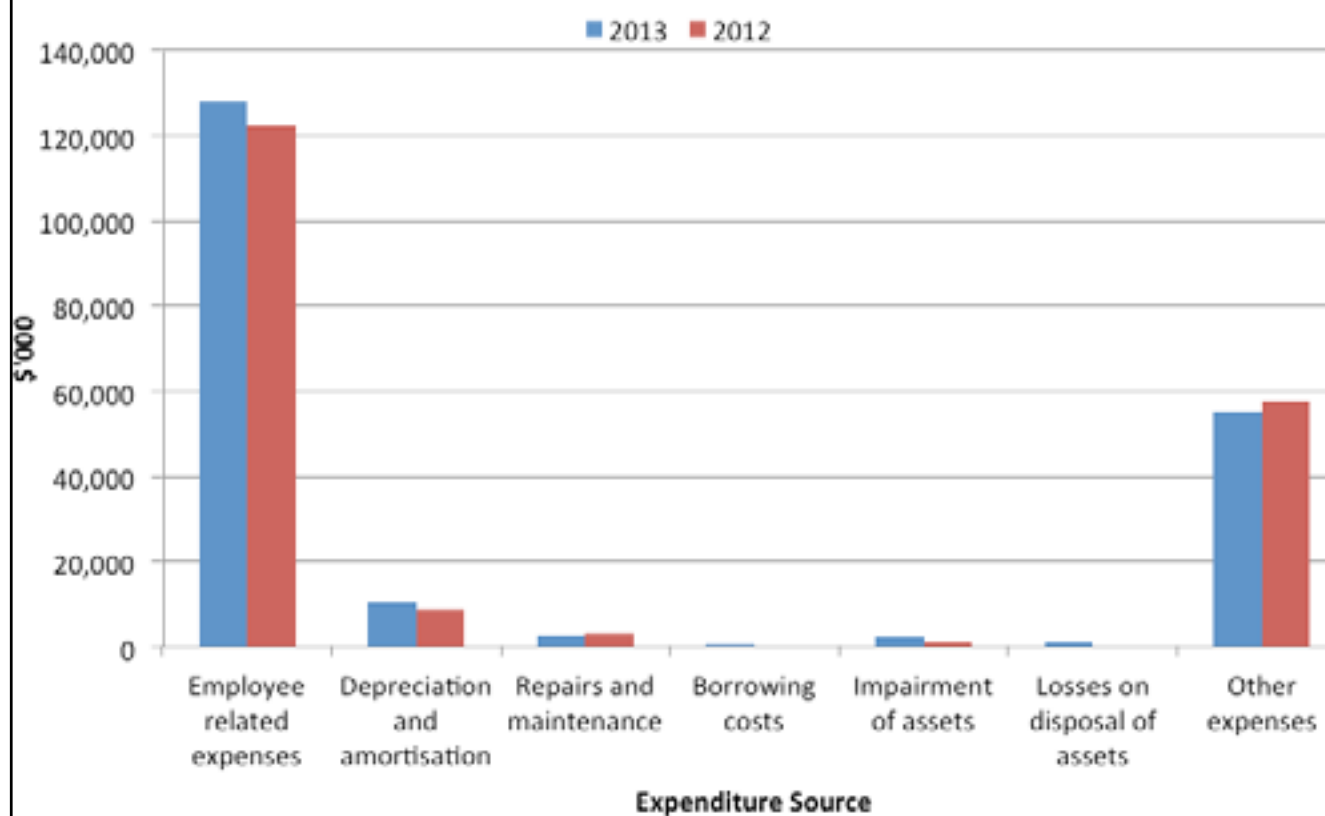
Card holders are required to sign a declaration that their obligations and duties in relation to the use of credit cards have been explained to them before a credit card is issued. Those issued with a credit card can review their expenses on a daily basis via the University's expense management system. On a monthly basis, card holders are required to verify and certify that expenses were for official University business. At this time original tax invoices must be attached to the Acquittal Document and forwarded to University administration, where they are matched with the online acquittals which have been examined and authorised by delegated senior officers. The University follows a strict process of reporting of credit cards where they are used outside of policy or not acquitted in a timely manner.

## 2013 Revenue by Source



Graph 1: Revenue by Source

## 2013 Expenditure Comparative Analysis



Graph 2: Expenditure Comparative Analysis

## Payment of Accounts

The University's payment terms in respect of its creditors are 30 days. In 2013, 79 per cent of invoices were paid in accordance with these terms. No interest was incurred during 2013.

## Land Disposal

The University disposed of its minor land holdings at 13 Parkwalk Drive, Goonellabah during 2013.

## 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 2013. Table 2 lists those consultants costing greater than \$50 000.

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

Consultancy	No.	\$s
Information Technology	3	112 159
Management Services	11	233 285
Environmental Services	2	36 871
Engineering Services	4	111 611
<b>Total consultancies costing less than \$50 000</b>		<b>493 926</b>

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

Consultant Name	Description	\$s
Aarnet	Project management services for the rollout of the upgrade of audiovisual equipment.	56 856
Arthur Shriberg	Consulting services for the Southern Cross Business School	60 808
The Parthenon Group	Consulting services for the development of international partnerships	54 323
GHD Pty Ltd	Landscaping design and planning services	59 922
Newton Denny Chappelle Surveyors	Collection of data to build 3D model of Lismore campus	50 966
Mark Norris and Associates	Review access and mobility between buildings on Lismore campus and prepare concept plans and cost estimates for upgrade works	75 081
NSW Department of Public Works	Asset condition assessments and review of roof access and fire hydrant configuration	77 574
<b>Total consultancies costing more than \$50 000</b>		<b>435 530</b>

Southern Cross University Statement of Comprehensive Income	Actual 2013 \$,000	Budget 2013 \$,000	Budget 2014 \$,000
<b>Income from continuing operations</b>			
Australian Government financial assistance			
Australian Government grants	104 195	96 018	117 717
HELP - Australian Government payment	49 152	44 163	50 817
State and local government financial assistance	1 851	-	-
HECS-HELP - student payment	2 838	3 077	3 170
Fees and charges	18 572	28 115	25 148
Investment revenue	549	477	381
Royalties, trademarks and licences	553	-	-
Consultancy and contracts	5 948	2 546	4 011
Other revenue	8 867	11 190	11 169
<b>Total revenue from continuing operations</b>	<b>192 525</b>	<b>185 110</b>	<b>212 413</b>
Gain on disposal of assets	-	-	-
Share of profit on investments accounted for using the equity method	405	-	-
Gain on foreign exchange differences	99	-	-
<b>Total revenue and income from continuing operations</b>	<b>193 029</b>	<b>185 110</b>	<b>212 413</b>
<b>Expenses from continuing operations</b>			
Employee related expenses	128 087	128 452	127 831
Depreciation and amortisation	10 280	6 310	10 598
Repairs and maintenance	2 556	2 287	3 346
Borrowing costs	447		2 200
Impairment of assets	2 247	-	-
Loss on disposal of assets	829		
Deferred superannuation expense	110	-	-
Other expenses	55 194	55 356	58 962
<b>Total expenses from continuing operations</b>	<b>199 750</b>	<b>192 404</b>	<b>202 937</b>
<b>Net result from continuing operations</b>	<b>(6 721)</b>	<b>(7 293)</b>	<b>9 475</b>
<b>Net result attributable to members of Southern Cross University</b>	<b>(6 721)</b>	<b>(7 293)</b>	<b>9 475</b>

Southern Cross University Statement of financial position		Actual 2013 \$,000	Budget 2013 \$,000	Budget 2014 \$,000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		18 920	19 250	12 382
Trade and other receivables		13 470	6 042	8 586
Inventories		26	8	-
Other assets		3 321	2 720	3 339
<b>Total current assets</b>		<b>35 737</b>	<b>28 020</b>	<b>24 307</b>
<b>Non-current assets</b>				
Trade and other receivables		53 052	56 827	71 966
Investments accounted for using the equity method		(1 719)	275	-
Property, plant and equipment		230 071	259 700	273 464
Investment property		825	1 210	825
Intangible assets		467	1 916	1 389
<b>Total non-current assets</b>		<b>282 696</b>	<b>319 928</b>	<b>347 644</b>
<b>Total assets</b>		<b>318 433</b>	<b>347 948</b>	<b>371 951</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		10 779	9 591	12 513
Borrowings		2 440	-	2 440
Provisions		21 692	20 660	23 688
Other liabilities		7 898	7 731	5 900
<b>Total current liabilities</b>		<b>42 809</b>	<b>37 982</b>	<b>44 541</b>
<b>Non-current liabilities</b>				
Trade and other payables		-	42 560	-
Borrowings		18 340	-	38 900
Provisions		55 689	59 552	73 617
<b>Total non-current liabilities</b>		<b>74 029</b>	<b>102 112</b>	<b>112 517</b>
<b>Total liabilities</b>		<b>116 838</b>	<b>140 094</b>	<b>157 058</b>
<b>Net assets</b>		<b>201 595</b>	<b>207 854</b>	<b>214 893</b>
<b>Equity</b>		<b>201 595</b>	<b>207 854</b>	<b>214 893</b>
<b>Total equity</b>		<b>201 595</b>	<b>207 854</b>	<b>214 893</b>

# Southern Cross University and Controlled Entities

ABN 41 995 651 524

## Financial Statements for the 2013 Reporting Period

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## Financial Statements for the 2013 Reporting Period

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## Statement by the Members of Council

31 December 2013

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 report of Southern Cross University exhibits a true and fair view of the financial position as at 31 December 2013 and financial performance of the University for the financial year ended on that date;

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

(c) The financial report has been prepared in accordance with Australian Accounting Standards, other mandatory professional reporting requirements, the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010* and the *Financial Statement Guidelines for Australian Higher Education Providers 2013*;

(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 fee 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 report 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.



John Dowd  
Chancellor



Peter Lee  
Vice Chancellor

Dated

4 APRIL 2014

## Statement of Comprehensive Income

For the Year Ended 31 December 2013

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Net result from continuing operations</b>	(6,721)	3,347	(5,949)	3,912
Items that will not be reclassified to profit or loss				
Net actuarial gain/(loss) recognised in respect of Defined Benefits Plans	325	(86)	325	(86)
<b>Total comprehensive income</b>	<b>(6,396)</b>	<b>3,261</b>	<b>(5,624)</b>	<b>3,826</b>
<b>Total comprehensive income attributable to:</b>				
Members of the parent entity	(6,396)	3,261	(5,624)	3,826
<b>Total</b>	<b>(6,396)</b>	<b>3,261</b>	<b>(5,624)</b>	<b>3,826</b>

The accompanying notes form part of these financial statements.

## Income Statement

For the Year Ended 31 December 2013

	Note	Consolidated		Parent	
		2013 000's \$	2012 000's \$	2013 000's \$	2012 000's \$
<b>Revenue from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	104,195	106,594	104,195	106,594
HELP - Australian Government Payment	2	49,152	44,962	49,152	44,962
State and local Government financial assistance	3	1,851	1,554	1,851	1,554
HECS-HELP - Student Payments		2,838	3,077	2,838	3,077
Fees and charges	4	18,572	19,174	18,572	19,174
Investment revenue	5	549	1,439	1,434	2,209
Royalties, trademarks and licences	6	553	551	553	551
Consultancy and contracts	7	5,948	7,158	5,948	7,158
Other revenue	8	8,867	10,398	7,738	8,304
<b>Total revenue from continuing operations</b>		<b>192,525</b>	<b>194,907</b>	<b>192,281</b>	<b>193,583</b>
Gains on disposal of assets		-	623	-	623
Share of profit on investments accounted for using the equity method	20	405	382	-	-
Gain on exchange differences		99	-	99	-
<b>Total revenue and income from continuing operations</b>		<b>193,029</b>	<b>195,912</b>	<b>192,380</b>	<b>194,206</b>
Employee related expenses	9	128,087	122,101	126,862	120,702
Depreciation and amortisation	10	10,280	8,674	10,276	8,655
Repairs and maintenance	11	2,556	2,961	2,550	2,931
Borrowing costs	12	447	-	447	-
Impairment of assets	13	2,247	1,105	2,247	1,104
Loss on disposal of assets		829	-	829	-
Deferred superannuation expense		110	128	110	128
Other expenses	14	55,194	57,596	55,008	56,774
<b>Total expenses from continuing operations</b>		<b>199,750</b>	<b>192,565</b>	<b>198,329</b>	<b>190,294</b>
<b>Net result from continuing operations</b>		<b>(6,721)</b>	<b>3,347</b>	<b>(5,949)</b>	<b>3,912</b>
<b>Net result attributable to members of Southern Cross University</b>		<b>(6,721)</b>	<b>3,347</b>	<b>(5,949)</b>	<b>3,912</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As At 31 December 2013

		Consolidated		Parent	
		2013	2012	2013	2012
		000's	000's	000's	000's
	Note	\$	\$	\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	16	18,920	12,176	18,860	12,107
Receivables	17	13,470	7,788	14,372	8,352
Inventories	18	26	35	6	9
Other non-financial assets	19	3,321	3,238	3,315	3,238
<b>Total current assets</b>		<b>35,737</b>	<b>23,237</b>	<b>36,553</b>	<b>23,706</b>
<b>Non-current assets</b>					
Receivables	17	53,052	66,388	53,052	66,388
Investments accounted for using the equity method	20	(1,719)	(1,237)	275	275
Property, plant and equipment	22	230,071	226,490	230,057	226,472
Investment properties	21	825	1,000	825	1,000
Intangible assets	23	467	1,539	467	1,539
<b>Total non-current assets</b>		<b>282,696</b>	<b>294,180</b>	<b>284,676</b>	<b>295,674</b>
<b>Total assets</b>		<b>318,433</b>	<b>317,417</b>	<b>321,229</b>	<b>319,380</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	24	10,779	11,795	10,694	11,705
Borrowings	25	2,440	-	2,440	-
Provisions	26	21,692	22,328	21,646	22,215
Other liabilities	27	7,898	5,912	7,898	5,904
<b>Total current liabilities</b>		<b>42,809</b>	<b>40,035</b>	<b>42,678</b>	<b>39,824</b>
<b>Non-current liabilities</b>					
Borrowings	25	18,340	-	18,340	-
Provisions	26	55,689	69,391	55,670	69,391
<b>Total non-current liabilities</b>		<b>74,029</b>	<b>69,391</b>	<b>74,010</b>	<b>69,391</b>
<b>Total liabilities</b>		<b>116,838</b>	<b>109,426</b>	<b>116,688</b>	<b>109,215</b>
<b>Net assets</b>		<b>201,595</b>	<b>207,991</b>	<b>204,541</b>	<b>210,165</b>
<b>Equity</b>					
Retained earnings	28	201,595	207,991	204,541	210,165
<b>Total equity</b>		<b>201,595</b>	<b>207,991</b>	<b>204,541</b>	<b>210,165</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

### For the Year Ended 31 December 2013

	Parent	
	Retained Earnings	Total
	000's	000's
	\$	\$
<b>Balance at 1 January 2012</b>	<b>206,339</b>	<b>206,339</b>
Net result for the year	3,912	3,912
Other comprehensive income	(86)	(86)
<b>Balance at 31 December 2012</b>	<b>210,165</b>	<b>210,165</b>
<b>Balance at 1 January 2013</b>	<b>210,165</b>	<b>210,165</b>
Net result for the year	(5,949)	(5,949)
Other comprehensive income	325	325
<b>Balance at 31 December 2013</b>	<b>204,541</b>	<b>204,541</b>

	Consolidated	
	Retained Earnings	Total
	000's	000's
	\$	\$
<b>Balance at 1 January 2012</b>	<b>204,730</b>	<b>204,730</b>
Net result for the year	3,347	3,347
Other comprehensive income	(86)	(86)
<b>Balance at 31 December 2012</b>	<b>207,991</b>	<b>207,991</b>
<b>Balance at 1 January 2013</b>	<b>207,991</b>	<b>207,991</b>
Net result for the year	(6,721)	(6,721)
Other comprehensive income	325	325
<b>Balance at 31 December 2013</b>	<b>201,595</b>	<b>201,595</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 December 2013

		Consolidated		Parent	
		2013	2012	2013	2012
		000's	000's	000's	000's
Note		\$	\$	\$	\$
<b>Cash flows from operating activities:</b>					
Australian Government Grants	2(h)	146,347	151,855	146,347	151,855
OS-HELP (net)	2(h)	(167)	4	(167)	4
State Government Grants		2,321	1,628	2,321	1,628
HECS-HELP - Student payments		2,168	3,058	2,168	3,058
Receipts from student fees and other customers		39,344	33,867	37,766	33,867
Payments to suppliers and employees		(192,498)	(183,465)	(190,976)	(183,429)
Interest received		562	1,611	560	1,609
Interest paid		(402)	-	(402)	-
GST recovered/paid		3,585	6,230	3,654	6,296
Net cash provided by operating activities	37	1,260	14,788	1,271	14,888
<b>Cash flows from investing activities:</b>					
Proceeds from sale of property, plant and equipment		557	790	557	677
Proceeds from disposal of non-current assets held for sale		-	1,530	-	1,530
Joint venture distributions received		887	848	887	848
Purchase of property, plant and equipment		(16,740)	(38,992)	(16,742)	(38,975)
Purchase of intangible assets		-	(1,257)	-	(1,257)
Net cash used by investing activities		(15,296)	(37,081)	(15,298)	(37,177)
<b>Cash flows from financing activities:</b>					
Proceeds from borrowings		22,000	-	22,000	-
Payment of borrowings		(1,220)	-	(1,220)	-
Net cash provided by financing activities		20,780	-	20,780	-
Net increase / (decrease) in cash and cash equivalents held		6,744	(22,293)	6,753	(22,289)
Cash and cash equivalents at beginning of financial year		12,176	34,469	12,107	34,396
Cash and cash equivalents at end of financial year	16	18,920	12,176	18,860	12,107

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements is set out below. The policies have been applied for all years presented 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 subsidiaries.

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 general purpose financial statements of Southern Cross University have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

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

- *Higher Education Support Act 2003 (Financial Statement Guidelines)*
- *Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2010.*

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 4 April 2014.

##### *Historical cost convention*

These financial statements have been prepared on an accrual basis and under the historical cost convention, as modified by the measurement at fair value of 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. 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (b) Principles of Consolidation

###### *(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Southern Cross University ('parent entity') as at 31 December 2013 and the results of all subsidiaries for the year then ended. Southern Cross University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

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

###### *(ii) Joint ventures*

###### Joint venture operations

The proportionate interests in the assets, liabilities and expenses of a joint venture operation have been incorporated into the financial statements under the appropriate headings. Details of the joint venture are set out in note 35.

###### Joint venture entities

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and statement of changes in equity. Details relating to the entity are set out in note 20.

##### (c) 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 2013 Reporting Period*, as published by the Department of Education.

The comparative information in the income statement for Royalties, trademarks and licences and Other revenue was amended by \$537,000 for changes to the disclosure of licence fees relating to student accommodation. Deferred superannuation expense was amended by \$96,000 for changes resulting from revisions to AASB 119 Employee Benefits, refer to note 1 e).

The comparative information in the statement of cash flows for Joint venture distributions received has been reclassified to investing activities due to the nature of the arrangements with joint venture partners.

## Notes to the Financial Statements

For the Year Ended 31 December 2013

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

#### (c) Comparative Amounts (continued)

The comparative information in the note disclosures of Employee related expenses, Receivables, Other Liabilities, Key Management Personnel, Financial Risk Management, Fair Value Measurement and the Reconciliation of net result to net cash flow provided from operating activities have also been reclassified and amended.

#### (d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

##### *(i) Government Grants*

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

##### *(ii) HELP payments*

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

##### *(iii) Student fees and charges*

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

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

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

##### *(v) Consultancy and contracts*

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

##### *(vi) Lease income*

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (e) Employee benefits

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

Liabilities for short-term employee benefits including wages and salaries 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 employee benefits such as annual leave, and long service leave is recognised in current provisions for employee benefits if it is expected to be settled wholly before twelve months after the end of the reporting period. It is measured at the present value 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 twelve months after the reporting date, in which case it would be classified as a non-current liability.

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

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group 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 the Group and the Group's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the Group's plan.

A liability or asset in respect of defined benefit superannuation plans is recognised in the 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 and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

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 when payable.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (e) Employee benefits (continued)

###### *(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 Group recognises termination benefits as an expense when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before twelve months after the end of the reporting period are discounted to present value.

###### *(v) Changes in accounting policy*

The adoption of the revised AASB 119 resulted in two changes to Southern Cross University's accounting policy which affected items recognised in the financial statements:

All past service costs are now recognised immediately in the income statement. Previously, past service costs were amortised on a straight line basis over the vesting period where the changes to the superannuation fund are conditional on employees remaining in service for a specified period of time. This has not had a material impact on the income statement.

The amount of the defined benefit expense that would have been recognised in profit and loss under the revised standard is higher than the amount that would have been recognised previously, with an equal and opposite change to the amount recognised as remeasurement in comprehensive income. This is the result of the replacement of the expected return on plan assets and separate interest amounts with a net interest amount. The net impact on total comprehensive income is nil and accordingly there is no impact on the statement of financial position for this change.

As the revised standard must be adopted retrospectively, adjustments to the retired benefit obligations have been recognised at the beginning of the earliest period presented (1 January 2012) and the income statement and statement of comprehensive income were restated for the comparative period.

The revised standard has also changed the accounting for employee benefit obligations, namely annual leave and sick leave. As the entity does not expect the annual leave obligation to be settled wholly within twelve months from the end of the reporting period, it is classified as long-term benefits in its entirety. This has changed measurement of the obligation as it is now measured on a discounted basis and no longer split into short and long term portions. This has not had a material impact on the value of the obligation as the majority of the leave is still expected to be taken within a short timeframe after the end of the reporting period.

##### (f) 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (g) Leases

Leases of property, plant and equipment where the Group, 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 32).

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

##### (h) Income Tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction effects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

Current and deferred tax balances attributable to amounts recognised outside profit and loss are also recognised outside profit and loss.

## Notes to the Financial Statements

For the Year Ended 31 December 2013

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

#### (i) 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.

#### (j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

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

#### (k) Inventories

##### *(i) Finished goods*

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.

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

##### **Classification**

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

##### *(i) Loans and receivables*

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

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

###### Subsequent measurement

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

###### Impairment

The Group 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 are reversed through the income statement.

##### (m) 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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	Useful Life (years)
Buildings	10-60
Plant and equipment	2-30
Improvements	5
Infrastructure	7 - 70
Library collections	5

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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (n) Investment property

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

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

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

The investment properties are depreciated on a straight line basis over 40 years.

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

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

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

##### (q) Trade and other payables

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

##### (r) Provisions

Provisions for legal claims and service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events it is probable that an outflow of resources will be required to settle the obligation and the amount 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (r) Provisions (continued)

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.

##### (s) 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 Group 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.

##### (t) Fair value measurement

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

The Group 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 Group 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 Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (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 Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (t) Fair value measurement (continued)

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

##### (u) Unfunded Superannuation

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

The unfunded liabilities recorded in the statement of financial position under Provisions have been determined by independent actuaries appointed by each defined benefit plan and relate to the assessment of the gross superannuation liabilities for the defined benefits scheme administered by the SAS Trustee Corporation for the year ended 31 December 2013.

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 balance sheet under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not effect the year end net asset position of the University.

For specific treatments and disclosures refer to note 40.

##### (v) Foreign currency translation

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

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

###### *(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 2013

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

##### (v) Foreign currency translation (continued)

Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are 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.

##### (w) 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.

##### (x) Web site costs

Costs in relation to web sites controlled by a subsidiary arising from development are recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in AASB 138: Intangible Assets, the subsidiary can demonstrate that it is technically feasible to complete the intangible asset so that it will be available for use or sale, there is an intent to do so, the intangible asset can be used or sold, it will generate probable future economic benefits, adequate technical, financial and other resources are available to complete its development and use or sell the intangible asset and expenditure attributable to the intangible asset during its development can be measured reliably.

When these criteria cannot be satisfied, all expenditure on developing such a web site shall be recognised as an expense when incurred. Expenditure on start-up activities is recognised as an expense when incurred.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard Name	Application date	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2017	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 11 Joint Arrangements, AASB 128 Investments in Associates and AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments	1 January 2014	AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). AASB 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.	All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.
AASB 13 Fair Value Measurement.	1 January 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.
AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]		There are a number of additional disclosure requirements.	The entity has not yet determined the magnitude of any changes which may be needed.  Some additional disclosures will be needed.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

# Notes to the Financial Statements

For the Year Ended 31 December 2013

## 2 Australian government financial assistance including HECS-HELP and other Australian government loans

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

	Note	Consolidated		Parent	
		2013 000's	2012 000's	2013 000's	2012 000's
		\$	\$	\$	\$
Commonwealth Grants Scheme		74,181	73,924	74,181	73,924
Indigenous Support Program		1,002	898	1,002	898
Partnership and Participation Program		3,065	1,764	3,065	1,764
Disability Support Program		152	133	152	133
Diversity and Structural Adjustment Fund		1,700	3,700	1,700	3,700
Transitional Cost Program		-	68	-	68
Promotion of Excellence in Learning and Teaching		144	225	144	225
Reward funding		351	319	351	319
<b>Total Commonwealth Grants Scheme and Other Grants</b>	41(a)	<b>80,595</b>	<b>81,031</b>	<b>80,595</b>	<b>81,031</b>

### (b) Higher Education Loan Programmes

HECS - HELP		42,356	38,395	42,356	38,395
FEE - HELP		5,961	6,196	5,961	6,196
SA-HELP payments		835	371	835	371
<b>Total Higher Education Loan Programmes</b>	41(b)	<b>49,152</b>	<b>44,962</b>	<b>49,152</b>	<b>44,962</b>

### (c) Scholarships

Australian Postgraduate Awards		1,580	1,556	1,580	1,556
International Postgraduate Research Scholarships		133	128	133	128
Commonwealth Education Costs Scholarship		(382)	518	(382)	518
Commonwealth Accommodation Scholarships		(750)	580	(750)	580
Indigenous Access scholarships		(4)	110	(4)	110
<b>Total Scholarships</b>	41(c)	<b>577</b>	<b>2,892</b>	<b>577</b>	<b>2,892</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 2 Australian government financial assistance including HECS-HELP and other Australian government loans (continued)

#### (d) Education Research

		Consolidated		Parent	
		2013 000's \$	2012 000's \$	2013 000's \$	2012 000's \$
Joint Research Engagement Program		1,552	1,673	1,552	1,673
Research Training Scheme		3,584	3,605	3,584	3,605
Research Infrastructure Block Grants		466	341	466	341
Sustainable Research Excellence in Universities		729	521	729	521
<b>Total Education Research</b>	41(d)	<b>6,331</b>	<b>6,140</b>	<b>6,331</b>	<b>6,140</b>

#### (e) Other Capital Funding

Education Investment Fund		7,500	8,093	7,500	8,093
<b>Total Other Capital Funding</b>	41(e)	<b>7,500</b>	<b>8,093</b>	<b>7,500</b>	<b>8,093</b>

#### (f) Australian Research Council

##### (i) Discovery

Discovery - Projects		585	631	585	631
Discovery - Fellowships		483	555	483	555
Discovery - Indigenous Researchers Development		(64)	-	(64)	-

<b>Total Discovery</b>	41(f)(i)	<b>1,004</b>	<b>1,186</b>	<b>1,004</b>	<b>1,186</b>
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##### (ii) Linkages

Linkages - Infrastructure		240	450	240	450
Linkages - Projects		855	1,171	855	1,171

<b>Total Linkages</b>	41(f)(ii)	<b>1,095</b>	<b>1,621</b>	<b>1,095</b>	<b>1,621</b>
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<b>Total ARC</b>	41(f)	<b>2,099</b>	<b>2,807</b>	<b>2,099</b>	<b>2,807</b>
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#### (g) Other Australian Government Financial Assistance

##### Non-capital

Department of Education		2,695	1,236	2,695	1,236
Health Workforce Australia		1,101	655	1,101	655
Australian Centre for International Agricultural Research		1,162	241	1,162	241
Other		1,999	2,445	1,999	2,445

<b>Total</b>		<b>6,957</b>	<b>4,577</b>	<b>6,957</b>	<b>4,577</b>
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## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 2 Australian government financial assistance including HECS-HELP and other Australian government loans (continued)

#### (g) Other Australian Government Financial Assistance (continued)

<b>Capital</b>				
Health Workforce Australia	<b>136</b>	1,054	<b>136</b>	1,054
<b>Total</b>	<b>136</b>	1,054	<b>136</b>	1,054
<b>Total Other Australian Government Financial Assistance</b>	<b>7,093</b>	5,631	<b>7,093</b>	5,631
<b>Total Australian Government Financial Assistance</b>	<b>153,347</b>	151,556	<b>153,347</b>	151,556

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>000's</b>	<b>000's</b>	<b>000's</b>	<b>000's</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Reconciliation</b>				
Australian Government Grants (a + c + d + e + f + g)	<b>104,195</b>	106,594	<b>104,195</b>	106,594
HECS - HELP	<b>42,356</b>	38,395	<b>42,356</b>	38,395
FEE - HELP	<b>5,961</b>	6,196	<b>5,961</b>	6,196
SA-HELP payments	<b>835</b>	371	<b>835</b>	371
<b>Total Australian Government Financial Assistance</b>	<b>153,347</b>	151,556	<b>153,347</b>	151,556

#### (h) Australian Government Grants received - cash basis

CGS and Other EDUCATION Grants	<b>81,021</b>	81,032	<b>81,021</b>	81,032
Higher Education Loan Programmes	<b>47,448</b>	45,146	<b>47,448</b>	45,146
Scholarships	<b>577</b>	1,208	<b>577</b>	1,208
EDUCATION research	<b>6,331</b>	7,824	<b>6,331</b>	7,824
Other Capital Funding	<b>2,500</b>	8,093	<b>2,500</b>	8,093
ARC grants - Discovery	<b>1,005</b>	631	<b>1,005</b>	631
ARC grants - Linkages	<b>1,095</b>	2,176	<b>1,095</b>	2,176
Other Australian Government Grants	<b>6,370</b>	5,745	<b>6,370</b>	5,745
<b>Total Australian Government Grants received - cash basis</b>	<b>146,347</b>	151,855	<b>146,347</b>	151,855
OS-HELP (Net)	<b>(167)</b>	4	<b>(167)</b>	4
<b>Total Australian Government funding received - cash basis</b>	<b>146,180</b>	151,859	<b>146,180</b>	151,859

41(g)

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 3 State and local government financial assistance

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

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Non-capital</b>				
New South Wales	936	690	936	690
Queensland	360	261	360	261
Victoria	234	250	234	250
South Australia	146	85	146	85
Northern Territory	-	28	-	28
<b>Total</b>	<b>1,676</b>	<b>1,314</b>	<b>1,676</b>	<b>1,314</b>
<b>Capital</b>				
New South Wales	175	-	175	-
Queensland	-	200	-	200
Western Australia	-	40	-	40
<b>Total</b>	<b>175</b>	<b>240</b>	<b>175</b>	<b>240</b>
<b>Total State and Local Government Financial Assistance</b>	<b>1,851</b>	<b>1,554</b>	<b>1,851</b>	<b>1,554</b>

#### 4 Fees and charges

##### Course Fees and Charges

Fee-paying overseas students	14,562	15,564	14,562	15,564
Fee-paying domestic postgraduate students	2,071	2,259	2,071	2,259
Fee-paying domestic non-award students	114	94	114	94
Fee-paying domestic undergraduate students	93	148	93	148
Continuing education	6	3	6	3
<b>Total Course Fees and Charges</b>	<b>16,846</b>	<b>18,068</b>	<b>16,846</b>	<b>18,068</b>

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

Student Services and Amenities Fees from students	41(h)	830	400	830	400
Late fees		89	129	89	129
Rental charges		-	5	-	5
Student accommodation		565	331	565	331
Other services		242	241	242	241
<b>Total Other Fees and Charges</b>		<b>1,726</b>	<b>1,106</b>	<b>1,726</b>	<b>1,106</b>
<b>Total Fees and Charges</b>		<b>18,572</b>	<b>19,174</b>	<b>18,572</b>	<b>19,174</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 5 Investment revenue and income

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
Interest received	549	1,439	547	1,438
Joint venture distributions	-	-	887	771
<b>Total investment revenue</b>	<b>549</b>	<b>1,439</b>	<b>1,434</b>	<b>2,209</b>

#### 6 Royalties, trademarks and licences

Royalties, trademarks and licences	553	551	553	551
<b>Total royalties, trademarks and licences</b>	<b>553</b>	<b>551</b>	<b>553</b>	<b>551</b>

#### 7 Consultancy and contracts

Consultancy	2,011	1,654	2,011	1,654
Contract research	3,937	5,504	3,937	5,504
<b>Total consultancy and contracts</b>	<b>5,948</b>	<b>7,158</b>	<b>5,948</b>	<b>7,158</b>

#### 8 Other revenue and income

##### Other revenue

Donations and bequests	5	140	5	140
Scholarships and prizes	308	224	308	224
Sale of goods	254	307	95	88
Rental income	464	453	464	453
Cost recoveries	2,357	2,381	2,357	2,383
Bad debts recovered	8	42	6	42
Immersion program	121	35	121	35
Printery sales	65	84	70	85
Catering income	160	390	152	126
Scientific testing	3,127	3,697	3,127	3,697
Conferences and workshops	242	302	103	90
Facilities hire	119	110	112	102
Miscellaneous sales	798	689	724	667
Other revenue	839	1,544	94	172
<b>Total other revenue</b>	<b>8,867</b>	<b>10,398</b>	<b>7,738</b>	<b>8,304</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 9 Employee related expenses

	Note	Consolidated		Parent	
		2013 000's \$	2012 000's \$	2013 000's \$	2012 000's \$
<b>Academic</b>					
Salaries		48,872	44,673	48,872	44,673
Contributions to superannuation and pension schemes:					
- Emerging cost		245	278	245	278
- Funded		6,824	6,455	6,824	6,455
Payroll tax		3,211	3,082	3,211	3,082
Worker's compensation		271	201	271	201
Long service leave		401	2,528	401	2,528
Annual leave		3,195	3,257	3,195	3,257
Other		573	502	573	502
<b>Total academic</b>		<b>63,592</b>	<b>60,976</b>	<b>63,592</b>	<b>60,976</b>
<b>Non-academic</b>					
Salaries		47,913	44,474	46,875	43,312
Contributions to superannuation and pension schemes:					
- Emerging cost		266	358	266	358
- Funded		7,112	6,655	7,024	6,537
Payroll tax		3,127	3,088	3,063	3,011
Worker's compensation		262	202	259	197
Long service leave		992	2,803	995	2,796
Annual leave		3,623	2,820	3,588	2,790
Other		1,200	725	1,200	725
<b>Total non-academic</b>		<b>64,495</b>	<b>61,125</b>	<b>63,270</b>	<b>59,726</b>
<b>Total employee related expenses</b>		<b>128,087</b>	<b>122,101</b>	<b>126,862</b>	<b>120,702</b>
Deferred superannuation expense		110	128	110	128
<b>Total employee related expenses, including deferred Government Employee Benefits for Superannuation</b>		<b>128,197</b>	<b>122,229</b>	<b>126,972</b>	<b>120,830</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2013

## 10 Depreciation and amortisation

	Note	Consolidated		Parent	
		2013 000's \$	2012 000's \$	2013 000's \$	2012 000's \$
<b>Depreciation</b>					
Buildings		5,250	4,363	5,250	4,363
Plant and equipment		3,928	3,225	3,928	3,225
Infrastructure		413	403	409	384
Leasehold improvements		124	187	124	187
Library collection		379	383	379	383
Investment property		42	42	42	42
<b>Total depreciation</b>		<b>10,136</b>	<b>8,603</b>	<b>10,132</b>	<b>8,584</b>
<b>Amortisation</b>					
Computer software		144	71	144	71
<b>Total depreciation and amortisation</b>		<b>10,280</b>	<b>8,674</b>	<b>10,276</b>	<b>8,655</b>
<b>11 Repairs and maintenance</b>					
Building and plant maintenance		2,556	2,961	2,550	2,931
<b>Total repairs and maintenance</b>		<b>2,556</b>	<b>2,961</b>	<b>2,550</b>	<b>2,931</b>
<b>12 Borrowing costs</b>					
Interest expense		447	-	447	-
<b>Total borrowing costs expensed</b>		<b>447</b>	<b>-</b>	<b>447</b>	<b>-</b>
<b>13 Impairment of assets</b>					
Trade receivables		435	398	435	397
Buildings		(32)	461	(32)	461
Plant and equipment		(30)	30	(30)	30
Library collection		683	-	683	-
Infrastructure		1,058	-	1,058	-
Investment property		133	216	133	216
<b>Total impairment of assets</b>		<b>2,247</b>	<b>1,105</b>	<b>2,247</b>	<b>1,104</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 14 Other expenses

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
Advertising	3,312	3,325	3,305	3,305
Audit and legal fees	390	937	363	902
Bank charges	123	158	106	150
Books and subscriptions	1,776	1,957	1,776	1,957
Cleaning	944	804	881	742
Commission to agents	3,234	3,869	3,234	3,869
Consulting and professional fees	12,697	12,566	12,458	12,316
Contributions	605	851	605	851
Entertainment	31	372	269	354
Equipment hire	887	727	853	678
Freight	392	449	391	449
Fringe benefits tax	224	385	224	372
Insurance	778	757	778	757
Laboratory consumables	628	757	628	757
Leased equipment charges	1,220	1,120	1,220	1,120
Non-capitalised equipment	3,167	3,850	3,153	3,788
Other expenses	2,992	3,448	3,313	3,616
Printing and stationery	875	886	868	867
Property and facilities costs	1,808	1,929	1,802	1,924
Scholarships, prizes and awards	5,336	4,803	5,237	4,679
Security costs	1,497	892	1,481	867
Software expenses	3,049	2,674	3,045	2,653
Subscriptions	687	662	685	660
Telephone and fax	1,195	1,187	1,193	1,177
Travel and staff development	4,477	5,537	4,457	5,476
Utilities	2,870	2,694	2,683	2,488
<b>Total other expenses</b>	<b>55,194</b>	<b>57,596</b>	<b>55,008</b>	<b>56,774</b>

#### 15 Income Tax Expense

Taxable net result before income tax expense	3	159	-	-
Tax at the Australian tax rate of 30% (2012: 30%)	1	48	-	-
Reduction of deferred tax from previous year	(1)	(48)	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 16 Cash and cash equivalents

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
Cash at bank and on hand	2,920	2,676	2,860	2,607
Deposits at call	16,000	9,500	16,000	9,500
Total cash and cash equivalent	18,920	12,176	18,860	12,107

#### (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	18,920	12,176	18,860	12,107
Balance as per cash flow statement	18,920	12,176	18,860	12,107

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

Cash in operating accounts are at variable interest rates.

#### (c) Deposits at call

The deposits are at floating interest rates between 2.50% and 3.70% (2012:4.05% and 4.30%). These deposits have an average maturity of 90 days (2012:38 days).

#### 17 Receivables

##### Current

Trade receivables		9,386	4,563	9,345	4,536
Student fees receivable		1,474	2,178	1,474	2,178
Less: Provision for impaired receivables		(860)	(989)	(860)	(987)
		10,000	5,752	9,959	5,727
Related party receivables	33(e)	-	-	946	593
OS-HELP Receivable	41(g)	180	13	180	13
Other receivables		3,290	2,023	3,287	2,019
Total current receivables		13,470	7,788	14,372	8,352

##### Non-current

Deferred government contribution for superannuation		52,749	66,034	52,749	66,034
Other receivables		303	354	303	354
Total non-current receivables		53,052	66,388	53,052	66,388

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 17 Receivables (continued)

##### (a) Impaired receivables

As at 31 December 2013 current receivables of the Group with a nominal value of \$859,551 (2012:\$988,635) were impaired. The amount of the provision was \$859,551 (2012:\$988,635). The individually impaired receivables mainly relate to student fees not yet collected and a wide variety of trade debtors.

The ageing of these receivables is as follows:

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
0 to 3 months	6	4	6	4
3 to 6 months	35	69	35	68
Over 6 months	819	916	819	915
	<b>860</b>	<b>989</b>	<b>860</b>	<b>987</b>

As at 31 December 2013 trade receivables of \$1,042,846 (2012: \$1,456,931 ) were past due but not impaired. These relate to student fees not yet collected and a wide variety of trade debtors. The ageing analysis of these receivables is as follows:

##### Trade Receivables

Between 0 to 3 months	185	485	147	485
Between 3 to 6 months	847	971	847	971
Over 6 months	11	1	11	1
	<b>1,043</b>	<b>1,457</b>	<b>1,005</b>	<b>1,457</b>

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

At 1 January	989	606	987	606
Provision for impairment recognised during the year	860	989	860	987
Receivables written off during the year as uncollectible	385	14	385	14
Unused amount reversed	(1,374)	(620)	(1,372)	(620)
<b>At 31 December</b>	<b>860</b>	<b>989</b>	<b>860</b>	<b>987</b>

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

# Notes to the Financial Statements

For the Year Ended 31 December 2013

## 18 Inventories

	Consolidated		Parent	
	2013 000's \$	2012 000's \$	2013 000's \$	2012 000's \$
<b>Current</b>				
At cost:				
Finished goods	26	35	6	9
<b>Total inventories</b>	<b>26</b>	<b>35</b>	<b>6</b>	<b>9</b>

## 19 Other non-financial assets

<b>Current</b>				
Prepayments	3,321	3,238	3,315	3,238
<b>Total other non-financial assets</b>	<b>3,321</b>	<b>3,238</b>	<b>3,315</b>	<b>3,238</b>

## 20 Investments accounted for using the equity method

Interests in jointly controlled entities	(1,719)	(1,237)	275	275
Total investments accounted for using the equity method	(1,719)	(1,237)	275	275

Description		Ownership Interest %	
		2013	2012
<b>Joint controlled entities</b>			
Australian Institute of Hotel Management	Professional development services for participants in the hotel industry	43.00	43.00
Coffs Harbour Technology Park	Real estate development	33.30	33.30
CRC Care Pty Ltd	Research and development in contamination assessment and remediation	6.08	7.46
Rail CRC Limited	Research and development in rail	6.05	6.07
CRC Forestry Limited	Research and development in forestry management	-	4.00

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

Summarised financial information in respect of jointly controlled entities is set out below:

	Consolidated	
	2013	2012
	000's	000's
	\$	\$
<b>Financial Position</b>		
Current assets	3,036	3,146
Non-current assets	466	485
<b>Total assets</b>	<b>3,502</b>	<b>3,631</b>
Current Liabilities	2,481	2,328
Non-current liabilities	12	1
<b>Total liabilities</b>	<b>2,493</b>	<b>2,329</b>
<b>Net assets</b>	<b>1,009</b>	<b>1,302</b>
<b>Financial Performance</b>		
Income	3,835	4,154
Expenses	(3,430)	(3,772)
<b>Profit/(loss)</b>	<b>405</b>	<b>382</b>

Capital commitments and contingent liabilities arising from the Group's interests in joint ventures are disclosed in notes 32 and 31 respectively.

#### 21 Investment properties

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>At Cost</b>				
Balance at 1 January	1,000	1,258	1,000	1,258
Depreciation expense	(42)	(42)	(42)	(42)
Impairment loss	(133)	(216)	(133)	(216)
<b>Balance at 31 December</b>	<b>825</b>	<b>1,000</b>	<b>825</b>	<b>1,000</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 21 Investment properties (continued)

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

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
Rental income	87	89	87	89
Direct operating expenses (rent generating properties)	(72)	(61)	(72)	(61)
Other direct operating expenses	(42)	(42)	(42)	(42)
Impairment losses	(133)	(216)	(133)	(216)
<b>Total recognised in profit and loss</b>	<b>(160)</b>	<b>(230)</b>	<b>(160)</b>	<b>(230)</b>

#### (b) Valuation basis

Investment properties are measured using the cost model. The fair value of investment properties is \$825,000 as at 31 December 2013. The valuation was carried out as an independent valuation prepared by Taylor Byrne on 28 January 2014.

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

No non-current assets have been pledged as security.

#### (d) Contractual obligations

There are no commitments for investment properties.

#### (e) Leasing arrangements

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 22 Property, plant and equipment

Parent	Land 000's \$	Buildings 000's \$	Plant and equipment 000's \$	Infrastructure 000's \$	Improvements 000's \$	Library collections 000's \$	Capital Works in Progress 000's \$	Total 000's \$
<b>At 1 January 2012</b>								
At cost	13,722	159,064	30,939	16,499	956	10,337	22,397	253,914
Accumulated depreciation	-	(28,749)	(15,659)	(2,533)	(611)	(9,240)	-	(56,792)
<b>Net book amount</b>	<b>13,722</b>	<b>130,315</b>	<b>15,280</b>	<b>13,966</b>	<b>345</b>	<b>1,097</b>	<b>22,397</b>	<b>197,122</b>
<b>Year ended 31 December 2012</b>								
Opening net book amount	13,722	130,315	15,280	13,966	345	1,097	22,397	197,122
Additions	-	-	5,002	744	-	413	32,817	38,976
Disposals	-	-	(2,572)	-	-	(366)	-	(2,938)
Depreciation expense	-	(4,363)	(1,241)	(384)	(187)	(22)	-	(6,197)
Impairment loss in income	-	(461)	(30)	-	-	-	-	(491)
Transfers	-	5,648	840	134	-	-	(6,622)	-
<b>Closing net book amount</b>	<b>13,722</b>	<b>131,139</b>	<b>17,279</b>	<b>14,460</b>	<b>158</b>	<b>1,122</b>	<b>48,592</b>	<b>226,472</b>
<b>At 31 December 2012</b>								
At cost	13,722	164,711	34,208	17,377	956	10,384	48,592	289,950
Accumulated depreciation	-	(33,111)	(16,899)	(2,917)	(798)	(9,262)	-	(62,987)
Accumulated impairment	-	(461)	(30)	-	-	-	-	(491)
<b>Net book amount</b>	<b>13,722</b>	<b>131,139</b>	<b>17,279</b>	<b>14,460</b>	<b>158</b>	<b>1,122</b>	<b>48,592</b>	<b>226,472</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

Parent	Land 000's	Buildings 000's	Plant and equipment 000's	Infrastructure 000's	Improvements 000's	Library collections 000's	Capital Works in Progress 000's	Total 000's
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2013</b>								
Opening net book amount	13,722	131,139	17,279	14,460	158	1,122	48,592	226,472
Additions	-	-	2,808	-	-	357	13,636	16,801
Disposals	(6)	(685)	(443)	(13)	-	(300)	-	(1,447)
Depreciation expense	-	(5,250)	(3,928)	(409)	(124)	(379)	-	(10,090)
Impairment loss in income	-	-	-	(1,058)	-	(683)	-	(1,741)
Impairment reversal in income	-	32	30	-	-	-	-	62
Transfers	-	39,201	7,687	1,373	-	-	(48,261)	-
<b>Closing net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,433</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,967</b>	<b>230,057</b>
<b>At 31 December 2013</b>								
At cost	13,716	202,701	43,483	18,728	168	8,828	13,967	301,591
Accumulated depreciation	-	(37,835)	(20,050)	(3,317)	(134)	(8,028)	-	(69,364)
Accumulated impairment	-	(429)	-	(1,058)	-	(683)	-	(2,170)
<b>Net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,433</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,967</b>	<b>230,057</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

	Land 000's \$	Buildings 000's \$	Plant and equipment 000's \$	Infrastructure 000's \$	Improvements 000's \$	Library collections 000's \$	Capital Works in Progress 000's \$	Total 000's \$
<b>Consolidated</b>								
<b>At 1 January 2012</b>								
At cost	13,722	159,136	31,116	16,503	956	10,339	22,397	254,169
Accumulated depreciation	-	(28,821)	(15,758)	(2,538)	(611)	(9,241)	-	(56,969)
<b>Net book amount</b>	13,722	130,315	15,358	13,965	345	1,098	22,397	197,200
<b>Year ended 31 December 2012</b>								
Opening net book amount	13,722	130,315	15,358	13,965	345	1,098	22,397	197,200
Additions	-	-	5,045	745	-	411	32,817	39,018
Disposals	-	-	(2,681)	-	-	(366)	-	(3,047)
Transfers	-	5,648	840	134	-	-	(6,622)	-
Depreciation expense	-	(4,363)	(1,235)	(384)	(187)	(21)	-	(6,190)
Impairment loss in income	-	(461)	(30)	-	-	-	-	(491)
<b>Closing net book amount</b>	13,722	131,139	17,297	14,460	158	1,122	48,592	226,490
<b>At 31 December 2012</b>								
At cost	13,722	164,711	34,264	17,377	956	10,384	48,592	290,006
Accumulated depreciation	-	(33,111)	(16,937)	(2,917)	(798)	(9,262)	-	(63,025)
Accumulated impairment	-	(461)	(30)	-	-	-	-	(491)
<b>Net book amount</b>	13,722	131,139	17,297	14,460	158	1,122	48,592	226,490

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 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 2013	000's	000's	000's	000's	000's	000's	000's	000's
Opening net book amount	13,722	131,139	17,297	14,460	158	1,122	48,592	226,490
Additions	-	-	2,808	-	-	357	13,636	16,801
Disposals	(6)	(685)	(447)	(9)	-	(300)	-	(1,447)
Depreciation expense	-	(5,250)	(3,928)	(413)	(124)	(379)	-	(10,094)
Impairment loss in income	-	-	-	(1,058)	-	(683)	-	(1,741)
Transfers	-	39,201	7,687	1,373	-	-	(48,261)	-
Impairment reversal in income	-	32	30	-	-	-	-	62
<b>Closing net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,447</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,967</b>	<b>230,071</b>
<b>At 31 December 2013</b>								
At cost	13,716	202,701	43,539	18,728	168	8,828	13,967	301,647
Accumulated depreciation	-	(37,835)	(20,092)	(3,317)	(134)	(8,028)	-	(69,406)
Accumulated impairment	-	(429)	-	(1,058)	-	(683)	-	(2,170)
<b>Net book amount</b>	<b>13,716</b>	<b>164,437</b>	<b>23,447</b>	<b>14,353</b>	<b>34</b>	<b>117</b>	<b>13,967</b>	<b>230,071</b>

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

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

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 23 Intangible Assets

	Computer software 000's \$	Intangible assets under development 000's \$	Total 000's \$
<b>Parent</b>			
<b>At 1 January 2012</b>			
At cost	148	242	390
Accumulated amortisation and impairment	(37)	-	(37)
<b>Net book amount</b>	<b>111</b>	<b>242</b>	<b>353</b>
<b>Year ended 31 December 2012</b>			
Opening net book value	111	242	353
Additions	328	929	1,257
Amortisation	(71)	-	(71)
Transfers	242	(242)	-
<b>Closing net book amount</b>	<b>610</b>	<b>929</b>	<b>1,539</b>
<b>At 31 December 2012</b>			
At cost	718	929	1,647
Accumulated amortisation and impairment	(108)	-	(108)
<b>Net book amount</b>	<b>610</b>	<b>929</b>	<b>1,539</b>
<b>Year ended 31 December 2013</b>			
Opening net book value	610	929	1,539
Disposals	-	(929)	(929)
Amortisation	(143)	-	(143)
<b>Closing net book amount</b>	<b>467</b>	<b>-</b>	<b>467</b>
<b>At 31 December 2013</b>			
At cost	718	-	718
Accumulated amortisation and impairment	(251)	-	(251)
<b>Net book amount</b>	<b>467</b>	<b>-</b>	<b>467</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 23 Intangible Assets (continued)

	Computer software 000's \$	Intangible assets under development 000's \$	Total 000's \$
<b>Consolidated</b>			
<b>At 1 January 2012</b>			
At cost	148	242	390
Accumulated amortisation and impairment	(37)	-	(37)
<b>Net book amount</b>	<b>111</b>	<b>242</b>	<b>353</b>
<b>Year ended 31 December 2012</b>			
Opening net book amount	111	242	353
Additions	328	929	1,257
Transfers	242	(242)	-
Amortisation	(71)	-	(71)
<b>Closing net book amount</b>	<b>610</b>	<b>929</b>	<b>1,539</b>
<b>At 31 December 2012</b>			
At cost	718	929	1,647
Accumulated amortisation and impairment	(108)	-	(108)
<b>Net book amount</b>	<b>610</b>	<b>929</b>	<b>1,539</b>
<b>Year ended 31 December 2013</b>			
Opening net book amount	610	929	1,539
Disposals	-	(929)	(929)
Amortisation	(143)	-	(143)
<b>Closing net book amount</b>	<b>467</b>	<b>-</b>	<b>467</b>
<b>At 31 December 2013</b>			
At cost	718	-	718
Accumulated amortisation and impairment	(251)	-	(251)
<b>Net book amount</b>	<b>467</b>	<b>-</b>	<b>467</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 24 Trade and other payables

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Unsecured liabilities				
Trade creditors	10,779	11,795	10,694	11,705
<b>Total current trade and other payables</b>	<b>10,779</b>	<b>11,795</b>	<b>10,694</b>	<b>11,705</b>

#### 25 Borrowings

##### Current

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

##### Non-current

Unsecured				
Bank loans	18,340	-	18,340	-
Total non-current unsecured borrowings	18,340	-	18,340	-
<b>Total non-current borrowings</b>	<b>18,340</b>	<b>-</b>	<b>18,340</b>	<b>-</b>

#### (a) Assets pledged as security

The Group and parent entity has no assets pledged as security for borrowings in 2013 (2012: Nil).

#### (b) Financing arrangements

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

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Bank loan facilities</b>				
Total facilities	43,780	45,000	43,780	45,000
Used at balance date	(20,780)	-	(20,780)	-
<b>Unused at balance date</b>	<b>23,000</b>	<b>45,000</b>	<b>23,000</b>	<b>45,000</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 25 Borrowings (continued)

#### (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:

	2013		2012	
	Carrying amount 000's \$	Fair value 000's \$	Carrying amount 000's \$	Fair value 000's \$
<b>On-balance sheet</b>				
Bank loans	20,780	20,780	-	-

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

#### (e) Risk exposures

Information about the Group and the parent entity's exposure to risks arising from borrowings is provided at note 38.

### 26 Provisions

	Consolidated		Parent	
	2013 000's \$	2012 000's \$	2013 000's \$	2012 000's \$
<b>Current provisions expected to be settled wholly within 12 months</b>				
Employee benefits				
Annual leave	6,161	5,736	6,133	5,679
Long service leave	3,927	3,146	3,926	3,127
	10,088	8,882	10,059	8,806
<b>Current provisions expected to be settled wholly after more than 12 months</b>				
Employee benefits				
Annual leave	1,808	1,828	1,791	1,828
Long service leave	9,796	11,618	9,796	11,581
	11,604	13,446	11,587	13,409
<b>Total current provisions</b>	<b>21,692</b>	<b>22,328</b>	<b>21,646</b>	<b>22,215</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 26 Provisions (continued)

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Non-current provisions</b>				
Employee benefits				
Long service leave	2,456	2,550	2,437	2,550
Deferred non-government benefits for superannuation	53,233	66,841	53,233	66,841
<b>Total non-current provisions</b>	<b>55,689</b>	<b>69,391</b>	<b>55,670</b>	<b>69,391</b>

#### 27 Other liabilities

<b>Current</b>				
Student fees in advance	4,827	3,341	4,827	3,333
Unspent government financial assistance	3,071	2,571	3,071	2,571
<b>Total current other liabilities</b>	<b>7,898</b>	<b>5,912</b>	<b>7,898</b>	<b>5,904</b>

#### 28 Retained earnings

Retained earnings (accumulated losses) at the beginning of the financial year	207,991	204,730	210,165	206,339
Net result for the period	(6,721)	3,347	(5,949)	3,912
Net actuarial gain/(loss) recognised in respect of Defined Benefits Plans	325	(86)	325	(86)
<b>Retained earnings at end of the financial year</b>	<b>201,595</b>	<b>207,991</b>	<b>204,541</b>	<b>210,165</b>

#### 29 Key Management Personnel Disclosures

##### (a) Names of responsible persons and executive officers

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

##### (i) Names of Responsible Persons

##### Official Council Members

The Hon John Robert Arthur Dowd AO QC, Chancellor  
 Professor Peter Leslie Lee, Vice Chancellor  
 Professor John Jenkins, Chair Academic Board

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (a) Names of responsible persons and executive officers (continued)

###### Ministerial Appointments

Neville Newell  
Janelle Saffin  
Trevor Stanley Wilson, Deputy Chancellor

###### Elected Council Members

Professor William Boyd  
Dr Amanda Reichelt-Brushett

###### Council Appointed Members

John B Shanahan  
Margot Ruth Sweeney  
Anthony Matis  
Julie Granger

###### Council members resigned from office in 2013 are as follows

Fiona Wright  
Hon Justice Terence Sheahan AO  
Warren Albert Grimshaw AM  
Rhonda Roberts

##### (b) Other key management personnel

The following persons also had 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	Deputy Vice Chancellor
Professor Neal Ryan	Pro Vice Chancellor (Research)
Professor Andrew McAuley	Pro Vice Chancellor (Academic)
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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

	Consolidated		Parent	
	2013	2012	2013	2012
	Number	Number	Number	Number
<b>Remuneration of Board Members</b>				
Nil to \$14,999	12	15	11	14
\$30,000 to \$44,999	-	2	-	2
\$45,000 to \$59,999	-	1	-	1
\$75,000 to \$89,999	-	1	-	-
\$90,000 to \$104,999	-	2	-	2
\$105,000 to \$119,999	-	1	-	-
\$120,000 to \$134,999	-	1	-	1
\$135,000 to \$149,999	1	1	1	-
\$165,000 to \$179,999	1	1	1	-
\$180,000 to \$194,999	2	-	1	-
\$210,000 to \$224,999	1	1	-	-
\$225,000 to \$239,999	1	1	1	1
\$270,000 to \$284,999	-	1	-	-
\$300,000 to \$314,999	1	-	-	-
\$345,000 to \$359,999	-	1	-	-
\$390,000 to \$404,999	1	1	-	-
\$600,000 to \$614,999	-	1	-	1
\$630,000 to \$644,999	1	-	1	-
<b>Remuneration of executive officers</b>				
\$15,000 to \$29,999	1	-	-	-
\$30,000 to \$44,999	-	1	-	-
\$45,000 to \$59,999	1	1	-	-
\$60,000 to \$74,999	-	1	-	-
\$90,000 to \$104,999	-	1	-	-
\$135,000 to \$149,999	-	1	-	-
\$165,000 to \$179,999	-	1	-	1
\$255,000 to \$269,999	2	1	1	1
\$270,000 to \$284,999	-	2	-	2
\$285,000 to \$299,999	2	1	2	1
\$300,000 to \$314,999	2	-	2	-
\$315,000 to \$329,999	-	1	-	1
\$330,000 to \$344,999	1	-	1	-
\$345,000 to \$359,999	-	1	-	1
\$390,000 to \$404,999	1	1	1	1
\$600,000 to \$614,999	-	1	-	1
\$630,000 to \$644,999	1	-	1	-

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 29 Key Management Personnel Disclosures (continued)

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

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	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
Short-term employee benefits	3,551	3,680	3,053	2,910
Post-employment benefits	550	571	470	456
Other long-term benefits	-	189	-	189
Termination benefits	213	132	54	79
	<b>4,314</b>	<b>4,572</b>	<b>3,577</b>	<b>3,634</b>

### 30 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	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Audit and review of the Financial Statements</b>				
Fees paid to the Audit Office of NSW	205	210	178	175
<b>Total</b>	<b>205</b>	<b>210</b>	<b>178</b>	<b>175</b>
<b>Other audit and assurance services</b>				
Fees paid to firms unrelated to the Audit Office of NSW	88	122	88	122
<b>Total</b>	<b>88</b>	<b>122</b>	<b>88</b>	<b>122</b>
<b>Other services</b>				
Fees paid to firms unrelated to the Audit Office of NSW	-	17	-	17
<b>Total</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>17</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 31 Contingencies

#### (a) Contingent liabilities

The following guarantees have been entered into by the parent entity:

- The University has a bank guarantee of \$140,000 with ANZ Banking Group Limited in favour of Gold Coast Central Airport Pty Limited for lease premises.
- The University has bank guarantees totalling \$1,022,890 with Bank of Queensland Limited in favour of J Hutchinson Pty Ltd for construction works being carried out at the Gold Coast campus.
- The University has bank guarantees totalling \$80,170 with Westpac Banking Limited in favour of Bennett Constructions (NSW) Pty Ltd for construction at the Lismore campus.
- The University has bank guarantees totalling \$300,941 with Commonwelath Bank in favour of Electroboard Solutions Pty Ltd for construction works being carried out at the Lismore, Coffs Harbour and Gold Coast campuses.

#### (b) Claims

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

### 32 Commitments

#### (a) Capital commitments

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

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
Property, plant and equipment				
Within one year	4,206	10,019	4,206	10,019
Total	4,206	10,019	4,206	10,019

#### (b) Lease commitments

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

Within one year	2,298	2,161	2,298	2,161
Between one year and five years	5,380	4,490	5,380	4,490
Later than five years	35,246	37,325	35,246	37,325
Total future minimum lease payments	42,924	43,976	42,924	43,976

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 32 Commitments (continued)

#### (c) Joint venture commitments

	Consolidated		Parent	
	2013	2012	2013	2012
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	497	662	497	662
Between one year and five years	1,053	1,384	1,053	1,384
Later than five years	220	386	220	386
<b>Total</b>	<b>1,770</b>	<b>2,432</b>	<b>1,770</b>	<b>2,432</b>

### 33 Related Parties

#### (a) Parent entities

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

#### (b) Subsidiaries

Interests in subsidiaries are set out in note 34.

#### (c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 29

#### (d) Transactions with related parties

The following transactions occurred with related parties:

	Parent	
	2013	2012
	000's	000's
	\$	\$
Sale of goods and services		
Telephone and postage cost recovery	5	6
Other costs recovered	44	124
Purchase of goods		
Catering and accommodation costs	238	149
Salary and related costs	296	343
Management fees	123	180
Other transactions		
Debts forgiven	3	91
Operating grants	1	251
Other costs	147	216

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 33 Related Parties (continued)

##### (e) Outstanding balances

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

	Parent	
	2013 000's \$	2012 000's \$
Current receivables (sale of goods and services)		
Subsidiaries	946	593
Current payables (purchase of goods)		
Subsidiaries	-	4

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

##### (f) Guarantees

There have been no guarantees given by the parent entity to its subsidiaries as at balance date (2012: Nil)

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

##### (g) Terms and Conditions

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

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

#### 34 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note1(b):

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2013 %	2012 %
Norsearch Limited	Australia	Limited by guarantee	100.00	100.00
Asia Pacific Football Institute Operations Pty Ltd	Australia	Ordinary	-	100.00
SCU College Pty Ltd	Australia	Ordinary	-	100.00

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 35 Jointly controlled operations and assets

The University has entered into the following joint ventures.

Name of venture	Principal activities	2013	2012
		%	%
Coffs Harbour Education Campus (CHEC)	Represents the development and continued operation of a joint educational precinct in Coffs Harbour	38.00	38.00
Australia Centre for Complimentary Medicine Education and Research (ACCMER)	Represents a collaboration for the research, teaching and training in the field of complimentary medicine.	50.00	50.00
Wound Management Innovation Cooperative Research Centre	Represents a collaboration for the research and development in strategies, diagnostics and treatments for wound management.	9.33	9.33
Cooperative Research Centre for Remote Economic Participation	Represents a collaboration for the research and development to deliver solutions on economic disadvantage in remote Australia	6.35	6.35
CRC for Infrastructure and Engineering Asset Management	Represents a collaboration for the research and development to improve the efficiency of infrastructure and engineering management.	1.11	1.11

The assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements under their respective categories.

	2013	2012
	000's	000's
	\$	\$
<b>Non-current assets</b>		
Land	3,000	3,000
Buildings	20,554	20,554
Accumulated depreciation	(4,909)	(4,411)
Plant and equipment	40	40
Accumulated depreciation	(29)	(25)
Infrastructure	1,066	1,066
Accumulated depreciation	(192)	(175)
Total non-current assets	19,530	20,049
<b>Total assets</b>	<b>19,530</b>	<b>20,049</b>

Capital commitments and contingent liabilities arising from the Group's interests in joint ventures are disclosed in notes 32 and 31 respectively.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 36 Events Occurring After the Reporting Date

There has not occurred in the period between the balance date of 31 December 2013 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.

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

		Consolidated		Parent	
		2013	2012	2013	2012
		000's	000's	000's	000's
		\$	\$	\$	\$
Net result for the period		(6,721)	3,347	(5,949)	3,912
Depreciation and amortisation	10	10,280	8,674	10,276	8,655
Impairment loss on property, plant & equipment		1,812	707	1,812	707
Net (gain) / loss on sale of non-current assets		829	-	829	-
Net exchange differences		(99)	-	(99)	-
Share of profits of joint venture partnerships		(405)	(382)	-	-
Change in operating assets and liabilities, net of effects from purchase of controlled entity:					
(Increase) / decrease in trade debtors		(5,532)	(9,159)	(5,870)	(9,238)
(Increase) / decrease in inventories		9	(4)	3	(1)
(Increase) / decrease in other operating assets		(83)	(644)	(964)	(647)
Increase / (decrease) in trade creditors		(88)	(880)	(81)	(1,634)
Increase / (decrease) in other provisions		(728)	13,262	(680)	13,276
Increase / (decrease) in other operating liabilities		1,986	(133)	1,994	(142)
Net cash provided by / (used in) operating activities		1,260	14,788	1,271	14,888

#### 38 Financial Risk Management

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

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 38 Financial Risk Management (continued)

##### (a) Market risk

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

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

###### (ii) Price risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Group is not exposed to price risk.

###### (iii) Cash flow and fair value interest rate risk

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

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

###### (iv) Summarised sensitivity analysis

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

#### 31 December 2013

31 December 2013		Interest rate risk				Foreign exchange risk			
		-1%		+1%		-1%		+1%	
	Carrying	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	amount	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets									
Cash and cash equivalents	18,920	(189)	(189)	189	189	-	-	-	-
Receivables	65,951	-	-	-	-	-	-	-	-
Financial liabilities									
Trade and other payables	(9,961)	-	-	-	-	-	-	-	-
Borrowings	(20,780)	208	208	(208)	(208)	-	-	-	-
Total	54,130	19	19	(19)	(19)	-	-	-	-

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 38 Financial Risk Management (continued)

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

31 December 2012

31 December 2012									
Carrying amount \$	Interest rate risk				Foreign exchange risk				
	-1%		+1%		-1%		+1%		
	Result	Equity	Result	Equity	Result	Equity	Result	Equity	
	000's	000's	000's	000's	000's	000's	000's	000's	
	\$	\$	\$	\$	\$	\$	\$	\$	
Financial assets									
Cash and cash equivalents	12,176	(122)	(122)	122	122	(6)	(6)	6	6
Receivables	73,542	-	-	-	-	(3)	(3)	3	3
Financial liabilities									
Trade and other payables	(11,792)	-	-	-	-	-	-	-	-
Total	73,926	(122)	(122)	122	122	(9)	(9)	9	9

##### (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 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

The consolidated entity manages liquidity risk by maintaining adequate reserves, the availability of funding through the Commonwealth, banking facilities and continuously monitoring forecast and actual cash flows to ensure that there is adequate liquidity to meet the entity's obligations over the near term. The interest bearing deposits and deposits at call have an average maturity of 90 days. There has been no variation to the objectives, policies and processes for liquidity risk since the prior period.

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

	Average Interest rate		Variable interest rate		Non Interest		Within 1 year		1 - 5 years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>												
Cash and cash equivalents	3.87	5.73	2,920	2,676	-	-	18,920	12,176	-	-	18,920	12,176
Receivables	-	-	-	-	65,951	73,542	12,899	7,154	53,052	66,388	65,951	73,542
<b>Total Financial Assets</b>			<b>2,920</b>	<b>2,676</b>	<b>65,951</b>	<b>73,542</b>	<b>31,819</b>	<b>19,330</b>	<b>53,052</b>	<b>66,388</b>	<b>84,871</b>	<b>85,718</b>
<b>Financial Liabilities:</b>												
Payables	-	-	-	-	9,961	11,792	9,961	11,792	-	-	9,961	11,792
Bank loans	4.36	-	20,780	-	-	-	2,440	-	18,340	-	20,780	-
<b>Total Financial Liabilities</b>			<b>20,780</b>	<b>-</b>	<b>9,961</b>	<b>11,792</b>	<b>12,401</b>	<b>11,792</b>	<b>18,340</b>	<b>-</b>	<b>30,741</b>	<b>11,792</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 39 Fair Value Measurement

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

	Carrying Amount		Fair Value	
	2013 000's	2012 000's	2013 000's	2012 000's
<b>Consolidated</b>	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	18,920	12,176	18,920	12,176
Receivables	65,951	73,542	65,951	73,542
<b>Total financial assets</b>	<b>84,871</b>	<b>85,718</b>	<b>84,871</b>	<b>85,718</b>
<b>Financial Liabilities</b>				
Payables	9,961	11,792	9,961	11,792
Borrowings	20,780	-	20,780	-
<b>Total financial liabilities</b>	<b>30,741</b>	<b>11,792</b>	<b>30,741</b>	<b>11,792</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 40 Defined Benefits Plans

##### (a) Fund specific disclosure

###### *i) Nature of the Fund*

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

- State Authorities Superannuation Scheme (SASS);
- State Superannuation Scheme (SSS); and
- State Authorities Non-contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes whereby at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members.

###### *ii) Regulatory framework*

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Scheme Act 1987*, and their associated regulations.

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

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

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

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

###### *iii) Responsibilities*

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 2013

#### 40 Defined Benefits Plans (continued)

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

##### iv) Risks

There are a number of risks to which the Fund exposes the Employer. 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.
- Compliance with other applicable regulations.

##### v) Significant events

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

##### vi) Contributions

The University expects to make a contribution of \$481,004 (2012: \$585,825) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 12.6 years (2012:13.1 years).

The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$
Defined benefit obligations - 31 December 2013	5,095	5,206	16,698	141,268	168,267

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 40 Defined Benefits Plans (continued)

#### (b) Categories of plan assets

The analysis of the plan assets and the percentage invested in each asset class at the reporting date is as follows:

	2013 (%)		2012 (%)	
	Active Market	No Active Market	Total	Total
Short term securities	8.0	-	8.0	-
Australian fixed interest securities	4.4	-	4.4	6.2
Overseas fixed interest securities	2.2	-	2.2	2.4
Australian Equities	33.9	-	33.9	31.0
Overseas equities	28.3	-	28.3	24.3
Property	3.8	4.3	8.1	8.7
Alternatives	7.6	7.5	15.1	-
Cash and Cash Equivalents	-	-	-	13.4
Other	-	-	-	14.0
<b>Total</b>	<b>88.2</b>	<b>11.8</b>	<b>100.0</b>	<b>100.0</b>

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

	2013 %	2012 %
Discount rate(s) at reporting date	4.27	3.30
Rate of CPI Increase at reporting date	2.50	2.50
Salary increase rate at reporting date	2.25	2.50
Expected return on plan assets backing current pension liabilities	8.30	8.30
Expected return on plan assets backing other liabilities	7.30	7.30
Expected rate(s) of salary increase (weighted average)	2.70	2.70
Expected rate of CPI increase (weighted average)	2.50	2.50

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

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 40 Defined Benefits Plans (continued)

#### (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 12.9%	Decrease by 10.6%
Rate of CPI	0.50	Increase by 5.5%	Decrease by 5.0%
Salary growth rate	0.50	Increase by 0.5%	Decrease by 0.5%
Pensioner mortality	5.00	Decrease by 0.8%	Increase by 0.9%

Comparative information has not been provided for the sensitivity analysis permitted by the transitional provisions of the revised standard

The above sensitivity analysis is 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 2013

#### 40 Defined Benefits Plans (continued)

##### (d) Balance sheet amounts

	000's \$	000's \$	000's \$	000's \$
Note	SASS	SANCS	SSS	Total
<b>Present value obligations - 2013</b>				
Opening defined benefit obligation	10,024	2,395	86,794	99,213
Current service cost	329	94	432	855
Interest expense/(income)	313	76	2,811	3,200
	10,666	2,565	90,037	103,268
<b>Remeasurements</b>				
Actuarial losses/(gains) arising from changes in financial assumptions	(276)	(107)	(10,185)	(10,568)
Experience (gains)/losses	615	15	(2,349)	(1,719)
	339	(92)	(12,534)	(12,287)
<b>Contributions</b>				
Plan participants	139	-	178	317
<b>Payments from plan</b>				
Benefits paid	(2,215)	(410)	(2,954)	(5,579)
<b>Closing defined benefit obligation</b>	<b>8,929</b>	<b>2,063</b>	<b>74,727</b>	<b>85,719</b>
<b>Fair value of plan assets - 2013</b>				
Opening fair value of plan assets	7,012	1,588	23,772	32,372
Interest expense/(income)	213	60	731	1,004
	7,225	1,648	24,503	33,376
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense	556	233	2,962	3,751
<b>Contributions</b>				
Employers	317	109	194	620
Plan participants	139	-	178	317
	456	109	372	937
<b>Payments from plan</b>				
Benefits paid	(2,214)	(410)	(2,954)	(5,578)
<b>Closing fair value of plans assets</b>	<b>6,023</b>	<b>1,580</b>	<b>24,883</b>	<b>32,486</b>
<b>Net liability - 2013</b>				
Defined benefit obligation	8,929	2,063	74,727	85,719
Fair value of plan assets	(6,023)	(1,580)	(24,883)	(32,486)
<b>Net liability</b>	<b>2,906</b>	<b>483</b>	<b>49,844</b>	<b>53,233</b>
<b>Total net liability/(asset) in statement of financial position</b>	<b>2,906</b>	<b>483</b>	<b>49,844</b>	<b>53,233</b>

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# Notes to the Financial Statements

## For the Year Ended 31 December 2013

### 40 Defined Benefits Plans (continued)

#### (d) Balance sheet amounts (continued)

		000's \$	000's \$	000's \$	000's \$
	Note	SASS	SANCS	SSS	Total
<b>Present value obligations - 2012</b>					
Opening defined benefit obligation		10,638	2,906	76,713	90,257
Current service cost		389	116	375	880
Interest expense/(income)		369	97	2,786	3,252
		11,396	3,119	79,874	94,389
<b>Remeasurements</b>					
Actuarial losses/(gains) arising from changes in demographic assumptions		(9)	(21)	2,147	2,117
Actuarial losses/(gains) arising from changes in financial assumptions		150	67	4,693	4,910
Experience (gains)/losses		327	193	1,558	2,078
		468	239	8,398	9,105
<b>Contributions</b>					
Plan participants		159	-	378	537
<b>Payments from plan</b>					
Benefits paid		(1,999)	(963)	(1,856)	(4,818)
<b>Closing defined benefit obligation</b>		10,024	2,395	86,794	99,213
<b>Fair value of plan assets - 2012</b>					
Opening fair value of plan assets		7,805	2,201	23,103	33,109
Interest expense/(income)		264	86	802	1,152
		8,069	2,287	23,905	34,261
<b>Remeasurements</b>					
Return on plan assets, excluding amounts included in interest expense		439	153	1,053	1,645
<b>Contributions</b>					
Employers		343	111	292	746
Plan participants		159	-	378	537
		502	111	670	1,283
<b>Payments from plan</b>					
Benefits paid		(1,998)	(963)	(1,856)	(4,817)
<b>Closing fair value of plans assets</b>		7,012	1,588	23,772	32,372
<b>Net liability - 2012</b>					
Defined benefit obligation		10,024	2,395	86,794	99,213
Fair value of plan assets		(7,012)	(1,588)	(23,772)	(32,372)
<b>Net liability</b>	26	3,012	807	63,022	66,841
<b>Total net liability/(asset) in statement of financial position</b>		3,012	807	63,022	66,841

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 41 Acquittal of Australian Government Financial Assistance

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

	Note	Commonwealth Grants Scheme#1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program		Capital Development Pool	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Parent Entity (University) Only</b>											
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		74,181	73,924	1,002	898	3,491	1,764	152	133	-	-
Net accrual adjustments		-	-	-	-	(426)	-	-	-	-	-
Revenue for the period	2(a)	74,181	73,924	1,002	898	3,065	1,764	152	133	-	-
Surplus/(deficit) from the previous year		-	-	432	116	-	2,016	-	-	-	3,084
Total revenue including accrued revenue		74,181	73,924	1,434	1,014	3,065	3,780	152	133	-	3,084
Less expenses including accrued expenses		(74,181)	(73,924)	(1,434)	(582)	(3,065)	(3,780)	(152)	(133)	-	(3,084)
Surplus/(deficit) for the reporting period		-	-	-	432	-	-	-	-	-	-

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

	Note	Diversity and Structural Adjustment Fund #3		Transitional Cost Program		Promo of Exc in Learning and Teaching		Reward Funding		Total	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Parent Entity (University) Only</b>											
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		1,700	3,700	-	68	144	225	351	319	81,021	81,031
Net accrual adjustments		-	-	-	-	-	-	-	-	(426)	-
Revenue for the period	2(a)	1,700	3,700	-	68	144	225	351	319	80,595	81,031
Surplus/(deficit) from the previous year		2,366	50	-	-	201	-	-	-	2,999	5,266
Total revenue including accrued revenue		4,066	3,750	-	68	345	225	351	319	83,594	86,297
Less expenses including accrued expenses		(2,644)	(1,384)	-	(68)	(124)	(24)	(351)	(319)	(81,951)	(83,298)
Surplus/(deficit) for the reporting period		1,422	2,366	-	-	221	201	-	-	1,643	2,999

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

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustments Program

## Notes to the Financial Statements For the Year Ended 31 December 2013

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

#### (b) Higher education loan programmes (excl OS-HELP)

	Note	HECS-HELP (Aust. Government payments only)		FEE-HELP #4		SA-HELP		Total	
		2013	2012	2013	2012	2013	2012	2013	2012
		000's	000's	000's	000's	000's	000's	000's	000's
<b>Parent Entity (University) Only</b>									
Cash Payable/(Receivable) at the beginning of the year		(390)	(1,075)	220	482	(240)	-	(410)	(593)
Financial assistance received in cash during the reporting period		40,132	39,080	6,246	5,934	1,071	131	47,449	45,145
Cash available for the period		39,742	38,005	6,466	6,416	831	131	47,039	44,552
Less: Revenue earned	2(b)	(42,356)	(38,395)	(5,961)	(6,196)	(835)	(371)	(49,152)	(44,962)
Cash Payable/(Receivable) at the end of the year		(2,614)	(390)	505	220	(4)	(240)	(2,113)	(410)

#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 2013

### 41 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		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Note	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
<b>Parent Entity (University) Only</b>												
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	1,580	1,556	133	128	(382)	518	(750)	580	(4)	110	577	2,892
Revenue for the period	1,580	1,556	133	128	(382)	518	(750)	580	(4)	110	577	2,892
Surplus/(deficit) from the previous year	595	549	-	8	640	288	917	651	60	-	2,212	1,496
Total revenue including accrued revenue	2,175	2,105	133	136	258	806	167	1,231	56	110	2,789	4,388
Less expenses including accrued expenses	(1,705)	(1,510)	(113)	(136)	(138)	(166)	(100)	(314)	(56)	(50)	(2,112)	(2,176)
Surplus/(deficit) for the reporting period	470	595	20	-	120	640	67	917	-	60	677	2,212

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

## Notes to the Financial Statements For the Year Ended 31 December 2013

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

#### (d) Education Research

Parent Entity (University) Only	Note	Joint Research Engagement <sup>#6</sup>		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue for the period	2(d)	1,552	1,673	3,584	3,605	466	341	-	-	729	521	6,331	6,140
Surplus/(deficit) from the previous year		1,552	1,673	3,584	3,605	466	341	-	-	729	521	6,331	6,140
Total revenue including accrued revenue		-	-	-	-	-	67	-	69	-	62	-	198
Less expenses including accrued expenses		1,552	1,673	3,584	3,605	466	408	-	69	729	583	6,331	6,338
Surplus/(deficit) for the reporting period		(1,547)	(1,673)	(3,584)	(3,605)	(466)	(408)	-	(69)	(729)	(583)	(6,326)	(6,338)
		5	-	-	-	-	-	-	-	-	-	5	-

#6 Includes Institutional Grants Scheme

The reported surplus for Joint Research Engagement of \$4,675 for 2013 is expected to be returned to Education.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 41 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

	Teaching and Learning Capital Fund		Education Investment Fund		Total	
	2013	2012	2013	2012	2013	2012
	000's	000's	000's	000's	000's	000's
Note	\$	\$	\$	\$	\$	\$
	-	-	2,500	8,093	2,500	8,093
	-	-	5,000	-	5,000	-
2(e)	-	-	7,500	8,093	7,500	8,093
	5,910	6,058	5,930	-	11,840	6,058
	5,910	6,058	13,430	8,093	19,340	14,151
	(148)	(148)	(7,751)	(2,163)	(7,899)	(2,311)
	5,762	5,910	5,679	5,930	11,441	11,840

## Notes to the Financial Statements For the Year Ended 31 December 2013

### 41 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)

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	
	2013	2012	2013	2012	2013	2012	2013	2012
	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$
2(f)(i)	585	631	483	555	(64)	-	1,004	1,186
	585	631	483	555	(64)	-	1,004	1,186
	223	104	341	72	64	107	628	283
	808	735	824	627	-	107	1,632	1,469
	(752)	(512)	(691)	(286)	-	(43)	(1,443)	(841)
	56	223	133	341	-	64	189	628

##### (ii) Linkages

##### 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	Infrastructure		International		Projects		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$
2(f)(ii)	240	-	-	-	855	1,171	1,095	1,171
	-	450	-	-	-	-	-	450
	240	450	-	-	855	1,171	1,095	1,621
	114	-	-	4	719	514	833	518
	354	450	-	4	1,574	1,685	1,928	2,139
	(354)	(336)	-	(4)	(1,313)	(966)	(1,667)	(1,306)
	-	114	-	-	261	719	261	833

## Notes to the Financial Statements

For the Year Ended 31 December 2013

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

#### (g) OS-HELP

	2013	2012
	000's	000's
Note	\$	\$
<b>Parent Entity (University) Only</b>		
Cash received during the reporting period	208	185
Cash spent during the reporting period	(375)	(181)
Net cash received	(167)	4
Cash surplus/(deficit) from the previous period	(13)	(17)
Cash surplus/(deficit) for the reporting period	17 (180)	(13)

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

	2013	2012
	000's	000's
Note	\$	\$
<b>Parent Entity (University) Only</b>		
Unspent/(overspent) revenue from previous period	571	-
SA-HELP revenue earned	2(b) 835	371
Student services fees direct from students	4 830	400
Total revenue expendable in period	2,236	771
Student services expenses during period	(1,344)	(200)
Unspent/(overspent) student services revenue	892	571



## 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 2013, 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 2013, and of the 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2013 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

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

The Council of the University is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the Guidelines, and for such internal control as the Council determine is necessary to enable the preparation of the financial statements that give a true and fair view and that 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

## Independence

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

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



Aaron Green  
Director, Financial Audit Services

7 April 2014  
SYDNEY

# SCU College Pty Ltd

ABN 40 152 561 825

A controlled entity of Southern Cross University

## Financial Statements

For the period 1 January 2013 to  
19 September 2013

## **Directors' report**

The directors of the company present their report on the company for the period 1 January 2013 to 19 September 2013:

### **Principal activities**

The company's principal activity is to facilitate higher education opportunities to people from all backgrounds.

### **Review of operations**

The net operating result of the company for the period 1 January 2013 to 19 September 2013 was a profit of \$3,130 (2012: profit of \$270) after providing \$Nil (2012: \$2,384) for depreciation.

### **Changes in state of affairs**

On 28 June 2013 the directors resolved to deregister the company. Notice was received from the Australian Securities and Investment Commission dated 19 September 2013 stating that voluntary deregistration had been approved.

### **Environmental regulations**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory.

### **Proceedings on behalf of the company**

No person has applied for leave of the court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

## Directors' report

### Information about the directors

The following persons were directors of the company during the period and continued until the date of deregistration:

#### Professor William MacGillivray BSc(Hons)(Qld), PhD(UQ)

Professor MacGillivray is the Deputy Vice Chancellor of Southern Cross University

Appointed: 24 August 2011.

### Company secretary

The following person was secretary of the company during the period and continued until the date of deregistration:

#### Ms Susan Gooley BBus(UNE), CPA

Ms Gooley is Manager Taxation and Transactions for Southern Cross University

Appointed: 24 August 2011.

### Meetings of directors

The numbers of meetings of directors held during the period and the number of meetings attended by each director were as follows

	Number eligible to attend	Number attended
Professor William MacGillivray	1	1

### Directors' benefits

During or since the financial period no director of the company has received or become entitled to receive a benefit because of a contract that:

- (a) the director; or
- (b) a firm of which the director is a member; or
- (c) an entity in which the director has a substantial financial interest, has made with the company, an entity controlled by the company or related body corporate, other than:
  - (i) a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company; and
  - (ii) the fixed salary of a full time employee of the company, controlled entity or related body corporate.

During or since the period 1 January 2013 to 19 September 2013 Southern Cross University has insured all of the directors previously listed against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

## Directors' report

### Indemnification of officers and auditors

The company has not, during or since the period 1 January 2013 to 19 September 2013, in respect of any person who is or has been an officer or auditor of the company or related body corporate:

- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceeding; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

### Auditors' independence declaration

The auditors' independence declaration for the period 1 January 2013 to 19 September 2013 has been received and is included after the directors' declaration.

Signed in accordance with a resolution of the directors made pursuant to S298(2) of the *Corporations Act 2001*.

On behalf of the directors

  
Director

  
Secretary

Dated this fourth day of April 2014

### Directors' declaration

In accordance with a resolution of the directors of SCU College Pty Ltd and pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state:

- 1 The attached is a general purpose financial statement and gives a true and fair view of the financial position and performance for the period 1 January 2013 to 19 September 2013.
- 2 The financial report has been prepared in accordance with Australian Accounting Standards, the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010*, the *Corporations Act 2001*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- 3 We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.
- 4 At the date of this declaration, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed this fourth day of April, 2014 in accordance with a resolution of the directors, made pursuant to S295(5) of the *Corporations Act 2001*.

On behalf of the directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Secretary

## Statement of comprehensive income for the period 1 January 2013 to 19 September 2013

	Notes	1 January 2013 to 19 September 2013 \$	2012 \$
Revenue from continuing operations			
Debt forgiven by parent entity		3,460	93,732
Total revenue from continuing operations		3,460	93,732
Gain on disposal of assets	3	-	8,621
Total income from continuing operations		3,460	99,553
Expenses from continuing operations			
Employee benefits	4	-	59,519
Consultancy fees	6	-	1,312
Minor equipment purchases		-	11,674
Depreciation on plant and equipment		-	2,364
Travel, accommodation and hospitality		-	1,849
Other expenses		330	18,045
Audit fees	13	-	4,500
Total expenses from continuing operations		330	98,263
Profit/(loss) from continuing operations before income tax		3,130	270
Income tax expense	5	-	-
Profit/(loss) from continuing operations after income tax		3,130	270
Profit/(loss) for the period		3,130	270
Total comprehensive profit/(loss) for the period		3,130	270
Total comprehensive income/(loss) attributable to:			
Members of SCU College Pty Ltd		3,130	270

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

## Statement of financial position as at 19 September 2013

	Notes	1 January 2013 to 19 September 2013	2012
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1	1
Trade and other receivables	7	-	3,065
<b>Total current assets</b>		<b>1</b>	<b>3,066</b>
<b>Total assets</b>		<b>1</b>	<b>3,066</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	-	6,195
<b>Total current liabilities</b>		<b>-</b>	<b>6,195</b>
<b>Total liabilities</b>		<b>-</b>	<b>6,195</b>
<b>Net assets</b>		<b>1</b>	<b>(3,129)</b>
<b>EQUITY</b>			
Retained losses	10	-	(3,129)
Issued capital	19	1	1
<b>Total equity</b>		<b>1</b>	<b>(3,129)</b>

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

## Statement of changes in equity for the period 1 January 2013 to 19 September 2013

	Notes	Share Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 January 2012		1	(3,400)	(3,399)
Total comprehensive income for the year	10	-	270	270
Balance at 31 December 2012		1	(3,130)	(3,129)
Balance at 1 January 2013		1	(3,130)	(3,129)
Total comprehensive income for the period	10	-	3,130	3,130
Balance at 19 September 2013		1	-	1

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

## Statement of cash flows for the period 1 January 2013 to 19 September 2013

		1 January 2013 to 19 September 2013	2012
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		3,460	90,732
Payments to suppliers and employees		(3,670)	(97,509)
GST recovered / (paid)		210	340
<b>Net cash provided by / (used in) operating activities</b>	18	-	(6,437)
<b>Cash flows from investing activities</b>			
Sale of plant and equipment		-	30,732
Purchase of plant and equipment		-	(30,285)
<b>Net cash provided by / (used in) investing activities</b>		-	6,437
<b>Net increase / (decrease) in cash and cash equivalents</b>		-	-
Cash and cash equivalents at the beginning of the period		1	1
<b>Cash and cash equivalents at the end of the period</b>	6	1	1

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

## Note 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 periods reported, unless otherwise stated.

SCU College Pty Ltd is a small proprietary company limited by shares which is incorporated and domiciled in Australia. The company's principal activity is to facilitate higher education opportunities to people from all backgrounds. The company was deregistered on 19 September 2013 and accordingly current year's figures from 1 January 2013 to date of deregistration are shown.

The principal address of SCU College Pty Ltd is 27 Lilyfield Road Lismore NSW 2480.

### a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the *Corporations Act 2001*. The financial statements are presented in Australian dollars.

#### Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). The financial statements and notes comply with the Australian Accounting Standards and have been prepared on a 'for profit' basis.

#### Date of authorisation for issue

The financial statements were authorised for issue by the directors on 4 April 2014.

#### Historical cost convention

These financial statements have been prepared on an accrual basis and are based on the historical cost convention.

#### Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. These areas require a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. No critical accounting estimates have been identified in these financial statements.

#### Going concern principle

The directors resolved to deregister the company pursuant to a resolution on 28 June 2013. Notice was subsequently received from the Australian Securities and Investment Commission stating that the company was deregistered on 19 September 2013.

Accordingly, the financial statements for the period 1 January 2013 to 19 September 2013 have been prepared on a liquidation basis.

When preparing the financial statements in accordance with the liquidation basis, adjustments have been made regarding the recoverability and classification of recorded asset amounts, to reflect the fact that the company will not realise its assets and extinguish its liabilities in the normal course of business.

### b) Significant revenues & expenses

Where an item of revenue or expense from ordinary activities is of such size, nature or incidence, that its disclosure is relevant in explaining the financial performance of this entity, its nature and amount have been disclosed separately in the notes.

### c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue include net of discounts, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

**Rendering of services**

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

**Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery to the customer.

**Interest**

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

**d) Income tax**

SCU College Pty Ltd is subject to income tax.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax balances attributable to amounts recognised outside profit and loss are also recognised outside profit and loss.

**e) Cash and cash equivalents**

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

**f) Trade receivables**

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

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the 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 receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

#### g) Investments and other financial assets

##### Classification

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

##### 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.

##### Loans and receivables

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

##### Held-to-maturity investments

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

##### Available-for-sale financial assets

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

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

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

##### Subsequent measurement

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

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

**Fair value**

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

**Impairment**

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

**h) Property, plant and equipment**

A plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

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

**i) Depreciation of non-current assets**

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

The annual rates for depreciation are:

	% p.a
Motor Vehicles	20

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

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

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

**j) Trade and other payables**

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

**k) Employee benefits****Wages and salaries**

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

**Annual leave and sick leave**

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 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.

**Long service leave**

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

**Retirement benefit obligations**

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

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, outside the income statement, in the statement of comprehensive income.

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

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

**Termination benefits**

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

**1) Goods and services tax (GST)**

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

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

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

**m) Allocation between current and non-current**

In determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to settle. The asset or liability is classified as current if it is expected to settle within the next 12 months, being the company's operational cycle. In the case of liabilities, where the company does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if it is not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

**n) Comparative amounts**

When required by accounting standards, comparative figures have been adjusted in conform to changes in presentation for the current year.

**o) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 1 January 2013 to 19 September 2013 reporting period.

It is considered that the impact of these new standards and interpretations in future periods will have no material impact on the financial statements of the company.

## Notes to the financial statements

for the period 1 January 2013 to 19 September 2013

### Note 2. Company Details

SCU College Pty Ltd is a small proprietary company, limited by shares which is incorporated and operated in Australia.

The registered office and principal place of business of the company (up to date of deregistration) was:

Red Trayvold Building  
Southern Cross University  
Military Road  
LISMORE NSW 2480

1 January 2013 to 19 September 2013	2012
\$	\$

### Note 3. Gains / (losses) on disposal of assets

Proceeds from sale	-	36,732
Carrying amount of assets sold	-	(27,911)
Total of net gain / (loss) on disposal of assets	-	8,821

### Note 4. Expenses from continuing operations

#### Note 4.1. Employee benefits

Salaries	-	47,364
Superannuation	-	8,787
Payroll tax	-	3,709
Workers' compensation	-	259
Total employee benefits	-	59,519

#### Note 4.2 Consultancy fees paid

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

- 1,312

### Note 5. Income tax

Income tax expense		
Income tax on profit from continuing operations at 30%	939	81
Add back non-deductible expenses		
Write-off deferred income tax as it is not probable that it will be recovered by future operations	-	-
Less reduction of deferred taxes from previous periods	(938)	(81)
Income tax attributable to the entity	-	-

#### Deferred tax assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 6 are satisfied.

- operating losses	-	939
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## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

	1 January 2013 to 19 September 2013	2012
	\$	\$
<b>Note 6. Cash and cash equivalents</b>		
Cash on hand	1	1
<b>Total cash and cash equivalents</b>	<b>1</b>	<b>1</b>

### (a) Reconciliation to cash at the end of the period

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

Balances as above	1	1
<b>Balance per statement of cash flows</b>	<b>1</b>	<b>1</b>

### Note 7. Trade and other receivables

#### Current

Trade receivables	-	2,655
Net goods and services tax receivables	-	210
<b>Total trade and other receivables</b>	<b>-</b>	<b>3,065</b>

No receivables were considered impaired at 19 September 2013 (2012: \$Nil)

### Note 8. Plant and equipment

#### Plant and equipment

At cost	-	-
Accumulated depreciation	-	-
<b>Net book amount</b>	<b>-</b>	<b>-</b>

#### Movement in the carrying amounts

Movement in the carrying amounts of plant and equipment between the beginning and the end of the current financial period

Opening net book amount	-	-
Additions	-	33,265
Disposals	-	(27,911)
Depreciation expense	-	(2,384)
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>

### Note 9. Trade and other payables

#### Current

Trade payables	-	1,245
Accrued expenses	-	4,950
<b>Total trade and other payables</b>	<b>-</b>	<b>6,195</b>

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 10. Retained earnings

	1 January 2013 to 19 September 2013	2012
Retained earnings at 1 January 2013	(3,130)	(3,409)
Total comprehensive income for the period	3,130	279
Retained earnings at 19 September 2013	-	(3,130)

### Note 11. Key management personnel disclosures

#### Directors

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

Professor William MacGillivray

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

	1 January 2013 to 19 September 2013	2012
Directors remuneration	\$	\$
Income paid or payable to directors and other members of key management personnel in the company and the group	299,319	609,240

	Number	Number
Number of directors whose income was within the following bands		
\$60,000 to \$74,999	-	1
\$75,000 to \$164,999	-	1
\$285,000 to \$299,999	1	-
\$375,000 to \$389,999	-	1

This remuneration does not just relate to the directors role within SCU College Pty Ltd. It includes remuneration from associated entities.

	1 January 2013 to 19 September 2013	2012
Responsible Officer remuneration	\$	\$
Income paid or payable to a staff member employed by SCU College Pty Ltd whose duties and responsibilities are management responsibilities for the company's operation.	-	62,672

	Number	Number
\$60,000 to \$74,999	-	1

	1 January 2013 to 19 September 2013	2012
Key management personnel compensation	\$	\$
Short-term employee benefits	-	51,186
Post-employment benefits	-	3,476
	-	82,672

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 12. Related party transactions

#### Parent entity

The entity is a wholly owned subsidiary of Southern Cross University.

#### Related party transactions

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

#### Transactions with related parties:

##### (i) Parent entity

Transactions with Southern Cross University for services provided are fully reimbursed by the company as charged. However, financial services and administration assistance are provided by the University at no cost. The value of these costs are not readily quantified.

	1 January 2013 to 19 September 2013	2012
	\$	\$
<b>Revenue</b>		
Southern Cross University debts forgiven	3,460	90,732
Southern Cross University sale of property, plant and equipment	-	38,732
<b>Expenditure</b>		
Mersearch Limited services	-	78

#### Terms and conditions

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

A provision for impairment has not been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

	1 January 2013 to 19 September 2013	2012
	\$	\$
<b>Note 13. Remuneration of auditors</b>		
During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
Fees paid to The Audit Office of New South Wales		
Audit of financial statement	-	4,500

The 2013 audit fee is being paid by the parent entity due to the deregistration of the company.

### Note 14. Contingencies

#### Contingent liabilities

SCU College Pty Ltd currently has no legal matters outstanding or other contingent liabilities which are expected to result in material claims against it.

### Note 15. Commitments for expenditure

#### (a) Capital expenditure commitments

There were no commitments for capital expenditure as at 19 September 2013 (2012: \$Nil).

#### (b) Lease commitments

There were no leasing commitments as at 19 September 2013 (2012: \$Nil).

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 16. Segment reporting

#### (a) Industry segments

The company operates within the one industry for delivering higher education opportunities to people from all economic backgrounds.

#### (b) Geographic segments

The company operates solely within Australia.

### Note 17. Events after balance sheet date

There were no events subsequent to reporting date that would have a material financial effect on the financial report.

### Note 18. Reconciliation of operating result for the year after income tax to net cash flows from operations

	1 January 2013 to 19 September 2013	2012
	\$	\$
Net operating result for the period	3,130	270
Add: Depreciation	-	2,384
Net (gain) / loss on sale of assets	-	(8,821)
(Increase) / decrease in receivables	2,855	(2,855)
(Increase) / decrease in GST receivable	210	130
Increase / (decrease) in payables and other liabilities	(6,195)	2,455
Net cash inflow / (outflow) from operating activities	-	(6,437)

### Note 19. Contributed equity

Opening balance	1	1
Fully paid shares issued during the reporting period	-	-
Closing balance (1 share, fully paid at \$1.00 each)	1	1

#### Fully paid shares

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The company has the power to forfeit any shares upon which the call remains unpaid for a period specified by the directors.

The company has a first and paramount lien on every share not fully paid for all money, whether presently payable or not, called or payable at a fixed time in respect of that share.

### Note 20. Economic dependency

A letter of unconditional financial support has been provided for the reporting period by Southern Cross University. The parent entity will support the company financially to the extent the company can pay its debts as and when they fall due.

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 21. Financial risk management

The entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The 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 company.

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

Risk management assessment is undertaken by the parent entity. The company does not enter into or trade financial instruments for speculative purposes.

#### (a) Market risk

##### (i) Foreign exchange risk

The company does not undertake transactions in other currencies so does not have exposure to exchange rate fluctuations.

##### (ii) Price risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The company is not exposed to price risk.

##### (iii) Cash flow and fair value interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The cash management functions are performed by the parent entity.

##### (iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the company's financial assets and financial liabilities to interest rate risk

1 January 2013 to 19 September 2013	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	1	-	-	-	-
Receivables	-	-	-	-	-
<b>Total financial assets</b>	<b>1</b>	-	-	-	-
<b>Financial liabilities</b>					
Payables	-	-	-	-	-
<b>Total financial assets / (liabilities)</b>	<b>1</b>	-	-	-	-

2012	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	2	-	-	-	-
Receivables	2,855	-	-	-	-
<b>Total financial assets</b>	<b>2,856</b>	-	-	-	-
<b>Financial liabilities</b>					
Payables	(5,170)	-	-	-	-
<b>Total financial assets / (liabilities)</b>	<b>(2,314)</b>	-	-	-	-

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 21. Financial risk management (cont)

#### (b) Credit risk

The company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

Trade accounts payables are carried in the financial statement at net fair value, unless otherwise stated. They have normal business trading terms.

#### (c) Liquidity risk

The company manages liquidity risk by maintaining banking facilities and continuously monitoring forecast and actual cash flows.

#### (d) Fair value of financial assets and liabilities

The carrying amounts of each asset and liability as shown in the balance sheet approximates their fair values.

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that use inputs for the asset / liability not based on observable market data (unobservable inputs).

	19 Sept 2013	Level 1	Level 2	Level 3
	\$	\$	\$	\$
<b>Financial assets</b>				
Non-Traded financial assets	1	1	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Non-Traded financial liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

"End of Audited Financial Report"



To the Directors  
SCU College Pty Ltd

### Auditor's Independence Declaration

As auditor for the audit of the financial statements of SCU College Pty Ltd for the period 1 January 2013 to 19 September 2013, 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 blue ink, appearing to read "Aaron Green".

Aaron Green  
Director, Financial Audit Services

1 April 2014  
SYDNEY



## INDEPENDENT AUDITOR'S REPORT

### SCU College Pty Ltd

To Members of the New South Wales Parliament and Members of SCU College Pty Ltd

I have audited the accompanying financial statements of SCU College Pty Ltd (the Company), which comprise the statement of financial position as at 19 September 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 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 19 September 2013 and its performance for the period 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act 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 that 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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 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, 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 SCU College Pty Ltd on 1 April 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.



Aaron Green  
Director, Financial Audit Services

7 April 2014  
SYDNEY

# Asia Pacific Football Institute Operations

ABN 19 151 245 411

A controlled entity of Southern Cross University

## Financial Statements

For the period 1 January 2013 to  
19 September 2013

## **Directors' report**

The directors of the company present their report on the company for the period 1 January 2013 to 19 September 2013:

### **Principal activities**

The company's principal activities are as a training and development facility to enhance skills and provide educational pathways and development opportunities in Australian youth football.

### **Review of operations**

The net operating result of the company for the period 1 January 2013 to 19 September 2013 was a profit of \$Nil (2012: profit of \$158,652) after providing \$Nil (2012: \$6,804) for depreciation.

### **Changes in state of affairs**

On 1 July 2013 the directors resolved to deregister the company. Notice was received from the Australian Securities and Investment Commission dated 19 September 2013 stating that voluntary deregistration had been approved.

### **Environmental regulations**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory.

### **Proceedings on behalf of the company**

No person has applied for leave of the court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

## **Directors' report**

### **Information about the directors**

The following persons were directors of the company during the period and continued until the date of deregistration:

**Ms Margot Sweeny MEd, BBus, CPA, SA Fin, FAMI, MACS CT**

Ms Sweeny is Chief Executive Officer of Summerland Credit Union

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

Professor Lee is Vice Chancellor of Southern Cross University

### **Company secretary**

**Ms Selena Arthur BComm(UNSW), CPA**

Ms Arthur was Acting Director of Financial and Business Services at Southern Cross University (Resigned: 14 June 2013)

### **Meetings of directors**

The numbers of meetings of directors held during the period and the number of meetings attended by each director were as follows:

	Number eligible to attend	Number attended
Margot Sweeny	1	1
Peter Lee	1	1

### **Directors' benefits**

During or since the period 1 January 2013 to 19 September 2013, no director of the company has received or become entitled to receive a benefit, because of a contract that

(a) the director; or

(b) a firm of which the director is a member, or

(c) an entity in which the director has a substantial financial interest, has made with the company, an entity controlled by the company or related body corporate, other than

(i) a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company, and

(ii) the fixed salary of a full time employee of the company, controlled entity or related body corporate.

During or since the period 1 January 2013 to 19 September 2013 Southern Cross University has insured all of the directors previously listed against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

### **Directors' report**

#### **Indemnification of officers and auditors**

The company has not, during or since the period 1 January 2013 to 19 September 2013, in respect of any person who is or has been an officer or auditor of the company or related body corporate:

- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceeding; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

#### **Auditors' independence declaration**

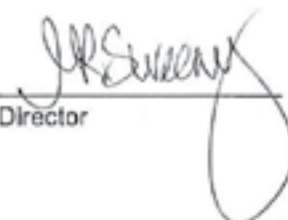
The auditors' independence declaration for the period 1 January 2013 to 19 September 2013 has been received and is included after the directors' declaration.

Signed in accordance with a resolution of the directors made pursuant to S298(2) of the *Corporations Act 2001*.

On behalf of the directors

  
Director

Dated this fourth day of April 2014

  
Director

#### Directors' declaration

In accordance with a resolution of the directors of Asia Pacific Football Institute Operations Pty Ltd and pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state:

1. The attached is a general purpose financial statement and gives a true and fair view of the financial position and performance for the period 1 January 2013 to 19 September 2013.
2. The financial statement has been prepared in accordance with Australian Accounting Standards, the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010*, the *Corporations Act 2001*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
3. We are not aware of any circumstances which would render any particulars included in the financial statement to be misleading or inaccurate.
4. At the date of this declaration, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed this fourth day of April, 2014 in accordance with a resolution of the directors, made pursuant to S295(5) of the *Corporations Act 2001*.

On behalf of the directors

  
Director

  
Director

## Statement of comprehensive income for the period 1 January 2013 to 19 September 2013

	Notes	1 January 2013 to 19 September 2013 \$	2012 \$
<b>Revenue from continuing operations</b>			
Grants received		1,242	251,023
<b>Total revenue from continuing operations</b>		1,242	251,023
Gain on disposal of assets	3	-	19,926
<b>Total income from continuing operations</b>		1,242	270,959
<b>Expenses from continuing operations</b>			
Employee benefits	4	1,242	76,995
Consultancy fees	4	-	1,314
Minor equipment purchases		-	3,702
Depreciation on plant and equipment		-	6,804
Travel, accommodation and hospitality		-	1,768
Other expenses		-	17,724
Audit fees		-	4,500
<b>Total expenses from continuing operations</b>		1,242	117,307
<b>Profit / (loss) from continuing operations before income tax</b>		-	158,652
Income tax expense	5	-	-
<b>Profit / (loss) from continuing operations after income tax</b>		-	158,652
<b>Profit / (loss) for the period</b>		-	158,652
<b>Total comprehensive profit / (loss) for the period</b>		-	158,652
<b>Total comprehensive income attributable to:</b>			
Members of Asia Pacific Football Institute Operations Pty Ltd		-	158,652

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

## Statement of financial position as at 19 September 2013

		1 January 2013 to 19 September 2013	2012
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1	1,443
Trade and other receivables	7	-	5,305
<b>Total current assets</b>		<b>1</b>	<b>6,748</b>
<b>Non-current assets</b>			
Other financial assets	9	-	10
<b>Total non-current assets</b>		<b>-</b>	<b>10</b>
<b>Total assets</b>		<b>1</b>	<b>6,758</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	-	6,757
<b>Total current liabilities</b>		<b>-</b>	<b>6,757</b>
<b>Total liabilities</b>		<b>-</b>	<b>6,757</b>
<b>Net assets</b>		<b>1</b>	<b>1</b>
<b>EQUITY</b>			
Issued capital	20	1	1
<b>Total equity</b>		<b>1</b>	<b>1</b>

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

## Statement of changes in equity for the period 1 January 2013 to 19 September 2013

	Notes	Share Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 January 2012		-	(158,652)	(158,652)
Total comprehensive income for the year	11	-	158,652	158,652
Balance at 31 December 2012		1	-	1
Balance at 1 January 2013		1	-	1
Total comprehensive income for the period	11	-	-	-
Balance at 19 September 2013		1	-	1

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

## Statement of cash flows for the period 1 January 2013 to 19 September 2013

	Notes	1 January 2013 to 19 September 2013	2012
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,604	291,023
Payments to suppliers and employees		(7,898)	(125,224)
GST recovered / (paid)		1,063	929
<b>Net cash provided by / (used in) operating activities</b>	<b>19</b>	<b>(5,332)</b>	<b>126,728</b>
<b>Cash flows from investing activities</b>			
Loans from / (to) related parties		3,880	(176,140)
Sold shares in Summerland Credit Union		10	-
Sold of assets		-	52,794
<b>Net cash provided by / (used in) investing activities</b>		<b>3,890</b>	<b>(123,346)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1,442)</b>	<b>3,382</b>
Cash and cash equivalents at the beginning of the financial period		1,443	11
<b>Cash and cash equivalents at the end of the financial period</b>	<b>6</b>	<b>1</b>	<b>1,443</b>

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

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 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.

Asia Pacific Football Institute Operations Pty Ltd is a small proprietary company limited by shares which is incorporated and domiciled in Australia. The company was deregistered on 19 September 2013 and accordingly current year's figures from 1 January 2013 to date of deregistration are shown.

The principal address of Asia Pacific Football Institute Operations Pty Ltd is Vintery Road Usmora NSW 2430

#### a) Basis of preparation

These general purpose financial statements have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the *Corporations Act 2006*. The financial statements are presented in Australian Dollars.

##### *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). The financial statements and notes comply with the Australian Accounting Standards and have been prepared on a 'for profit' basis.

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

The financial statements were authorised for issue by the directors on 4 April 2014.

##### *Historical cost convention*

These financial statements have been prepared on an accruals basis and are based on the historical cost convention.

##### *Critical accounting estimates*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. These areas require a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. No critical accounting estimates have been identified in these financial statements.

##### *Going concern principle*

The directors resolved to deregister the company pursuant to a resolution on 1 July 2013. Notice was subsequently received from the Australian Investment and Securities Commission stating that the company was deregistered on 19 September 2013.

Accordingly, the financial statements for the period 1 January 2013 to 19 September 2013 have been prepared on a liquidation basis.

When preparing the financial statements in accordance with the liquidation basis, adjustments have been made regarding the recoverability and classification of recorded asset amounts, to reflect the fact that the company will not realise its assets and extinguish its liabilities in the normal course of business.

#### b) Significant revenues & expenses

Where an item of revenue or expense from ordinary activities is of such size, nature or incidence, that its disclosure is relevant in explaining the financial performance of the entity, its nature and amount have been disclosed separately in the notes.

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

#### Rendering of services

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

#### Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and reward are considered passed to the buyer at the time of delivery to the customer.

#### Interest

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

### d) Income tax

Asia Pacific Football Institute Operations Pty Ltd is subject to income tax.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax balances attributable to amounts recognised outside profit and loss are also recognised outside profit and loss.

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### e) Cash and cash equivalents

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

### f) Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable 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 receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

### g) Investments and other financial assets

#### Classification

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

#### 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.

#### Loans and receivables

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

#### Held-to-maturity investments

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

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Available-for-sale financial assets

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

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

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

### Subsequent measurement

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

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

### Fair value

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

### Impairment

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value - less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

### h) Property, plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### i) Depreciation of non-current assets

Depreciation is calculated using the straight line method to allocate the net costs, net of residuals, over the estimated useful lives to the company.

The annual rates for depreciation are:

	Kap 6
Motor vehicles	20

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

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

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

### j) Trade and other payables

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

### k) Employee benefits

#### Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid (payable).

#### Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and non-accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 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.

#### Long service leave

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

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Retirement benefit obligations

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

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, outside the income statement, in the statement of comprehensive income.

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

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

### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The 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 falling due more than 12 months after balance date are discounted to present value.

### 1) Goods and services tax (GST)

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

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

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

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### m) Allocation between current and non-current

In determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to settle. The asset or liability is classified as current if it is expected to settle within the next 12 months, being the company's operational cycle. In the case of liabilities, where the company does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if it is not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

### n) Comparative amounts

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

### o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period 1 January 2013 to 19 September 2013.

It is considered that the impact of these new standards and interpretations in future periods will have no material impact on the financial statements of the company.

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 2. Company details

Asia Pacific Football Institute Operations Pty Ltd is a small proprietary company, limited by shares which is incorporated and operates in Australia.

The registered office and principal place of business of the company (up to date of registration) was:

Red Trevaud Building  
Southern Cross University  
Military Road  
Lismore NSW 2480

1 January 2013 to 19 September 2013	2012
\$	\$

### Note 3. Gains / (losses) on disposal of assets

Proceeds from sale	-	52,794
Carrying amount of assets sold	-	(32,858)
Total of net gain / (loss) on disposal of assets	-	19,936

### Note 4. Expenses from continuing operations

#### Note 4.1. Employee benefits

Salaries	-	87,923
Superannuation	-	4,934
Payroll tax	1,242	4,016
Workers' compensation	-	122
Total employee benefits	1,242	96,995

#### Note 4.2. Consultancy fees paid

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

-	7,314
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### Note 5. Income tax

Income tax expense		
Current tax	-	30,673
Deferred tax	-	7,927
Less reduction of deferred taxes from previous years	-	(47,595)
Income tax attributable to the entity	-	-

#### Deferred tax assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 are satisfied

- operating losses	-	-
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## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

	1 January 2013 to 19 September 2013	2012
	\$	\$
<b>Note 6. Cash and cash equivalents</b>		
Cash at bank	-	1,442
Cash on hand	1	-
<b>Total cash and cash equivalents</b>	<b>1</b>	<b>1,442</b>

### (a) Reconciliation to cash at the end of the period

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

Balance as above	1	1,442
<b>Balance per statement of cash flows</b>	<b>1</b>	<b>1,442</b>

## Note 7. Trade and other receivables

### Current

Trade receivables	-	362
Amounts receivable from parent entity	-	3,880
Net goods and services tax receivable	-	1,063
<b>Total trade and other receivables</b>	<b>-</b>	<b>5,305</b>

No receivables were considered impaired at 19 September 2013 (2012: \$Nil).

## Note 8. Plant and equipment

### Plant and equipment

At cost	-	-
Accumulated depreciation	-	-
<b>Total plant and equipment</b>	<b>-</b>	<b>-</b>

### Movement in the carrying amounts

Movement in the carrying amounts of plant and equipment between the beginning and the end of the current financial period:

Carrying amount as at 1 January 2013	-	35,662
Disposals	-	(32,858)
Depreciation expense	-	(6,304)
<b>Carrying amount as at 19 September 2013</b>	<b>-</b>	<b>-</b>

## Note 9. Other financial assets

### Non-current

Shares in Summerland Credit Union (unlisted)	-	10
	<b>-</b>	<b>10</b>

These financial assets are carried at cost. There are no fixed returns or fixed maturity dates attached to these investments.

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 10. Trade and other payables

Current

Accrued expenses

Total trade and other payables

1 January 2013 to

19 September 2013

\$

2012

\$

-	0,757
-	6,757

### Note 11. Retained earnings

Retained earnings at 1 January 2013

Total comprehensive income for the period

Retained earnings at 19 September 2013

-	(158,862)
-	158,862
-	-

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 12. Key management personnel disclosures

#### Directors

The names of directors who held office during the period 1 January 2013 to 19 September 2013 are:

Margot Sweeney  
Peter Lee

#### Directors remuneration

Income paid or payable to directors and other members of key management personnel in the company and the group.

1 January 2013 to 19 September 2013	2012
\$	\$

474,815	411,117
---------	---------

Number	Number
--------	--------

1	2
-	1
-	1
-	1
1	-

Number of directors whose income was within the following bands:

\$0 to \$14,999

\$15,000 to \$49,999

\$50,000 to \$134,999

\$135,000 to \$249,999

\$250,000 to \$499,999

This remuneration does not just relate to the directors' roles within Asia Pacific Football Institute Operation Pty Ltd, it includes remuneration from associated entities.

1 January 2013 to 19 September 2013	2012
\$	\$

-	81,227
---	--------

Number	Number
-	1

#### Responsible officer remuneration

Income paid or payable to a staff member employed by Southern Cross University whose duties include management responsibilities for the company's operation

\$50,000 to \$134,999

1 January 2013 to 19 September 2013	2012
\$	\$

#### Key management personnel compensation

Short-term employee benefits

Post-employment benefits

Termination benefits

-	76,001
---	--------

-	5,692
---	-------

-	8,544
---	-------

-	90,237
---	--------

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 13. Related party transactions

#### Parent entity

The entity is a wholly owned subsidiary of Southern Cross University.

#### Related party transactions

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

#### Transactions with related parties:

##### (i) Parent entity

Transactions with Southern Cross University for services provided are fully reimbursed by the company as charged, however financial services and administrative assistance are provided by the University at no cost. The value of these costs are not readily quantified.

	1 January 2013 to 19 September 2013	2012
	\$	\$
<b>Revenue</b>		
Southern Cross University grant received	1,242	251,028
Southern Cross University sale of property, plant and equipment	-	17,984
<b>Expenditure</b>		
Southern Cross University service fees	-	673
<b>Outstanding balances</b>		
Aggregate amounts receivable from, and payable to related parties at balance date are as follows:		
<b>Current receivables</b>		
Parent entity	-	3,880

#### Terms and conditions

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

A provision for impairment has not been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

### Note 14. Remuneration of auditors

During the period the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

#### Assurance services

Fees paid to The Audit Office of New South Wales  
Audit of financial statements

-	4,500
---	-------

The 2013 audit fee is being paid by the parent entity due to the deregistration of the company.

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 15. Contingencies

#### Contingent liabilities

Asia Pacific Football Institute Operations Pty Ltd currently has no legal matters outstanding or other contingent liabilities which are expected to result in material claims against it.

### Note 16. Commitments for expenditure

#### (a) Capital expenditure commitments

There were no commitments for capital expenditure as at 19 September 2013 (2012: \$Nil)

#### (b) Lease commitments

There were no leasing commitments as at 19 September 2013 (2012: \$Nil)

### Note 17. Segment reporting

#### (a) Geographic segments

The company operates solely within Australia.

### Note 18. Events after balance sheet date

There were no events subsequent to reporting date that would have a material financial effect on the financial report.

### Note 19. Reconciliation of operating result for the period after income tax to net cash flows from operations

	1 January 2013 to 19 September 2013	2012
	\$	\$
Net operating result for the period	-	239
Add: Depreciation	-	6,804
Net (gain) / loss on sale of assets	-	(18,986)
<i>Change in operating assets and liabilities</i>		
(Increase) / decrease in receivables	362	(362)
(Increase) / decrease in GST receivable	1,063	(64)
Increase / (decrease) in provision for employee benefits	-	(5,439)
Increase / (decrease) in payables and other liabilities	(6,757)	(12,866)
Net cash inflow / (outflow) from operating activities	(5,332)	(31,664)

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 20. Contributed equity

	1 January 2013 to 19 September 2013	2012
	\$	\$
Opening balance	1	1
Fully paid shares issued during the reporting period	-	-
Closing balance (1 share, fully paid at \$1.00 each)	<u>1</u>	<u>1</u>

#### Fully paid shares

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The company has the power to forfeit any shares upon which the call remains unpaid for a period specified by the directors.

The company has a first and paramount claim on every share not fully paid for all money, whether presently payable or not, called or payable at a fixed time in respect of that share.

### Note 21. Economic dependency

A letter of unconditional financial support has been provided for the reporting period by Southern Cross University. The parent entity will support the company financially to help ensure the company can pay its debts as and when they fall due.

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 22. 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 company.

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 and other price risks, ageing analysis for credit risk and daily assessment of investment portfolios to determine market risk.

Risk management assessment is undertaken by the parent entity. The company does not enter into or trade financial instruments for speculative purposes.

#### (a) Market risk

##### (i) Foreign exchange risk

The company does not undertake transactions in other currencies so does not have exposure to exchange rate fluctuations.

##### (ii) Price risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The company is not exposed to price risk.

##### (iii) Cash flow and fair value interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The cash management functions are performed by the parent entity.

##### (iv) Summarised sensitivity analysis

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

1 January 2013 to 19 September 2013	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	1	-	-	-	-
Receivables	-	-	-	-	-
Total financial assets	1	-	-	-	-
Financial liabilities					
Payables	-	-	-	-	-
Net financial assets/(liabilities)	1	-	-	-	-

2012	Carrying amount	Interest Rate Risk			
		-1%		1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	1,443	-	-	-	-
Receivables	4,242	-	-	-	-
Total financial assets	5,685	-	-	-	-
Financial liabilities					
Payables	5,170	-	-	-	-
Net financial assets/(liabilities)	515	-	-	-	-

## Notes to the financial statements for the period 1 January 2013 to 19 September 2013

### Note 22. Financial risk management (cont)

#### (b) Credit risk

The company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

Trade accounts payables are carried on the financial statement at net fair value unless otherwise stated. They have normal business trading terms.

#### (c) Liquidity risk

The company manages liquidity risk by maintaining banking facilities and continuously monitoring forecast and actual cash flows.

#### (d) Fair value of financial assets and liabilities

The carrying amounts of each asset and liability as stated in the balance sheet approximates their fair values.

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for this asset / liability not based on observable market data (unobservable inputs).

	19 Sept 2013	Level 1	Level 2	Level 3
	\$	\$	\$	\$
<b>Financial assets</b>				
Non-traded financial assets	1	1	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Non-traded financial liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

"End of Audited Financial Report"



To the Directors  
Asia Pacific Football Institute Operations Pty Ltd

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

As auditor for the audit of the financial statements of Asia Pacific Football Institute Operations Pty Ltd for the period 1 January 2013 to 19 September 2013, 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 blue ink, appearing to read 'Aaron Green'.

Aaron Green  
Director, Financial Audit Services

1 April 2014  
SYDNEY



## INDEPENDENT AUDITOR'S REPORT

### Asia Pacific Football Institute Operations Pty Ltd

To Members of the New South Wales Parliament and Members of Asia Pacific Football Institute Operations Pty Ltd

I have audited the accompanying financial statements of Asia Pacific Football Institute Operations Pty Ltd (the Company), which comprise the statement of financial position as at 19 September 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the period 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 19 September 2013 and its performance for the period 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

### Directors Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act 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 that 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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 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, 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 Asia Pacific Football Institute Operations Pty Ltd on 1 April 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.



Aaron Green  
Director, Financial Audit Services

7 April 2014  
SYDNEY

# Norsearch Limited

ABN 57 003 082 406

A subsidiary of Southern Cross University

## Financial Statements

For the Year Ended 31 December 2013

## Contents

31 December 2013

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## **Directors' Report**

**31 December 2013**

The directors present their report on Norsearch Limited for the financial year ended 31 December 2013.

### **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)
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)
Special responsibilities	Head, Coffs Harbour campus at Southern Cross University

#### **Donna Moffit**

Qualifications	BCom (Griffith), MStratHRM (UOW)
Special responsibilities	Director of Student Services at Southern Cross University

#### **Paul Deegan**

Qualifications	BBuild (UNSW), Licensed Real Estate Agent
Special responsibilities	Principal of LJ Hooker Francise, 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 included the following:

- operation of a licensed bar, function room, pool and gymnasium.
- operation of on-campus catering services and an off-campus conference facility.

No significant changes in the nature of the Company's activity 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 strategies:

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

## Directors' Report

31 December 2013

### Performance measures

The following measures are 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 members 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 2013 the collective liability of members was \$ 80 (2012: \$ 80).

### Going concern

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

### Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Chris Patton	3	3
David Lynch	3	3
Donna Moffit	3	1
Paul Deegan	3	2

### 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 2013 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:   
Chris Patton

Director:   
Donna Moffit

Dated 4 April 2014



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 2013, 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 blue ink, appearing to read 'Aaron Green'.

Aaron Green  
Director, Financial Audit Services

1 April 2014  
SYDNEY

## Statement of Comprehensive Income

### For the Year Ended 31 December 2013

		2013	2012
	Note	\$	\$
Revenue	2	1,377,268	1,447,327
Other income	2	568,420	740,442
Costs of goods sold	3	(247,298)	(264,973)
Employee benefits expense	3	(1,224,626)	(1,262,157)
Depreciation and amortisation expense	3	(3,427)	(9,673)
Impairment loss	3	-	(1,213)
Other expenses	3	(763,378)	(984,986)
<b>Net result for the year</b>		<b>(293,041)</b>	<b>(335,233)</b>
<b>Total comprehensive income for the year</b>		<b>(293,041)</b>	<b>(335,233)</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As At 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	60,630	67,144
Trade and other receivables	5	43,915	24,643
Inventories	6	20,884	25,710
Other assets	7	5,351	-
<b>Total current assets</b>		<b>130,780</b>	<b>117,497</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	14,288	17,715
<b>Total non-current assets</b>		<b>14,288</b>	<b>17,715</b>
<b>Total assets</b>		<b>145,068</b>	<b>135,212</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1,031,745	669,349
Provisions	10	44,980	93,975
Other liabilities	11	651	12,255
<b>Total current liabilities</b>		<b>1,077,376</b>	<b>775,579</b>
<b>Non-current liabilities</b>			
Provisions	10	19,751	18,651
<b>Total non-current liabilities</b>		<b>19,751</b>	<b>18,651</b>
<b>Total liabilities</b>		<b>1,097,127</b>	<b>794,230</b>
<b>Net assets</b>		<b>(952,059)</b>	<b>(659,018)</b>
<b>Equity</b>			
Retained earnings	12	(952,059)	(659,018)
<b>Total equity</b>		<b>(952,059)</b>	<b>(659,018)</b>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity****For the Year Ended 31 December 2013**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2012</b>	<b>(323,785)</b>	<b>(323,785)</b>
Net result attributable to members of the entity	<b>(335,233)</b>	<b>(335,233)</b>
<b>Balance at 31 December 2012</b>	<b>(659,018)</b>	<b>(659,018)</b>
<b>Balance at 1 January 2013</b>	<b>(659,018)</b>	<b>(659,018)</b>
Net result attributable to members of the entity	<b>(293,041)</b>	<b>(293,041)</b>
<b>Balance at 31 December 2013</b>	<b>(952,059)</b>	<b>(952,059)</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
<b>Cash flow from operating activities:</b>			
Receipts from customers		2,035,635	2,337,254
Payments to suppliers and employees		(1,973,447)	(2,273,141)
Interest received		-	1,484
GST recovered/paid		(68,702)	(67,693)
Net cash provided by (used in) operating activities	18	(6,514)	(2,096)
<b>Cash flow from investing activities:</b>			
Proceeds from sale of plant and equipment		-	23,318
Purchase of property, plant and equipment		-	(12,525)
Net cash used by investing activities		-	10,793
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in cash and cash equivalents held		(6,514)	8,697
Cash and cash equivalents at beginning of year		67,144	58,447
Cash and cash equivalents at end of financial year	4	60,630	67,144

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 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 and the *Corporations Act 2001*.

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

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

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

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

- *Corporations Act 2001*
- *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*

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 members of Norsearch Limited on 4 April 2014.

##### *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 judgement in the process of applying Norsearch Limited's accounting policies.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2013**

### **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:

- 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.

The comparative information in the income statement for expenditure items was consolidated into Costs of goods sold and Other expenses in order to group items of similar nature and simplify the disclosure. Comparative information in the related notes has also been amended.

The comparative information in the statement of financial position related to Other liabilities and Trade and other payables has been amended to group items of similar nature. Comparative information in the related notes has also been amended.

#### **(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).

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

###### Rendering of services

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.

###### Sale of goods

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

Interest is recognised using the effective interest method.

##### (d) Employee benefits

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

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

###### *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 as it is not due to be settled within 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.

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

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

## Notes to the Financial Statements

For the Year Ended 31 December 2013

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

#### (d) Employee benefits (continued)

##### *v) 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 falling due more than 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.

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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (h) Trade receivables

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (h) Trade receivables (continued)

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. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Class of Asset	Useful Life (years)
Plant and Equipment	7-10

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

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (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.

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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

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.

##### 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.

##### (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.

# Notes to the Financial Statements

For the Year Ended 31 December 2013

## 1 Summary of Significant Accounting Policies (continued)

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

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

- AASB 119 *Employee Benefits*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

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

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

### (p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	1 January 2017	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 11 Joint Arrangements, AASB 128 Investments in Associates and AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments	1 January 2014	AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). AASB 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.	All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 13 Fair Value Measurement.	1 January 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.
AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]		There are a number of additional disclosure requirements.	The entity has not yet determined the magnitude of any changes which may be needed.  Some additional disclosures will be needed.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place..

# Notes to the Financial Statements

For the Year Ended 31 December 2013

## 2 Revenue and Other Income

	2013 \$	2012 \$
<b>Revenue</b>		
Membership revenue	510,847	494,379
Conference sales	147,387	220,642
Catering revenue	417,295	406,589
Bar sales	157,551	218,666
	<u>1,233,080</u>	<u>1,340,276</u>
Other revenue	144,188	107,051
<b>Total Revenue</b>	<u>1,377,268</u>	<u>1,447,327</u>
 <b>Other Income</b>		
Management fees	568,420	740,443
<b>Total Other income</b>	<u>568,420</u>	<u>740,443</u>

### (a) Interest Revenue

Interest revenue from:  
Financial institutions

1,086 1,425

## 3 Expenses from continuing operations

Costs of goods sold	247,298	264,973
Employee benefits expense	1,224,626	1,262,157
Depreciation and amortisation		
Plant and equipment	3,427	9,673
Impairment loss - trade receivables	-	1,213
Other expenses	763,378	984,986
<b>Total Expenses</b>	<u>2,238,729</u>	<u>2,523,002</u>

## 4 Cash and cash equivalents

Cash at bank and in hand	60,630	67,144
<b>Total cash and cash equivalents</b>	<u>60,630</u>	<u>67,144</u>

### (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	60,630	67,144
Balance as per cash flow statement	<u>60,630</u>	<u>67,144</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 4 Cash and cash equivalents (continued)

##### (b) Cash at bank

Cash in operating accounts earns interest at variable interest rates.

#### 5 Trade and other receivables

	2013	2012
	\$	\$
<b>Current</b>		
Trade receivables	41,258	23,139
Provision for impairment	-	(1,624)
	<u>41,258</u>	<u>21,515</u>
Other receivables	2,657	3,128
	<u>2,657</u>	<u>3,128</u>
<b>Total current trade and other receivables</b>	<u><u>43,915</u></u>	<u><u>24,643</u></u>

##### (a) Impaired receivables

As at 31 December 2013 current receivables of the Company with a nominal value of \$Nil (2012: \$1,624) were impaired. The amount of the provision was \$Nil (2012: \$1,624). The individually impaired receivables relate to a variety of debtors, who are in unexpectedly difficult economic situations. It was assessed that the receivables are expected to be recovered.

The ageing of these receivables is as follows:

	2013	2012
	\$	\$
<b>Current receivables</b>		
3 to 6 months	-	1,301
Over 6 months	-	323
	<u>-</u>	<u>1,624</u>
	<u><u>-</u></u>	<u><u>1,624</u></u>

As at 31 December 2013 trade receivables of \$37,441 (2012:\$Nil ) 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:

	2013	2012
	\$	\$
<b>Trade receivables</b>		
Between 0 to 3 months	37,421	-
Over 6 months	20	-
	<u>37,421</u>	<u>-</u>
	<u><u>37,441</u></u>	<u><u>-</u></u>

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 5 Trade and other receivables (continued)

#### (a) Impaired receivables (continued)

	2013 \$	2012 \$
<b>Movements in the provision for impaired receivables are as follows:</b>		
At 1 January	1,624	290
Provision for impairment recognised during the year	-	1,334
Unused amount reversed	(1,624)	-
	<u>-</u>	<u>1,624</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

	2013 \$	2012 \$
<b>Current</b>		
At cost:		
Finished goods	20,884	25,710
<b>Total inventories</b>	<u>20,884</u>	<u>25,710</u>

### 7 Other non-financial assets

	2013 \$	2012 \$
<b>Current</b>		
Prepayments	5,351	-
<b>Total other non-financial assets</b>	<u>5,351</u>	<u>-</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 8 Property, plant and equipment

#### Plant and equipment

At cost	55,706	55,706
Accumulated depreciation	(41,418)	(37,991)
<b>Total plant and equipment</b>	<b>14,288</b>	<b>17,715</b>
<b>Total property, plant and equipment</b>	<b>14,288</b>	<b>17,715</b>

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 \$	Total \$
<b>Year ended 31 December 2012</b>		
Opening net book amount	38,181	38,181
Additions	12,525	12,525
Disposals	(23,318)	(23,318)
Depreciation expense	(9,673)	(9,673)
<b>Closing net book amount</b>	<b>17,715</b>	<b>17,715</b>

	Plant and Equipment \$	Total \$
<b>Year ended 31 December 2013</b>		
Opening net book value	17,715	17,715
Depreciation expense	(3,427)	(3,427)
<b>Closing net book amount</b>	<b>14,288</b>	<b>14,288</b>

### 9 Trade and other payables

	2013 \$	2012 \$
<b>Current</b>		
Trade payables	63,235	35,415
Related party payables	946,247	593,057
Other payables	22,263	40,877
<b>Total current payables</b>	<b>1,031,745</b>	<b>669,349</b>

17(c)

# Notes to the Financial Statements

For the Year Ended 31 December 2013

## 10 Provisions

	2013	2012
	\$	\$
<b>Current provisions expected to be settled wholly within 12 months</b>		
Employee benefits		
Annual leave	27,806	35,770
Long service leave	462	37,038
	<u>28,268</u>	<u>72,808</u>
<b>Current provisions expected to be settled wholly after more than 12 months</b>		
Employee benefits		
Annual leave	16,712	21,167
	<u>16,712</u>	<u>21,167</u>
<b>Total current provisions</b>	<u>44,980</u>	<u>93,975</u>
	2013	2012
	\$	\$
<b>Non-current provisions</b>		
Employee benefits		
Long service leave	19,751	18,651
<b>Total non-current provisions</b>	<u>19,751</u>	<u>18,651</u>

## 11 Other liabilities

	2013	2012
	\$	\$
<b>Current</b>		
Income received in advance	651	12,255
<b>Total other liabilities</b>	<u>651</u>	<u>12,255</u>

## 12 Retained Earnings

	2013	2012
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	(659,018)	(323,785)
Total comprehensive income for the year	(293,041)	(335,233)
<b>Retained earnings at end of the financial year</b>	<u>(952,059)</u>	<u>(659,018)</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 13 Remuneration of Auditors

	2013	2012
	\$	\$
<b>Remuneration of the auditor of the Company, Audit Office of NSW, for:</b>		
Auditing or reviewing the financial report	27,000	26,000

#### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2013 (31 December 2012:None).

#### 15 Events Occurring After the Reporting Date

The financial report was authorised for issue on 4 April 2014 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

###### Directors remuneration

Income paid or payable, or otherwise made available, to all board members by the Company in connection with the management of affairs of the Company during the financial year was \$715,174 (2012: \$978,439).

	2013 Number	2012 Number
Nil to \$14,999	1	1
\$75,000 to \$89,999	-	1
\$90,000 to \$104,999	-	1

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

##### (b) Directors and responsible officers remuneration (continued)

	2013 Number	2012 Number
\$105,000 to \$119,999	-	1
\$135,000 to \$149,999	-	1
\$150,000 to \$164,999	-	1
\$165,000 to \$179,999	-	1
\$180,000 to \$194,999	1	-
\$210,000 to \$224,999	1	1
\$300,000 to \$314,999	1	-
<b>Total</b>	<b>4</b>	<b>8</b>

##### Responsible officers remuneration

Income paid or payable, or otherwise made available, to all responsible officers by the Company in connection with the management of affairs of the Company during the financial year was \$334,188 (2012: \$237,224).

	2013 Number	2012 Number
\$15,000 to \$29,999	1	-
\$30,000 to \$44,999	-	1
\$45,000 to \$59,999	1	1
\$135,000 to \$149,999	-	1
\$255,000 to \$269,999	1	-
<b>Total</b>	<b>3</b>	<b>3</b>

##### (c) Key management compensation

	2013 \$	2012 \$
Short-term employee benefits	150,275	167,080
Post-employment benefits	23,895	24,653
Termination benefits	160,018	45,491
<b>Total</b>	<b>334,188</b>	<b>237,224</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 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.

Transaction with related parties:

##### (a) Ultimate Parent Entity

The Company is a wholly owned subsidiary of its ultimate parent entity, Southern Cross University.

Transactions with Southern Cross University for services provided are fully re-imbursed by the Company. The Company operates from premises owned by Southern Cross University at no charge and the Company is unable to determine the value for this charge.

##### (b) Transactions with related parties

The following transactions occurred with related parties:

	Purchases	Sales
<b>Parent</b>		
Catering services	-	809,701
Cost recoveries	48,868	-

##### (c) Balances to related parties

	2013	2012
	\$	\$
<b>Current</b>		
Amount payable to:		
Ultimate parent entity	946,247	593,057

##### (d) Terms and Conditions

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

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

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

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

	2013	2012
	\$	\$
Net result for the year	(293,041)	(335,233)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in net result:		
Depreciation	3,427	9,673
Impairment losses	-	1,213
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	(19,272)	11,445
(Increase)/decrease in other assets	(5,351)	-
(Increase)/decrease in inventories	4,826	(3,226)
Increase/(decrease) in trade and other payables	362,396	311,911
Increase/(decrease) in provisions	(47,895)	2,121
Increase/(decrease) in other liabilities	(11,604)	-
Cashflow from operating activities	<u>(6,514)</u>	<u>(2,096)</u>

#### 19 Financial Risk Management

##### (a) Financial risk management policies

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.

##### (b) Market risk

###### (i) Foreign currency sensitivity

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.

###### 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 19 Financial Risk Management (continued)

##### (c) 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.

At 31 December 2013, the effect on profit and equity from the sensitivity of the company's financial assets and liabilities as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2013	2012
	\$	\$
Change in profit		
Cash	-	-
- Increase 1% in interest rates	606	408
- Decrease in 1% in interest rates	(606)	(408)
Change in equity		
Cash	-	-
- Increase 1% in interest rates	606	408
- Decrease 1% in interest rates	(606)	(408)

##### (d) 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.

##### (e) 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.

The interest bearing deposits and deposits at call have an average maturity of 45 days.

There have been no variations to the objects, policies and processes for liquidity risk since the prior period.

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 19 Financial Risk Management (continued)

##### (e) Liquidity risk (continued)

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

	Average Interest rate		Variable interest rate		Non Interest		Within 1 year		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>										
Cash and cash equivalents	2.54	3.49	54,190	60,704	6,440	6,440	60,630	67,144	60,630	67,144
Receivables	-	-	-	-	41,362	21,626	41,362	21,626	41,362	21,626
<b>Total Financial Assets</b>			<b>54,190</b>	<b>60,704</b>	<b>47,802</b>	<b>28,066</b>	<b>101,992</b>	<b>88,770</b>	<b>101,992</b>	<b>88,770</b>
<b>Financial Liabilities:</b>										
Payables	-	-	-	-	1,028,209	665,680	1,028,209	665,680	1,028,209	665,680
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>1,028,209</b>	<b>665,680</b>	<b>1,028,209</b>	<b>665,680</b>	<b>1,028,209</b>	<b>665,680</b>

#### 20 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.

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

	Carrying Amount		Fair Value	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	60,630	67,144	60,630	67,144
Receivables	41,362	21,626	41,362	21,626
<b>Total financial assets</b>	<b>101,992</b>	<b>88,770</b>	<b>101,992</b>	<b>88,770</b>
<b>Financial Liabilities</b>				
Payables	1,028,209	665,680	1,028,209	665,680
<b>Total financial liabilities</b>	<b>1,028,209</b>	<b>665,680</b>	<b>1,028,209</b>	<b>665,680</b>

## Notes to the Financial Statements

### For the Year Ended 31 December 2013

#### 21 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

#### 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 2013 the number of members was 4 (2012: 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 28, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards, the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*; and
  - b. give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the Company.
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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

Director .....



Chris Patton

Director .....



Donna Moffit

Dated 4 April 2014

## 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 2013, 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 2013 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act 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 that 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

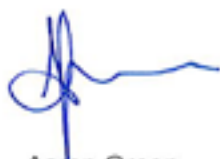
- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information 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, 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 1 April 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.



Aaron Green  
Director, Financial Audit Services

7 April 2014  
SYDNEY

# Appendix A:

## Staff Employment

Nominal FTE	2010	2011	2012	2013
Academic	347.7	332.0	347.5	363.9
Professional	561.5	557.5	563.2	575.2
<b>TOTAL</b>	<b>909.2</b>	<b>889.5</b>	<b>910.7</b>	<b>939.1</b>

Academic staff				
Nominal FTE	2010	2011	2012	2013
Above senior lecturer	71.2	71.1	73.0	75.6
Senior lecturer	82.6	85.2	88.1	91.4
Lecturer	125.5	113.9	147.3	152.9
Below lecturer	68.4	61.8	39.1	44.0
<b>TOTAL</b>	<b>347.7</b>	<b>332.0</b>	<b>347.5</b>	<b>363.9</b>

Above senior lecturer = Levels D, E (plus VC and DVC)

Senior lecturer = Level C

Lecturer = Level B

Below lecturer = Level A

Professional staff				
Nominal FTE	2010	2011	2012	2013
HEW 1	1.6	1.6	8.2	6.6
HEW 2	6.5	2.5	2.5	3.1
HEW 3	29.1	30.7	20.6	16.0
HEW 4	150.5	143.2	145.2	146.3
HEW 5	149.7	148.3	142.6	149.5
HEW 6	84.7	86.2	90.4	92.5
HEW 7	69.7	69.9	73.9	82.6
HEW 8	36.1	42.2	42.9	38.5
HEW 9	11.4	10.4	10.4	12.1
HEW 10 and above	22.2	22.5	26.5	28.0
<b>TOTAL</b>	<b>561.5</b>	<b>557.5</b>	<b>563.2</b>	<b>575.2</b>

Note: these data exclude staff employed on a casual / sessional basis

Source: MIS DEEWR staff cube

17/02/2014

# Appendix B:

## Trends in the Representation of EEO Target Groups

Data extracts from Reporting Period 2012-2013 as at 31 March 2013 (excludes casuals)

Academic Staff	Benchmark or Target	2010	2011	2012	2013
Women	50%	54%	49%	48%	49.3%
Aboriginal people and Torres Strait Islanders	2.6%	3.9%	2.7%	2.1%	1.3%
People whose first language was not English	19%	10%	9%	8.8%	9.0%
People with a disability	N/A	8%	8%	5.1	5.8%
People with a disability requiring work-related adjustment	1.3%	1.4%	1.0%	0.5%	0.8%

Professional Staff	Benchmark or Target	2010	2011	2012	2013
Women	50%	67%	67%	67%	67.4%
Aboriginal people and Torres Strait Islanders	2.6%	4.1%	4.2%	3%	2.9%
People whose first language was not English	19%	5%	3%	2.3%	2.8%
People with a disability	N/A	5%	5%	3.5%	3.8%
People with a disability requiring work-related adjustment	1.3%	0.4%	0.4%	0.2%	0.3%

### Distribution Index

Academic Staff	Benchmark or Target	2010	2011	2012	2013
Women	100	78	78	81	83
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	121	120
People whose first language was not English	100	92	81	79	84
People with a disability	100	81	74	89	90
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

### Distribution Index

Professional Staff	Benchmark or Target	2010	2011	2012	2013
Women	100	89	91	92	90
Aboriginal people and Torres Strait Islanders	100	75	73	81	77
People whose first language was not English	100	99	99	103	94
People with a disability	100	94	98	98	102
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

<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 C:

## Multicultural Policies and Services Program Report - 2013

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

### 1. PLANNING AND EVALUATION

#### Outcome 1: Planning

Multicultural policy goals are integrated into the overall corporate and business planning

The University's Strategic Plan 2011-2015 reflects the University's commitment to equity and diversity within its mission, values, goals and strategies. The University values scholarship, innovation, social justice, ethical behaviour, sustainable practice and engagement. Its graduate attributes include intellectual vigour, creativity, ethical practice, knowledge of a discipline, lifelong learning, communication and social skills and cultural competence – an ability to engage with diverse cultural and Indigenous perspectives in both global and local settings.

In alignment with the Strategic Plan, the Equity and Diversity Plan 2011- 2015 includes goals and objectives specifically targeted at providing an environment for staff and students that embraces and supports knowledge of and respect for equity and cultural diversity. Strategies within the plan include the promotion and affirmation of diversity through celebrations, workshops, promotional materials and events and the implementation of globally relevant and inclusive teaching plans that value diverse ways of knowing and learning.

The staffing profile of people from culturally diverse backgrounds was analysed and is reported in the University's Annual Report. See *Appendix B*.

#### Outcome 2: Consultation and Feedback

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

The Equity and Diversity Committee is responsible for ensuring comprehensive integration of diversity and equity matters across the University. The committee is chaired by the Pro Vice Chancellor (Academic) and membership includes the Director, GNIBI College of Indigenous Australian Peoples,

the Head of the Gold Coast and Coffs Harbour campuses, the Directors of the International Office, Human Resources and Student Services, Senior Manager Student Health Services and the Head of the Equity and Diversity Office. The committee convenes four times each year and provides a consultative mechanism for the University community regarding equity and diversity matters. University staff with specific expertise in Equity and Diversity matters may attend in an advisory capacity, to provide information and/or assistance at the request of the Committee. The Committee also has the authority to appoint specialist working parties for consultation in relation to equity and diversity issues.

### 2. CAPACITY BUILDING AND RESOURCING

#### Outcome 3: Leadership

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

- The University provides intranet based anti-discrimination training modules for all staff, plus an additional module for supervisors and managers.
- The University celebrates and recognises cultural diversity and harmony by holding cultural celebrations and cultural events during the year with staff, students and the community.
- The University's Equity and Diversity website contains a Cultural Diversity Annual Calender with links to local, national and international cultural activities.
- The University's HR Services conducts "No Bullying at SCU" workshops for staff.

#### Outcome 4: Human Resources

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

- The University continues to ensure employment related policies and practices promote and support work and life balance, EEO and cultural diversity, safety and security principles.
- The Recruitment and Appointment Policy requires that all staff participating on staff selection panels must have

completed training in staff selection and interviewing. This training includes anti-discrimination and cultural diversity segments, with an emphasis on the principles of merit selection and highlighting the value of a culturally diverse workplace.

- Position descriptions for staff include the selection criteria: 'A demonstrated commitment to cultural diversity and equity within the workplace' (non-supervisory levels) and; 'A demonstrated commitment to cultural diversity and a working knowledge of equity and OH&S principles in the workplace' (supervisory or senior levels).
- Induction materials contain comprehensive staff equity information including EEO, non-discriminatory language guidelines, and staff responsibilities for international students.
- Staff selection panels may include a representative from Human Resources or Equity and Diversity which is a resource that provides additional support to ensure that staff selection is based on merit.
- All advertised vacancies express the University's commitment to equal opportunity, workplace health and safety and cultural diversity.
- The University has staff and student Equity and Diversity contacts to assist with equity and diversity matters and its' Grievance Policy ensures the needs of people from backgrounds other than English are met.
- The University provides intranet based anti-discrimination training modules for all staff, plus an additional module for managers. EO Online anti-discrimination training modules are provided for completion as part of Staff Selection and Interview Training and as a pre-requisite for the role of an Equity and Diversity contact. Completion of EO Online is a compulsory part of the Induction Program for all new staff and regular reminders are sent to all staff as part of the University's overall commitment to equal employment opportunity and anti-discrimination.
- A series of workshops and activities as part of the Courageous Conversations about Race (CCAR) Program was implemented and delivered in 2013. The program specifically addresses a model of cultural competence training for the Australian higher education context. SCU is part of a consortium of universities, led by the University of Western Australia, who have participated on the project in consultation and collaboration within a 'community of practice' framework.

### 3. PROGRAMS AND SERVICES DELIVERY

#### Outcome 5: Access and Equity

Programs and services are developed to address barriers to accessibility for people from culturally, linguistically and religiously diverse backgrounds

The University has a strategic commitment which is reflected in its graduate attribute, to provide courses that equip students with an ability to engage with diverse cultural and Indigenous perspectives in both global and local settings.

- In line with the University's policy on Learning, Teaching and Curriculum; the University designs its courses to meet the learning needs of its diverse student body which includes but is not limited to international students, mature age students, school-leavers and a wide variety of ethnic, regional and remote students. Additionally, in the delivery of courses, the University requires that consideration is given to the diverse range of backgrounds and learning needs of students.
- All University course reviews are required to indicate how cultural diversity is recognised and addressed within the course and units, including how the course exposes students to a variety of cultural perspectives and how cultural diversity is assessed and incorporated into graduate attributes.
- Students in the School of Education participate in the 'Beyond the Line' program which involves immersing students in regional and rural contexts that include a diverse cultural population of students. The School routinely addresses multicultural policies and services as an important component of all courses and students are taught the meaning and national policy of multiculturalism and the implications for their teaching practice and careers. The School of Environment, Science and Engineering has a unit of study designed to incorporate concepts of differing schema in working in multicultural Australia. The School includes as a graduate attribute *"Cultural awareness – an awareness and respect for cultural diversity and relationship between people and their environment, both regionally and globally"* which is assessed throughout the degree.
- The School of Law and Justice integrates Indigenous and multicultural content in all courses in line with the University's cultural competence graduate attribute.
- The Division of Teaching and Learning produces resources to support the University's Professional Learning Framework for teaching and learning. One of the features of this framework is web-based resources on key teaching and learning topics such as Inclusive Curriculum.

- SCU College promotes its programs to recently arrived refugees and newly settled migrants. The College's support strategy includes dedicated language classes for students with English as an additional language.
- A Student Peer Mentor program is available to students in all on-campus and distance education courses across the University. A specific target group is students from non-English speaking backgrounds.
- Students are given the opportunity to study elective units overseas which provides experience living and studying in culturally diverse countries.
- A wide range of welfare-related support services are available for students including counselling, medical, childcare, chaplaincy, disability services, students loans and careers advice.
- The Equity and Diversity Office holds cultural diversity events such as Harmony Day and the Fusion Festival and its committee actively seeks input and involvement from staff and students from culturally diverse backgrounds.
- The UniLife Office helps students become fully engaged with University life by organising cultural events, social sports and clubs and societies.
- A list of languages spoken by staff is maintained, updated annually, and accessible to all staff via the University intranet. It is used as a resource to support students, via the Student Support Centre and Schools.
- The International Office offers language courses to staff, to assist in the development of language skills.
- The English Language Centre runs Cross-Cultural Integration Sessions throughout the year with the University community including student volunteers and students from non-English speaking backgrounds.
- The Chaplaincy is ecumenical and multi-faith in nature and maintains strong links with the major denominational churches and other major faiths in the area. 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 a multi-faith Advisory Committee and the Pastoral Care Co-ordinator's role is to develop and facilitate campus-wide initiatives in a multicultural and multi-religious environment that fosters tolerance and respect for individual differences. Muslim Prayer Rooms are located at the Lismore and Tweed Gold Coast campuses and the Coffs Harbour campus has the Sacred Garden which is an outdoor sacred space designed as a place for dialogue, reflection and remembrance, as well as the Reflection Room which is available for prayer.
- The Library holds a number of exhibitions open to students, staff and the community celebrating the University's multicultural community. It also has a designated staff member responsible for monitoring English as a Second Language resources and has a web-based guide to its resources and services with embedded translation links. The Library provides resources for its collections to support ESL students which included multi-language disciplinary dictionaries and encyclopaedias. The collection development policy focus is for e-books to contain embedded translation links and dictionary tools. A Chinese language guide to Library services and resources is available and a Chinese-speaking Liaison Librarian is available for assistance.

## Outcome 6: Communication

A range of communication strategies are used to inform people from culturally, linguistically and religiously diverse backgrounds about programs, services and activities

- The University displays posters for international, national and local multicultural events and promotes events that support intercultural understanding. Relevant culturally diverse event information is also placed on the University website.
- The University promotes staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- The University has in place Equity and Diversity contacts across the three campuses, who are volunteer staff members with a genuine commitment to the principles of equity and social justice. Equity and Diversity contacts act as a contact point for staff and students who have a query or concern relating to an equity or diversity matter. Their role is in an advisory capacity assisting in clarification of the situation, identifying the nature of the enquiry and providing information on the scope of the University policies/procedures and possible options for resolution.
- Media coverage and University publications reflect and celebrate cultural diversity and inclusion at the University.
- Cultural diversity resources and electronic links are available via the Equity and Diversity website.
- All externally advertised staff vacancies express the University's commitment to equity and cultural diversity. Position descriptions in the newly established Sustainability, Partnerships and Community Engagement work unit have been revised to reflect participatory forms of engagement with an emphasis on inclusivity and 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 promotes staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- The University's Centre for Peace and Social Justice (CPSJ) is an interdisciplinary community of scholars, focusing on difference. Researchers in the Centre are committed to strengthening core values of diversity including tolerance, mutual respect and mutual recognition. The Centre presents seminars throughout the year which are publicised and available to staff, students and the community. . These seminars focus on social justice and harmony, including issues and ideas that spring from the multicultural Australian and SCU context.
- The University's Equity and Diversity website contains a Cultural Diversity Annual Calender with links to local, national and international cultural activities.

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

No overall program evaluation was carried out in 2013. The University's Equity and Diversity Committee will lead the development of the 2014 Multicultural Policies and Services Program (MPSP) which will include key strategies which address program requirements and how these will be evaluated.

A range of partnership assessment tools have been developed that are used by Engagement Facilitators in SPaCE to improve partnership health.

An audit of regional engagement activity was completed through the Regional Universities Network. This focused on the nature of contribution of universities to their region.

## 5. PATHWAYS BETWEEN GOVERNMENT AGENCIES FOR PEOPLE FROM CULTURALLY AND LINGUISTICALLY DIVERSE BACKGROUNDS

The Equity and Diversity Office closely partners with other units across the University in particular in relation to multicultural celebrations such as Harmony Day and the Fusion Festival.

The Sustainability, Partnerships and Community Engagement (SPaCE) work unit distribute engagement opportunities to students interested in partnering with organisations in the regions' diverse communities. SPaCE supports 'Community Engaged Learning' activities undertaken by Academic Schools and facilitates connectivity between organisations from a range of communities. The work unit also manages key relationships across the SCU Partner Network which comprises relationships and partnerships across communities within the SCU footprint. The scope of the SCU Partner Network is broad and includes a range of matters spanning student, staff and institutional issues and opportunities.

## 6. SERVICES FOR HUMANITARIAN ENTRANTS

SCU offers a range of services inclusive to refugees and humanitarian entrants such as academic skills development, careers advice, chaplaincy, childcare, counselling, cultural events, disability, equity, financial, medical, social and sporting clubs and societies. Academic Schools and Student Services also have support strategies in place for students potentially at risk during their studies.

# Appendix D:

## Right to Information

### Statistical information about access applications

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

Access granted in full		Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	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	2	1	1	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	2	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	1	1	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	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).

**Table C: Invalid applications**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

**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	1
Law information and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	2
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)	3
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	4

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

	Decision Varied	Decision Upheld	Total
Internal review	0	1	1
Review by Information Commissioner*	0	2	2
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	3	3

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

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

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

# Appendix E:

## Council Attendance

Council 2013 Attendance						
	February	April	June	August	September	November
J Dowd	✓	✓	✓	✓	✓	✓
P Lee	✓	✓		✓	✓	✓
J Jenkins	✓	✓	✓	✓	✓	✓
W Boyd				✓		✓
J Granger	✓	✓	✓		✓	✓
A Matis	✓		✓	✓	✓	✓
M Newell	✓	✓	✓	✓		✓
N Newell	✓	✓	✓	✓	✓	✓
A Reichelt-Bruschett	✓		✓	✓	✓	
J Saffin			✓		✓	✓
J Shanahan	✓	✓	✓	✓	✓	✓
M Sweeny				✓		
T Wilson	✓	✓	✓	✓	✓	✓
R Roberts <i>Resigned 14 April 2013</i>						
T Sheahan <i>Resigned effective 31 Dec 2013</i>			✓	✓	✓	
W Grimshaw <i>Resignation letter dated 9 Aug 2013</i>		✓		✓		
F Wright <i>Resigned effective 13 Dec 2013</i>	✓	✓	✓	✓	✓	✓

### Legend

Attended meeting



Absent from meeting



Not on Council



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### 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

**E:** [futurestudent@scu.edu.au](mailto:futurestudent@scu.edu.au)

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

