

# 2017 Annual Report



**Southern Cross  
University**

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

CRICOS Provider: 01241G

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12 April 2018

The Hon Rob Stokes MP  
Minister for Education  
Parliament House  
Sydney NSW 2000

Dear Minister

The Council of Southern Cross University submits the University's Annual Report of proceedings for the year ending 31 December 2017 for presentation to Parliament.

The Annual Report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* (NSW) and the *Public Finance and Audit Act 1983* (NSW).

Yours sincerely



Mr Nick Burton Taylor AM  
Chancellor Southern Cross University



Professor Adam Shoemaker  
Vice Chancellor Southern Cross University

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

Lismore  
PO Box 157, Lismore NSW 2480 Australia  
T +61 2 6620 3000 F +61 2 6620 3700

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# Management and Activities/ Major Works

**The University reviewed key elements of its performance and formulated a revised strategy at its annual Senior Staff Conference in February 2017. Reflecting upon the results of a comprehensive institutional review undertaken by Phillips KPA, the senior leadership group agreed a set of short, medium and long-term actions geared towards maximising sustainable growth.**

Key amongst these was the reinvigoration of the University's undergraduate and postgraduate courses, an increase in market reach, and growth in student employability. In April, the University Council adopted seven Key Performance Indicators to measure performance and to drive accountability for outcomes out to 2020.

A transformative revisioning and rebranding exercise was undertaken to underpin the University's growth agenda. The University logo was revised to inspire students, staff and community alike to connect better with a new approach to the world-class learning and research being conducted in our very own backyard – to influence the front yard and the rest of the world. This new approach included the launch of a major paper proposing a New Regional Deal for Australia – making a significant case for increased support for regional communities by improving funding and opportunities for growth for the regional university campuses that support them.

The University played a key role in supporting the recovery and rebuilding from the worst flooding in Lismore since 1974. The University's Function Centre at the Lismore campus was transformed into an Evacuation Centre. Hundreds of flooded-out local residents utilised the campus facilities with many sleeping at the centre, and local businesses were provided space to operate within the University's state-of-the-art Enterprise Lab. In response to this clear area of community need, Southern

Cross introduced Australia's first-ever degree in Coastal Systems Engineering – designed to produce industry-capable graduates for work in water engineering, coastal engineering and catchment management.

Southern Cross was recognised among the top 500 universities in the world in *The Times Higher Education University Rankings 2017*. This followed the University receiving three five-star ratings in the *Good Universities Guide* for the humanities, culture, social sciences, and psychology fields of study.

The third phase of the University's Gold Coast Campus expansion was completed with the opening of Building C and its adjoining 560 seat lecture theatre. This major capital works program provided for an innovative new two-storey library and additional teaching and learning spaces. Planning commenced for construction of a \$12 million clinical and allied health facility at the University's Coffs Harbour Campus to greatly expand the breadth of health science degrees available in the Coffs Coast region.

In addition, the University explored options to deliver student accommodation at its Gold Coast campus, given the strong demand for such a facility at that site.

In partnership with the Department of Primary Industries, the University launched the Centre for Organics Research to support the productivity and sustainability of the organic food industry in Australia – through collaborative regional, national

Southern Cross was recognised among the top 500 universities in the world in *The Times Higher Education University Rankings 2017*.



and international partnerships. This included research into the comprehensive reach of organic production including integrated production systems, sustainable resource management, economics and markets, and education and health. Professor Carlo Leifert – formerly of Newcastle University (UK) – was appointed as inaugural Centre Director.

On 1 August 2017, the University responded decisively to the Australian Human Rights Commission's *National Report on Sexual Assault and Sexual Harassment at Australian Universities*, by implementing a range of proactive measures designed to maximise student safety both on and off campus. The University resolved to fully implement Universities Australia's 10-point plan and work continued throughout 2017 to this end.

The University's Farm Co-operatives and Collaboration pilot program (known as *Farming Together*) continued to boost profitability and sustainability across Australian agriculture, with more than 20,000 producers and farmers involved. The Program contracted a pool of more than 200 specialist advisers, supported 530 producer groups, delivered 770 expert support services, enrolled 90 producers in cooperatives governance training and helped 117 new co-ops to register for operations.

An inaugural University Council and Indigenous Elders meeting was held to consider the Reconciliation Action Plan (RAP) and to facilitate a broad discussion of the Elders vision for Southern Cross. The meeting informed the University Council's subsequent approval of the RAP and underscored the alignment of management and the governing

body in implementing the principles and actions it contained. The Aboriginal and Torres Strait Islander Education Strategy 2017-2020 was also endorsed.

The University's Gold Coast Campus enjoyed the strongest rates of student load growth, while joint-venture operations continued to perform strongly, with the Hotel School Sydney and Melbourne producing good earnings. Educational collaboration partners EduCo and Keypath (online) grew substantially. EduCO and Southern Cross expanded to a new campus site in Perth, with a particular focus on building market share for postgraduate programs from the Asian and Indo-Pacific regions.

At its November 2017 meeting, the University Council adopted a historic, unanimous resolution in favour of Australian Marriage Equality.



# Strategic Plan 2016 – 2020

## Vision

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

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

## Values

### Collegiality

We demonstrate collegiality through:

#### **Openness and Respect**

- Being open with each other and open in our thinking
- Saying what we believe and doing it in a constructive and respectful manner
- Engaging with diverse cultural and Indigenous perspectives in both global and local settings.

#### **Collaboration and Trust**

- Working as a team, drawing on combined strengths to meet our shared goals
- Trusting our colleagues to challenge us in a positive manner, and supporting each other
- Engaging with our local and global communities and partners for mutual benefit.

### Integrity

We demonstrate integrity through:

#### **Honesty and Ethical Behaviour**

- Being truthful in all our dealings
- Acting consistently with what is said and the principles held
- Pursuing practices that develop the social, economic, cultural and environmental sustainability of our University, and local and global communities
- Advancing human rights and our commitment to providing opportunities for students and staff in an inclusive, culturally safe environment.

#### **Drive and Accountability**

- Striving to ensure the University's ongoing success
- Having the drive and commitment to innovate based on rigorous analysis
- Being accountable for our individual and collective actions and for the performance of those we lead.







**Strategic  
Plan  
2016 –  
2020**





## Our Goals

**Goal one:** We will equip our students for diverse futures and global careers that enrich society.

**Goal two:** We will strategically grow our research profile, building a sustainable culture of research excellence.

**Goal three:** We will pursue targeted growth to ensure a sustainable future.

**Goal four:** We will create distinctive opportunities for engaged learning and research, as a hallmark of the Southern Cross experience.

**Goal five:** We will transform our service delivery, building a culture among our professional and academic staff of providing the highest level of flexible support.

### At a glance 2017

#### Total Number of Students

Total (Persons)	17,191
Total (EFTSL)	10,231

#### Students (persons) by location

Lismore campus	2,705
Gold Coast campus	4,115
Coffs Harbour campus	1,216
Other Australian locations	2,124
Online	6,457
Offshore	574

#### International Students (Persons)

	3,525
Onshore	2,964
Offshore	561

#### Total Staff (FTE)\*

	839.7
Academic Staff (FTE)	313.2
Professional Staff (FTE)	526.5

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

Source: MIS Government Student Statistics Cube and MIS Government Staff Cube

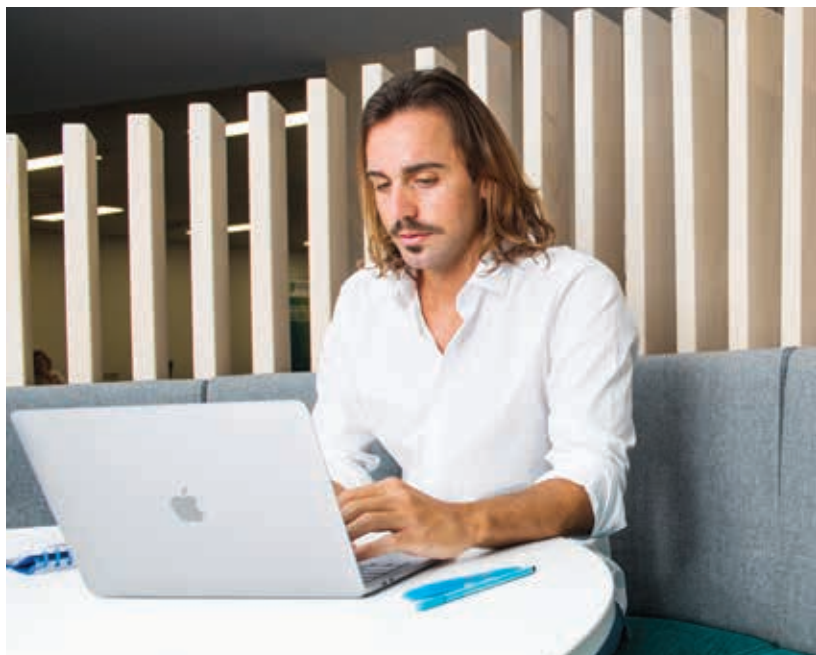
# Teaching and Learning

**In 2017, the Centre for Teaching and Learning expanded support across campuses and academic schools through a distributed model of innovative strategies.**

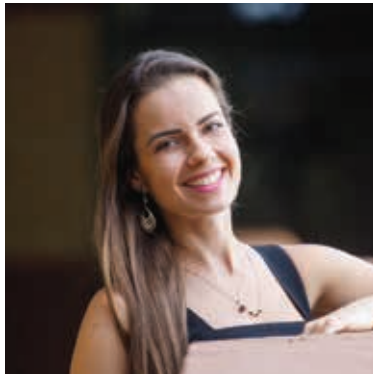
The Foundations of University Teaching Practice program and integrated webinar presentations strengthened professional development in addition to the learning support provided by projects for embedding academic skills in curricula, increased awareness of academic integrity and additional academic support for the new Assessment Policy. Learning technologies transformed teaching and learning support through online study guides, eLearning unit design models and delivery of study support during and after business hours as well as through new mobile applications. With new University branding, a fresh suite of online referencing video resources and recorded workshop sessions provided the highest levels of flexible study support to engage our diverse students.

## Teaching Symposium

The annual Scholarship of Teaching Symposium was held on 11 October at Gold Coast campus. The theme, 'Transformation and Change', provided an opportunity for staff to share their scholarship of teaching and reflections on practice. The keynote presenter was Associate Professor Phillip Dawson presenting 'Assessment: Myths, evidence and possibilities'. Staff contributed a further 27 presentations, three roundtable discussions and six posters. The 91 delegates voted the Best Presentation award to Anne Bellert for 'Fine-tuning feedback: A scaffolded approach'. The Steering Group awarded the Most Thought-Provoking Contribution to Peter Cook for 'Presence in the online environment' and Best Poster to Leanne Baker for 'Embedding a careers mindset into the curriculum'.







Learning technologies transformed teaching and learning support through online study guides, eLearning unit design models and delivery of study support.

### Visiting Scholars

A key part of the teaching and learning strategy is to bring higher education researchers, thinkers and practitioners to Southern Cross University. In 2017, a highlight was the visit by Associate Professor Phillip Dawson, Associate Director of the Centre for Research in Assessment and Digital Learning (CRADLE), Deakin University. In addition to presenting the keynote address at the Scholarship of Teaching Symposium, he led two workshops on assessment the following day.

### Australian Awards for University Teaching

#### Citations for Outstanding Contributions to Student Learning

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

### Vice Chancellor's Awards for Teaching

#### 2017 Citations for Outstanding Contributions to Student Learning

**Brendan Kelahe and Anna Scott**, *School of Environment, Science and Engineering*  
For creating a teaching-industry nexus that enriches student learning and provides the skills needed for a successful career in marine management.

**COMPASS Team: Andrew Woods, Michael Grande, Fiona Lotherington, Paula Steffensen and Theane Theophilos**, *School of Health and Human Sciences*  
For the COMPASS program: Fostering Peer Assisted Learning communities in clinical laboratories which enhance student confidence, clinical skill acquisition, leadership skills and professional socialisation.

**Christos Markopoulos**, *School of Education*  
For inspiring and empowering beginning teacher-education students in a large-enrolment, first-year mathematics discipline unit, through innovative teaching and being an enthusiastic and encouraging educator.

#### 2017 Citations for Excellence in Student Engagement

**Mandy Hughes**, *School of Arts and Social Sciences*  
For creating a supportive space where online Social Science students can critically engage in sociological ideas as members of a compassionate and well-informed learning community.

**Emma Kearney**, *School of Arts and Social Sciences*  
For engaging first year students with their transition to university through a supportive classroom environment that promotes student wellbeing and a passion for learning.

**Nick Mattingly**, *School of Arts and Social Sciences*  
For cultivating empathy in students by engendering critical self-reflection in the arts and humanities.

**Kayleen Wood**, *School of Business and Tourism*  
For engaging first year students with their transition to university through a supportive classroom environment that promotes student wellbeing and a passion for learning.

#### Teacher Commendations

In 2017 staff and students were invited to submit teacher commendations of 50-200 words for teachers they considered outstanding. These complimentary comments were forwarded to the individual or team as well as their School. In total, 304 commendations were received for 171 unique individuals and 22 groups of staff.

**Dr Rob Garbutt**, *School of Arts and Social Sciences*  
For enabling students in the arts and social sciences to successfully make the transition into university culture as beginning students and as beginning researchers.

# Research

**As an institution Southern Cross University embraces opportunities to be a world leader in research. As our national framework continues to shift we have responded by laying a foundation for a new strategic direction which will underpin the growth of our overall research excellence and impact. The move nationally to formally encourage and measure engagement and impact comes at a critical time in our history, and reflects that our research has grown alongside the interests of the stakeholders in the regional footprints of our three main campuses.**

These foundations, and a commitment to investment in key infrastructure, have led to the development of demonstrated research excellence. In the 2015 Excellence in Research for Australia (ERA) national report our research quality was rated at world standard and above in 24 key areas, up from 10 in ERA 2012. These areas include geochemistry, oceanography, environmental science and management, zoology, crop and pasture production, forestry sciences, ecology, fisheries sciences, civil engineering, resources engineering and extractive metallurgy, complementary and alternative medicine, nursing, human movement and sports science, tourism, education and policy and administration.

As a relatively young institution we have managed to build a portfolio of quality research outputs, and this has facilitated a growth in our research income. Simultaneously, we have fostered stakeholder linkages which has also resulted in engaged programs that deliver practical outcomes. Our researchers are key to this excellence, and we remain committed to their development by offering a suite of professional development opportunities with the establishment of a Mid-Career Researcher Development Program. These programs are aimed to target each career stage ensuring we invest in the development of new research leaders and researchers who are capable of developing and managing large collaborative projects which deliver solutions for real world problems.

Opportunities to extend our research training programs continues to be central to building a sustainable research environment, and underpinning the capacity of the University as a whole.

It has been a combination of leadership, capacity and commitment, which has allowed Southern Cross University to develop a strong foundation for research excellence. This combination has ensured that we have been able to secure income through competitive funding schemes and other sources by which we can support the human and physical infrastructure necessary to produce research outcomes.

During 2017 our Centre for Organics Research, a joint initiative with NSW Department of Primary Industries, was established as a multidisciplinary entity and is now laying down a research direction in collaboration with the growing network of industry members. Alongside this, we continue to drive growth and collaboration through our existing research strengths in our academic schools and the following research centres:

- Centre for Children and Young People
- Southern Cross GeoScience
- Centre for Coastal Biogeochemistry Research
- Forest Research Centre
- Marine Ecology Research Centre
- National Marine Science Centre
- Southern Cross GeoScience
- Southern Cross Plant Science





# Engagement

**The engagement portfolio continued to bring to life the University's vision to 'enrich our communities through the excellence of our scholarship and the achievements of our graduates'. The establishment of a new executive portfolio under the leadership of the Pro Vice Chancellor (Engagement) reflected the strategic importance placed on partnering with communities for mutual benefit and public impact.**

## Our Alumni Community

Each year we welcome more members into our Alumni community, a community now greater than 60,000 in number. As our Alumni community includes graduates of our predecessor institutions, maintaining up to date contact details is a constant focus. The number of contactable alumni has increased from 43% in 2016 to 61% in 2017. This makes the total number of contactable alumni 36986. This is an increase of both new alumni members and lost alumni members.

Our flagship annual gala event, the Alumni of the Year Awards. A record number of 58 nominations were received from all academic schools and colleges. The Awards celebrated the outstanding achievements from across our Alumni community with 150 alumni, family and friends in attendance in the Enterprise Lab at the Lismore campus.

## Student Scholarships

Since its first inception in 1994, the Rising Stars Scholarship Program has consistently provided hundreds of students with access to higher education. Students who may not have had the means to follow their educational dreams, were given the opportunity to do so through the financial support of our generous donors.

We celebrated our generous scholarship donors and the achievements of the student recipients at scholarship ceremonies at our Lismore, Coffs Harbour and Gold Coast campuses. The total number of

scholarships remained constant at 37 supporting a total of 63 recipients.

## Workplace Giving

Creating a culture of giving across the entire Southern Cross family was identified as a strategic priority by University Council. This emphasis reflects the deep commitment staff and students demonstrate to being actively engaged in issues experienced by the communities in which we live and work.

A Giving University program was piloted with staff in the lead up to Christmas and this program raised almost \$10,000 as the first investment in the newly created Student Opportunities Fund. Staff from our finance and human resources teams reached the significant milestone of \$100,000 in personal donations to the Westpac Rescue Helicopter Service.

## Sponsorships

The University is proud to support our local communities through sponsorship of events and activities that are mutually beneficial to our region and the University. Our giving in the form of sponsorships spans in-kind use of the University's assets through to the provision of cash sponsorship to a select number of organisations across the University's campus footprint. Major sponsorships include the Byron Writers Festival and Gold Coast Marathon.

Sponsorship of local not-for-profit organisations gives much needed support back to our community through business awards;



## Creating a culture of giving across the entire Southern Cross family was identified as a strategic priority by University Council.

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providing opportunities for unwell and disadvantaged children and young people; prizes for high school students; and fostering of healthier communities in sporting activities such as Indigenous rugby league and masters games.

### Live Ideas

Developed in 2015 to increase connectivity between the needs of our communities and our teaching and research strengths, the Live Ideas program has continued to grow. There has been an overwhelming response to the program from industry and community, with 116 projects and 155 applications from staff and students to join these projects in 2017. Live Ideas (projects) were submitted by partners located in the Northern Rivers of NSW (44 per cent), South East Queensland (15 per cent), the Mid North Coast of NSW (13 per cent), others across Australia and even international participants. Projects have been completed by students ranging from whole class graphic design briefs to more in-depth research projects at the postgraduate level.

### Excellence In Engagement Awards

In 2017, the seventh annual Southern Cross Excellence in Engagement Awards were celebrated in October. The awards acknowledge the contribution of University staff and community partners who have enriched our communities during the previous 12 months through engaged teaching and research. Award recipients epitomise the mission and values of Southern Cross and

demonstrate exemplary active citizenship through vision, leadership and excellence in scholarship and service. Awards were conveyed in the categories of Community Impact, Engaged Learning and Engaged Research.

### Southern Cross Enterprise Lab

In July, the Honourable Gladys Berejiklian MP and Premier of NSW launched the Southern Cross Enterprise Lab as a flagship facility for the Northern Rivers focused on cultivating future entrepreneurs. The Enterprise Lab is located in the top floor of A Block, the site of the former library on the Lismore campus. The NSW Government's Boosting Business program funded the refurbishment and associated business engagement programs. It forms part of the NSW innovation ecosystem as a 12-node network comprising all NSW universities and the CSIRO.

### Flagship National Pilot Program – Farming Together

As a flagship industry engagement initiative, the national Farm Co-operatives and Collaboration Pilot Program (known as 'Farming Together') reached in excess of 19,000 primary producers, eclipsing the target of 2,000 by end of program. Within its first 12 months of operation, from a \$9.21m Commonwealth investment, the program generated \$20.45m of value-add to production, \$14.3m in household income and 131 full-time equivalent jobs.

This game-changing program provides farmers, fishers and

foresters with access to more than 200 specialist advisers to enhance knowledge, skills and practical aspects of strengthening their farm businesses. The program is lifting awareness into how cooperatives, collective strategies and supply chain negotiations improve farmers' returns. It offers advice on suitable business models and collaboration options for marketing, and offers specialist business, legal and financial advice. It helps primary producers improve returns by capitalising on opportunities, strengthening their financial position, becoming more attractive to investors, improving their bargaining power and operating beyond the farm gate.

Farming Together's legacy projects include a 100 per cent farmer-owned mutual for crop risk products and a national online auction system for fishing co-ops.

# People

## Organisational Initiatives

A staff engagement survey was undertaken in 2017 capturing the views, perceptions and feedback on workplace issues from over 700 employees. This was the first engagement survey offered since 2010 and the feedback will be used to develop and implement initiatives and activities to improve the culture and morale of staff.

The Southern Cross University Emeritus Faculty was launched this year with the aim of providing an opportunity for our academic community to continue associating with the scholarly, creative, and cultural life of the University upon retirement. There have been 14 applications approved and the convening of the Emeritus Faculty and its activities is being coordinated by the Deputy Vice Chancellor (Research).

A comprehensive review of the annual employee performance review and planning process was undertaken by HR Services. Based on feedback from staff through focus groups, a new process, documentation and policy amendments were implemented. "Performance Review and Planning" now focuses more strongly on the direct conversations about performance, achieving goals and career planning. The priority of building the capability and confidence of staff to engage positively in this important process is also continuing.

## Staff Development and Performance

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

Three senior positions were recruited during 2017 – the Pro Vice Chancellor (Students) and Dean of Education; Director of Property Services; and Dean of Business and Head of Gold Coast Campus.

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

## Workplace Health and Safety

The health and wellbeing of employees, students and visitors continued as a strong priority for the University. There was a consistent uptake of the University's wellbeing initiatives and support with over 750 employees taking advantage of free flu vaccinations, counselling services, wellbeing coaching and subsidised gym and pool memberships and natural therapy consultations. The new Employee Assistance Program was introduced and achieved an increase on forecasted utilisation rate by over 30 per cent.

Fifteen workers' compensation claims were received during 2017. A proactive approach by the University in injury management resulted in only four of the 15 claims resulting in time off work. Support provided to injured workers by the University's return

to work coordinator and external rehabilitation providers has enabled a faster return to work and pre-injury duties.

Both scheduled and on-request inspections were undertaken of a number of work areas throughout the University, with particular focus on high-risk areas. Results and recommendations were reported and further support provided in areas of need identified.

The work, health and safety training programs attracted over 150 attendees in 2017. Programs included Mental Health Awareness, First Aid, Dangerous Goods, Emergency Warden, Spill Response, Manual Handling, Radiation of Sealed Sources, Safety Culture, Laboratory Safety and Safety Support Officer.

## Workforce Diversity

The Southern Cross University Equity and Diversity Plan 2016-2020 plays a significant role in leading the University's commitment to address issues of student and staff equity, social inclusion and diversity.

### Key achievements in 2017 included:

- Participated in the Science in Australia Gender Equity (SAGE) pilot of the Athena SWAN Charter Australia.
- Continued to deliver the *Understanding Gender and Sexuality Diversity* professional development workshops for all staff.
- Continued to deliver the *Courageous Conversations about Race* program across the



## The health and wellbeing of employees, students and visitors continued as a strong priority for the University.

University with workshops for supervisors, managers and all staff.

- Continued to deliver equal opportunity and anti-discrimination training as a compulsory part of new staff induction.
- Promoted and affirmed staff and student awareness of equal opportunity and cultural diversity through cultural celebrations, workshops, promotional materials and events.
- Continued to implement key strategies from the University's Disability Action Plan 2014-2017.
- Commenced implementation of the University's Aboriginal and Torres Strait Islander Employment Strategy 2016-2020.

### Key strategies for 2018

- Undertake a refresh of the University's *Equity and Diversity Plan 2016-2020*.
- Implement an Ally Program.
- Develop a new Disability Action Plan.

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

### Disability Inclusion Action Plan

In line with the University's Disability Action Plan 2014-2017, the Student Access and Inclusion team provides staff with disability awareness training on an annual basis, focusing on developing a deep understanding of the intersectional nature of the disability experience.

The Disability Action Plan will be updated during 2018 with input from the disability community, including those from culturally diverse backgrounds.

### Multicultural Plan

#### Focus Areas Outcomes

##### 1. Service delivery

The proportion of domestic students speaking a language other than English in the home grew to 3.9 per cent, up from 3.2 per cent in 2015. Students are required to meet a level of English language proficiency. A range of support services were available for all students, including counselling, medical services, childcare services, support for students with disability, loans, career advice and pastoral care and support.

The UniMentor peer mentoring program was offered to all first year undergraduate students studying on campus or online. Eight percent of mentees were from culturally diverse backgrounds and 17 percent were Aboriginal and Torres Strait Islander students.

#### Settlement Services

In 2017 the University, together with TAFE NSW and Anglicare collaborated to offer the "3Es to Freedom (Education, Employment and Empowerment)" – a program for women from a refugee background in the Coffs Harbour region.

Fifteen students graduated from the Graduate Certificate of Australian Nursing (EPIQ – Education Program for Internationally Qualified Nurses),

designed for internationally qualified registered nurses who wish to practise as a registered nurse in Australia.

For Refugee Week, the University through the Equity and Diversity office, collaborated with the African refugee community and Saint Vincent de Paul Society's North Coast Settlement Service to create the "I'm A Local..." poster project. The project provided opportunities to better understand the lived experience of people who come to Australia as refugees, with displays featured in more than 40 local businesses, organisations and schools. The project won the University's 2017 Excellence in Engagement: Community Impact award. It has subsequently been embedded in a School of Arts and Social Sciences unit, "Borderlands", along with the development of other resources.

#### Languages Services

The Academic Culture, Critical Thinking and English Study Skills program (ACCESS) continued during 2017 for Australian permanent residents from refugee and non-English speaking backgrounds. This pathway program offered the opportunity to undertake a specialised preparatory course and potentially qualify for entry to an award course at the University.

##### 2. Equity and Diversity

The University's *Equity and Diversity Plan 2016-2020* includes strategies on supporting and promoting an inclusive culture for students and staff, and embracing a knowledge of, and respect for, equity and diversity.

# People

The plan will be updated in 2018 and will continue to reflect the values articulated in the University's Strategic Plan 2016-2020 including:

- Engaging with diverse cultural and Indigenous perspectives in both global and local settings.
- Engaging with our local and global communities and partners for mutual benefit.
- Advancing human rights and our commitment to providing opportunities for students and staff in an inclusive, culturally safe environment.

### 3. Leadership

The Equity and Diversity Committee was responsible for ensuring comprehensive integration of equity and cultural diversity matters across the University in 2017. The Committee was chaired by the Pro Vice Chancellor (Students), with diverse membership.

The University's Inclusive Language Guidelines (which include language relating to culture, race and ethnicity) were reviewed and updated.

The *Courageous Conversations About Race* anti-racism and cultural competency staff training program was held three times, with 33 participants. It specifically addresses a model of cultural competence training for the Australian higher education context. Equal Opportunity training (EO Online) was a compulsory part of induction for all new employees, with 197 staff completing the main module during 2017.

### 4. Engagement

During 2017, the annual Diversity Calendar was actively promoted across the University community. The University's annual *Fusion Festival* was held in September. Themed *Unity In Diversity: The Coming Together of Cultures and Communities*, the festival provided opportunities to celebrate cultural diversity. Students from culturally diverse backgrounds were employed by the University to help coordinate festival events and activities.

Strategies for 2018 include:

- Refreshing the *Equity and Diversity Plan 2016 -2020*.

- Offering student peer mentoring to support students from non-English speaking backgrounds in their transition to University.
- Encouraging all staff to access relevant training including equal opportunity training (*EO Online*) and anti-racism training (*Courageous Conversations About Race*).
- Promoting a University culture (including online) that is free from discrimination and supportive of diversity, to attract and retain staff and students from culturally and linguistically diverse backgrounds.
- Delivering cultural festivals and diversity symposia to students, staff and the wider community to promote diversity and harmony, in partnership with people from culturally diverse backgrounds.
- Providing alternative entry pathways to encourage participation of students from culturally and linguistically diverse backgrounds.



# Student Feedback and Consumer Response

## Complaints Framework

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

During 2017, a total of 116 complaints were received by the Complaints Assistance Officer. Fifty-nine complaints were resolved informally and 57 were formalised and actioned pursuant to the Complaints Policy. Of the formalised complaints:

- (a) twenty complaints were resolved to the student's satisfaction and included recommendations made for changes and improvements to University procedures;
- (b) two were not upheld and advice and information was provided to the complainant as to the reasons for the decision;
- (c) eight complaints were referred to be dealt with under other policies;
- (d) one complaint was withdrawn; and
- (e) twenty-six complaints have been referred for investigation and are yet to be finalised. The majority of these complaints relate to one issue and are being dealt with collectively.

## Academic Appeals

The Academic Board Appeals Committee is a Committee of the University's Academic Board 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 2017

Considered	18
Successful	1









# Governance

## CHARTER

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

The University's principal functions for the promotion of its object are:

- (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 engages with advanced knowledge and inquiry; and
- (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.

The University is governed by a Council to which the University's Chief Executive Officer, the Vice Chancellor, reports. The Council is chaired by the Chancellor and has 13 members: the Chancellor, the Vice Chancellor, the Chair of the Academic Board, two members appointed by the Minister, four members appointed by Council, three elected staff members and one elected student member.

The Academic Board is the principal academic body responsible for establishing and maintaining the highest standards in teaching and learning and research in the University. It is also the primary advisory committee of the Council on academic matters.



# Governance

## ORGANISATIONAL STRUCTURE

As at 31 December 2017

### University Council

#### Vice Chancellor and President

Head of Coffs Harbour Campus	Governance Services
HR Services	Marketing, Publications and Media

#### Deputy Vice Chancellor (Academic)

Centre for Teaching and Learning	Planning, Quality and Review
SCU College	School of Arts and Social Sciences
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 Business and Tourism	

#### Vice President (Global)

SCU International	Enterprise
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#### Deputy Vice Chancellor (Research)

Office of Research	Graduate School
Southern Cross Plant Science	Environmental Analysis Laboratory
Southern Cross Geoscience	Centre for Organics Research

#### Vice President (Operations)

Technology Services	Property Services
University Library	Student Administration Services

#### Vice President (Financial)

Financial Operations	Management Accounting
----------------------	-----------------------

#### Pro Vice Chancellor (Engagement)

Alumni and Giving	Campus Services
Strategic Projects	Engagement and Partnerships

#### Pro Vice Chancellor (Students) and Dean of Education

School of Education	Student Success
Employability	Equity and Diversity

# Management and Structure

## UNIVERSITY COUNCIL MEMBERS FOR THE PERIOD 1 JANUARY 2017 TO 31 DECEMBER 2017

### Chancellor and Chair of Council

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

Current term expires 25 September 2018

Deputy Chancellor from 7 July 2017

### Mr Murray d'Almeida FAICD

Ministerially appointed member

Current term expires 31 December 2017

Vice Chancellor

### Professor Adam Shoemaker BA (Hons) (Queen's Canada), PhD (ANU)

Current term expires 23 September 2021

Chair of Academic Board

### Prof Mark Hughes BSW(Hons)(JCU), PhD(UQ)

Current term expires 31 December 2020

### Dr Austin Curtin MB MD BS(Syd), FRACS

Council appointed member

Current term expires 11 September 2018

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

Elected member – academic staff

Current term expires 9 September 2018

### Ms Julie Granger BA/LLB(Hons)(SCU), LLM(UNSW)

Council appointed member

Current term expires 9 November 2018

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

Elected member – non-academic staff

Current term expires 9 September 2018

### Ms Lynda O'Grady BCom(Hons)(UQ), FAICD

Council appointed member

Current term expires 16 February 2021

### Associate Professor Adele Wessell BA(Hons) (UNSW), PhD(UNSW), GradCertHEd(L&T)(SCU)

Elected member – academic staff

Current term expires 9 September 2018

### Mr Michael Jones DipCommServ(Mental/Hlth) NSW TAFE

Elected Student representative member – student

From 10 September 2016. Current term expires 9 September 2018

Council Secretary

### Ms Belinda Atkinson BComm(UQ), LLB(UQ)

From 21 August 2017

### Mr Nicholas Hyde BEcSocSc(Hons)(Syd)

To 20 August 2017

## The following members' appointments concluded during 2017

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

Council appointed member (Graduate)

Resigned 28 February 2017

### Mr Christian Lugnan BBus(SCU), CPA, MAICD

Council appointed member (Graduate)

From 4 September 2017

Resigned 8 November 2017

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

Council appointed member (Graduate)

Resigned 13 June 2017

Chair of Academic Board

### Professor Susan Nancarrow BAppSc(Pod) (QUT), MAppSc(QUT), PhD(ANU), GAICD

To 21 August 2017

Deputy Chancellor to 7 July 2017

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

Council appointed member

Term expired 3 September 2017

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

Council appointed member

Term expired 17 February 2017

*Frequency of meetings and members' attendance is included at Appendix D.*

## EXECUTIVE OFFICERS

Vice Chancellor

Professor Adam Shoemaker BA (Hons) (Queen's Canada), PhD (ANU)

Deputy Vice Chancellor (Research)

### Professor Geraldine Mackenzie LLB(QIT), LLM(QUT), PhD(UNSW), Barrister-at-law, FAIM, FQA

To 1 September 2017

### Professor Susan Nancarrow BAppSc(Pod) (QUT), MAppSc(QUT), PhD(ANU), GAICD

From 4 September 2017



Deputy Vice Chancellor (Academic)	Executive Director, Information and Physical Resources/Vice President (Operations)*
<b>Professor Andrew McAuley BA(Hons) PhD (Nottm) MAM MCIM</b>	<b>Mr Allan Morris GradDipInfoTech(Monash)</b>
To 31 December 2017	Executive Director, Financial and Human Resources/Vice President (Finance)*
<b>Professor John Jenkins GAICE, BA(Hons)(NE), PhD(UNE)</b>	<b>Travis Walker B Bus (Accounting)(RMIT), MBA(LaT)</b>
From 10 July 2017	Pro Vice Chancellor (Engagement)*
Executive Director, Community and Corporate Relations	<b>Mr Ben Roche BSc(Hons)(UNSW), Med(UTS)</b>
<b>Ms Helen Hughes BA(Qld)</b>	From 1 June 2017
To 3 July 2017	Pro Vice Chancellor (Students) and Dean of Education
Pro Vice Chancellor (International and Enterprise)/Vice President (Global)*	<b>Prof Nan Bahr DipEd(Adelaide), BA(Flinders), BEd, BMus(Adelaide), MEd(UQ), PhD(UQ)</b>
<b>Mr Chris Patton BA(UBC), MA(Guelph)</b>	From 25 September 2017
To 25 August 2017	
<b>Mr Monty Singh BSci(OS), GradDip(CompSci) (UC), MIT(Macq),</b>	
From 28 August 2017	

\*New Executive structure implemented 1 June 2017.

## Legal Change

During 2017, changes were made to Acts and subordinate legislation and judicial decisions which affected the University or users of the University's services as follows:

*Education Legislation Amendment (Provider Integrity and Other Measures) Act 2017 (Cth)*

This Act amended the following legislation:

- *Education Services for Overseas Students Act 2000 (Cth)* – amended to strengthen fit and proper person and financial viability requirements, and extend reporting requirements and information sharing provisions.
- *Tertiary Education Quality and Standards Agency Act 2011 (Cth)* – amended to introduce additional considerations into the assurance activities of the Tertiary Education Quality and Standards Agency, including fit and proper person requirements and strengthened financial viability requirements.
- *Higher Education Support Act 2003 (Cth)* – amended to detail

monitoring and regulatory powers including civil penalties in cases of non-compliance, and apply additional regulations to non-university higher education providers.

*National Code of Practice for Providers of Education and Training to Overseas Students 2018 (National Code 2018)*

The *National Code of Practice for Providers of Education and Training to Overseas Students* made under the *Education Services for Overseas Students Act 2000 (Cth)* sets nationally consistent standards that govern the protection of international students and delivery of courses to those students by providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

The National Code 2018 was released in September 2017 with a commencement date of 1 January 2018. The National Code 2018 replaced the *National Code of Practice for Providers of Education and Training to Overseas Students 2017* with the key changes including:

- requiring more detail on a student's course and refund arrangements in the written agreement between students and providers;
- strengthening arrangements for the care and welfare of students under the age of 18;
- greater guidance for providers on the circumstances in which student transfer requests should be granted; and
- strengthening the provisions to monitoring overseas students' course attendance and progress.

*Fair Work Amendment (Protecting Vulnerable Workers) Act 2017 (Cth)*

This Act made the following changes to the *Fair Work Act 2009 (Cth)*:

- increased penalties for 'serious contraventions' of workplace laws;
- clarified that employers can't ask for 'cashback' from employees or prospective employees;
- increased penalties for breaches of record-keeping and pay slip obligations;



- employers who don't meet record-keeping or pay slip obligations without a reasonable excuse will need to disprove wage claims made in a court;
- strengthen powers for the Fair Work Ombudsman to collect evidence in investigations; and
- new penalties for giving false or misleading information to the Fair Work Ombudsman, or hindering or obstructing its investigations.

#### *Independent Commission against Corruption Amendment Act 2016 (NSW)*

This Act was passed in November 2016 and came into effect on 7 August 2017. It amended the *Independent Commission against Corruption Act 1988* (NSW) with respect to the structure, management and procedure of the Independent Commission Against Corruption.

#### *Universities Legislation Amendment (Planning Agreements) Act 2017 (NSW)*

The Act amended the *Southern Cross University Act 1993* (NSW) to permit the University to enter into voluntary planning agreements under the *Environmental Planning and Assessment Act 1979* without the approval of the Minister other than where it relates to land acquired by the University for nominal or less than marked value to be dedicated free of cost.

#### *Statute Law (Miscellaneous Provisions) Act 2017 (NSW)*

This Act amended the *Southern Cross University Act 1993* (NSW) to more clearly delineate the ambit of provisions that confer powers on the Council with respect to the control and management of the financial affairs of the University and the acquisition and management of property.

#### *Work Health and Safety and Other Legislation Amendment Act 2017 (Qld)*

The *Work Health and Safety Act 2011* (Qld) ("the WHS Act") applies to the University's Gold Coast campus. The *Work Health and Safety and Other Legislation Amendment Act 2017* (Qld) made a number of changes to the WHS Act and related legislation including:

- creating an industrial manslaughter offence;
- establishing an independent statutory office for work health and safety (WHS) prosecutions;
- prohibiting enforceable undertakings being accepted for any contraventions of the WHS Act involving a fatality;
- reintroducing the role of Workplace Health and Safety Officers;
- restoring the status of Codes of Practice; and
- Increasing support for Health and Safety Representatives.

#### *Higher Education Standards Framework (Threshold Standards) 2015*

These Standards, made under the *Tertiary Education Quality Standards Agency Act 2011* (Cth), took effect from 1 January 2017. They prescribe requirements for the provision of higher education in or from Australia. The Standards also provide a model framework for managing internal monitoring, quality assurance and quality improvement.

#### **Privacy and Personal Information**

The University is committed to ensuring a culture of understanding and compliance with its obligation under the *Privacy and Personal Information Protection Act 1998* (NSW) ("PIIP Act") and the *Health Records and Information Privacy Act 2002* (NSW) ("HRIP Act"). During 2017, the following measures were taken to support compliance:

- providing staff information sessions on the operation of the PIIP and HRIP Acts; and
- providing advice to staff on the application of the PIIP and HRIP Acts.

The University received one application for internal review under Part 5 of the PIIP Act in the 2017 calendar year. The University completed the review within 60 days from the date of application and kept the Privacy Commissioner informed of the conduct of the review.

The applicant applied to the NSW Civil and Administrative Tribunal (NCAT) for a review of the decision made by the University. The matter is currently being considered by NCAT.

#### **Government Information Public Access**

##### *Program for the release of information*

Much of the information the University provides on its website is information that the University voluntarily makes public as it

believes that the public, including students and other stakeholders, may have an interest in that information.

In addition, the University reviews all information released by it to an individual as a result of an access application under *Government Information (Public Access) Act 2009* (NSW) ("GIPA Act") to determine whether it is in the public interest to make that information publicly available.

In compliance with s. 7(3) of the GIPA Act, the University reviewed its program for proactively releasing information during 2017 and did not identify any additional information for release.

#### *Number of access applications received*

In 2017, the University received two valid access applications under the GIPA Act. Statistical information relating to the number and type of applications received by the University within the reporting period is provided in *Appendix E* to this Annual Report.

The University partially refused one application on the basis that the application was for disclosure of information which fell within

the categories of information described in Schedule 1 of the GIPA Act (i.e. information for which there is a conclusive presumption of overriding public interest against disclosure).

#### **Public Interest Disclosures**

The *Public Interest Disclosures Act 1994* (NSW) ("PID Act") establishes a system for public officials to report serious wrongdoing. The University's Public Interest Disclosures Policy establishes an internal system for receiving, assessing and dealing with reports of wrongdoing under the PID Act. The PID Policy is available to staff on the University's policy site. Staff are also provided with information on reporting corrupt conduct, maladministration and serious or substantial waste of public resources in accordance with the PID Act in the Code of Conduct. The Code of Conduct forms part of staff members' conditions of employment and commencing staff must certify that they have read and understood the Code of Conduct.

The University's report in relation to public interest disclosures made in 2017 is as follows:

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

## **Risk Management**

The University's approach to risk management is aligned with the Australian and New Zealand Standard for Risk Management (AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines). Oversight of the University's Risk Management framework is provided by Council and the Audit and Risk Management Committee.

In the second half of 2017, a refresh of the strategic risk register and associated reporting framework was completed and approved by Council. The new reporting framework provides more robust reporting on strategic risk to each Audit and Risk Management Committee meeting. In addition, work to enhance documentation and management of operational risk registers was commenced.

## **Insurance**

The University maintained appropriate insurances for its property and operations throughout 2017.

The primary areas of the University's program were renewed through Unimutual Limited, Austbrokers Canberra Pty Ltd and Employers Mutual. These include property protection, general and products liability, professional indemnity, malpractice, clinical trials, cyber, environmental liability and workers' compensation. Other classes of insurance held include, but are not limited to corporate travel, group personal accident and comprehensive motor vehicle.

New and emerging risks and the degree to which the University is exposed to such risks is taken into account when determining the limits of insurance, policy deductibles and classes of cover during the annual renewal process.



## Financial Performance

The financial statements include Southern Cross University as the parent entity and the consolidated entity comprising Southern Cross University and its controlled entity Southern Cross Campus Services Limited (previously Norsesearch Limited).

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

### Review of Operations

Southern Cross University and its controlled entities reported a consolidated net loss of \$4.2 million for the year ending 31 December 2017 (2016: \$16.7 million profit). The University reported a net loss of \$3.8 million (2016: \$17.0 million profit). The 2016 result included capital grant revenue of \$15.7m.

Net cash from operating activities was \$23.8 million (2016: \$28.2 million).

Total University revenue, excluding capital grants, grew by 8 per cent compared to the previous year while total expenses rose by 10 per cent. Total salaries and wages grew by 6 per cent.



# Southern Cross University and Controlled Entities

ABN 41 995 651 524

## Financial Statements for the 2017 Reporting Period

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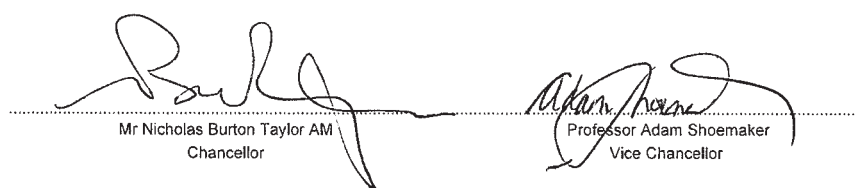
# Statement by the Members of Council

31 December 2017

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

- (a) The financial statements of Southern Cross University exhibit a true and fair view of the financial position as at 31 December 2017 and financial performance of the University for the financial year ended on that date;
- (b) The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Southern Cross University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure;
- (c) The financial statements have been prepared in accordance with Australian Accounting Standards, other mandatory professional reporting requirements, the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*, *Australian Charities and Not-for-profits Commission Act (2012)*, *Australian Charities and Not-for-profits Commission Regulation 2013* and the Financial Statement Guidelines for Australian Higher Education Providers 2017;
- (d) Southern Cross University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines under the Act. Revenue from the fees was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19 clause 38 (4) of the Act.

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



Mr Nicholas Burton Taylor AM  
Chancellor

Professor Adam Shoemaker  
Vice Chancellor

Dated 12 April 2018



# Income Statement

For the Year Ended  
31 December 2017

		Consolidated		Parent	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	100,498	117,505	100,498	117,505
HELP Australian Government payments	2(b)	59,578	55,691	59,578	55,691
State and local government financial assistance	3	1,628	2,143	1,628	2,143
HECS HELP – Student payments		1,944	2,249	1,944	2,249
Fees and charges	4	52,894	41,420	52,894	41,420
Investment revenue	5	906	750	904	749
Royalties, trademarks and licences		852	590	852	590
Consultancy and contracts	6	6,526	5,006	6,526	5,006
Other revenue	7	12,191	10,501	10,594	9,187
Total income from continuing operations		237,017	235,855	235,418	234,540
Share of profit/(loss) on investments accounted for using the equity method	14	(11)	(4)	-	-
Total revenue and income from continuing operations		237,006	235,851	235,418	234,540
Expenses from continuing operations					
Employee related expenses	8	133,741	126,647	132,000	125,254
Depreciation and amortisation	9	13,218	12,714	13,183	12,681
Repairs and maintenance		3,317	3,089	3,311	3,077
Borrowing costs		583	768	583	768
Impairment of assets	10	1,238	323	1,238	323
Losses on disposal of assets		119	396	113	402
Loss on exchange differences		108	138	108	138
Other expenses	11	88,840	75,007	88,648	74,886
Total expenses from continuing operations		241,164	219,082	239,184	217,529
Net result from continuing operations		(4,158)	16,769	(3,766)	17,011

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

# Statement of Comprehensive Income

For the Year Ended  
31 December 2017

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Net result from continuing operations</b>		<b>(4,158)</b>	16,769	<b>(3,766)</b>	17,011
<b>Items that may be reclassified to profit or loss</b>					
Gain on revaluation of available for sale financial assets	21(a)	<b>4,673</b>	1,829	<b>4,673</b>	1,829
<b>Total</b>		<b>4,673</b>	1,829	<b>4,673</b>	1,829
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurement relating to defined benefit plans	33(e)	<b>(141)</b>	(2)	<b>(141)</b>	(2)
<b>Total</b>		<b>(141)</b>	(2)	<b>(141)</b>	(2)
<b>Total other comprehensive income</b>		<b>4,532</b>	1,827	<b>4,532</b>	1,827
<b>Total comprehensive income attributable to members of Southern Cross University</b>		<b>374</b>	18,596	<b>766</b>	18,838

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

# Statement of Financial Position

As At 31 December 2017

		Consolidated		Parent	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets					
Current assets					
Cash and cash equivalents	12	16,617	20,404	16,545	20,334
Receivables	13	10,587	14,612	11,119	14,780
Inventories		191	129	161	99
Prepayments		2,912	3,028	2,912	3,024
Total current assets		30,307	38,173	30,737	38,237
Non-current assets					
Receivables	13	92,175	87,061	92,175	87,061
Investments accounted for using the equity method	14	301	312	175	175
Other financial assets	15	15,700	11,027	15,700	11,027
Property, plant and equipment	16	270,997	260,991	270,859	260,851
Intangible assets		-	73	-	73
Prepayments		976	942	976	942
Total non-current assets		380,149	360,406	379,885	360,129
Total assets		410,456	398,579	410,622	398,366
Liabilities					
Current liabilities					
Trade and other payables	17	18,283	14,873	18,200	14,770
Borrowings	18	2,440	2,440	2,440	2,440
Employee benefit provisions	19	25,903	24,916	25,798	24,842
Other liabilities	20	17,901	13,083	17,860	13,054
Total current liabilities		64,527	55,312	64,298	55,106
Non-current liabilities					
Borrowings	18	7,580	10,020	7,580	10,020
Employee benefit provisions	19	95,751	90,673	95,743	90,655
Other liabilities	20	1,542	1,597	1,542	1,597
Derivative financial instrument		-	295	-	295
Total non-current liabilities		104,873	102,585	104,865	102,567
Total liabilities		169,400	157,897	169,163	157,673
Net assets		241,056	240,682	241,459	240,693
Equity					
Reserves	21	15,700	11,027	15,700	11,027
Retained earnings	21	225,356	229,655	225,759	229,666
Total equity		241,056	240,682	241,459	240,693

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



# Statement of Changes in Equity

For the Year Ended  
31 December 2017

	Parent			
	Note	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance at 1 January 2016		212,657	9,198	221,855
Net result		17,011	-	17,011
Gain on revaluation of available for sale financial assets		-	1,829	1,829
Remeasurements of defined benefit plans		(2)	-	(2)
Total comprehensive income		17,009	1,829	18,838
Balance at 31 December 2016		229,666	11,027	240,693
Balance at 1 January 2017	21	229,666	11,027	240,693
Net result		(3,766)	-	(3,766)
Gain on revaluation of available for sale financial assets		-	4,673	4,673
Remeasurements of defined benefit plans		(141)	-	(141)
Total comprehensive income		(3,907)	4,673	766
Balance at 31 December 2017		225,759	15,700	241,459

	Consolidated			
		Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance at 1 January 2016		212,888	9,198	222,086
Net result		16,769	-	16,769
Gain on revaluation of available for sale financial assets		-	1,829	1,829
Remeasurements of defined benefit plans		(2)	-	(2)
Total comprehensive income		16,767	1,829	18,596
Balance at 31 December 2016		229,655	11,027	240,682
Balance at 1 January 2017	21	229,655	11,027	240,682
Net result		(4,158)	-	(4,158)
Gain on revaluation of available for sale financial assets		-	4,673	4,673
Remeasurements of defined benefit plans		(141)	-	(141)
Total comprehensive income		(4,299)	4,673	374
Balance at 31 December 2017		225,356	15,700	241,056

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

# Statement of Cash Flows

For the Year Ended  
31 December 2017

		Consolidated		Parent	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash flows from operating activities:					
Australian Government Grants		168,005	170,155	168,005	170,155
OS-HELP (net)		(150)	(103)	(150)	(103)
State Government Grants		1,628	2,143	1,628	2,143
HECS-HELP – Student payments		1,944	2,249	1,944	2,249
Receipts from student fees and other customers		72,790	56,853	73,665	55,566
Payments to suppliers and employees		(227,541)	(209,924)	(228,575)	(208,497)
Interest received		415	747	413	746
Interest and other costs of finance		(880)	(877)	(880)	(877)
GST recovered/paid		7,599	6,968	7,719	6,854
Net cash provided by operating activities	30	23,810	28,211	23,769	28,236
Cash flows from investing activities:					
Proceeds from sale of property, plant and equipment		690	2,551	674	2,545
Payments for property, plant and equipment		(25,847)	(28,691)	(25,792)	(28,691)
Net cash used in investing activities		(25,157)	(26,140)	(25,118)	(26,146)
Cash flows from financing activities:					
Repayment of borrowings		(2,440)	(2,440)	(2,440)	(2,440)
Net cash provided by/(used in) financing activities		(2,440)	(2,440)	(2,440)	(2,440)
Net (decrease) in cash and cash equivalents		(3,787)	(369)	(3,789)	(350)
Cash and cash equivalents at beginning of the financial year		20,404	20,773	20,334	20,684
Cash and cash equivalents at the end of the financial year	12	16,617	20,404	16,545	20,334

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

# Notes to the Financial Statements

For the Year Ended  
31 December 2017

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## 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and where applicable, throughout the notes to the accounts. The policies have been consistently applied for all years reported unless otherwise stated.

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

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

### (a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, the requirements of the *Higher Education Support Act 2003 (Financial Statement Guidelines)*, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*.

The University applies Tier 1 reporting requirements.

Southern Cross University is a not-for-profit entity and these 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 12 April 2018.

### Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit and loss, and library rare book collection.

### 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 (note 9)
- Measurement and recognition of employee benefits provisions (note 19)
- Impairment of trade and other receivables (note 10)
- Measurement of financial assets (note 32)

## 1 Summary of Significant Accounting Policies (continued)

### (b) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (c) Income Tax

Southern Cross University does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997 (ITAA)*.

#### (d) Rounding of amounts

Amounts have been rounded off to the nearest thousand dollars.

#### (e) 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.

#### (f) Comparative Amounts

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

**1 Summary of significant Accounting Policies (continued)****(g) New Accounting Standards and Interpretations**

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

Standard Name	Mandatory Application Date	Requirements	Impact
AASB 15 Revenue from Contracts with customers, AASB 1058 Income of Not-for-Profit Entities, and amending standards	1 January 2019	<p>AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfilment of performance obligations). Revenue will only be recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time. Furthermore, AASB 1058 amends the income recognition requirements that apply to not-for-profit entities and establishes principles for not-for-profit entities that apply to:</p> <p>(a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives;</p> <p>(b) the receipt of volunteer services; and</p> <p>(c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.</p>	<p>The University is in the process of assessing the changes, if any, to its revenue recognition policies upon the adoption of AASB 15 and AASB 1058. Until management completes that process, the University is unable to reasonably quantify the expected financial impacts of those Standards in future periods.</p> <p>The University intends to adopt the 'modified retrospective' approach to the initial application of AASB 15 and AASB 1058. That approach applies the new standards from the date of initial application on 1 January 2019 and will not result in the restatement of FY 2018 comparative financial information.</p>
AASB 16 Leases	1 January 2019	<p>AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.</p>	<p>The standard will affect primarily the accounting for the University's operating leases. As at the reporting date, the University has non-cancellable operating lease commitments of \$78,899,000, see note 25(b). However, the University has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the University's net result and classification of cash flows, although no impact on net cash outflows expected. Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. At this stage, the group does not intend to adopt the standard before its effective date.</p>



**1 Summary of significant Accounting Policies (continued)****(g) New Accounting Standards and Interpretations (continued)**

Standard Name	Mandatory Application Date	Requirements	Impact
AASB 9 Financial Instruments and amending standards	1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities. There will be no impact on the University's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the University does not have any such liabilities. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	The University no longer has hedging arrangements in place and will not adopt any parts of AASB 9 early.
AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB to AASB 107	1 January 2019	This amendment requires disclosure of changes in liabilities.	The University has elected not to adopt the standard before its effective due to the limited nature and value of its borrowing facilities.
AASB 2016-3 Amendments to Australian Accounting Standards - Clarification to AASB 15	1 January 2018	Clarifies the requirements on identifying performance obligations, principal vs agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15.	The potential impact of this standard is currently being determined.

**2 Australian government financial assistance including Australian government loan programs (HELP)****(a) Commonwealth Grants Scheme and Other Grants**

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Commonwealth Grants Scheme		78,081	79,320	78,081	79,320
Indigenous Student Success Program		2,053	1,372	2,053	1,372
Higher Education Participation Program		2,861	3,763	2,861	3,763
Disability Performance Funding		96	95	96	95
Australian Maths and Science Partnership Program		32	390	32	390
Improving the Quality of Maths and Science Teaching Programs		72	282	72	282
Promotion of Excellence in Learning and Teaching		10	10	10	10
<b>Total Commonwealth Grant Scheme and Other Grants</b>	34(a)	<b>83,205</b>	<b>85,232</b>	<b>83,205</b>	<b>85,232</b>

**(b) Higher Education Loan Programs**

HECS - HELP		48,314	46,271	48,314	46,271
FEE - HELP		10,148	8,312	10,148	8,312
SA-HELP payments		1,116	1,108	1,116	1,108
<b>Total Higher Education Loan Programs</b>	34(b)	<b>59,578</b>	<b>55,691</b>	<b>59,578</b>	<b>55,691</b>

**(c) Scholarships**

Research Training Program		4,417	4,678	4,417	4,678
<b>Total Scholarships</b>	34(c)	<b>4,417</b>	<b>4,678</b>	<b>4,417</b>	<b>4,678</b>

**(d) Research**

Research Support Program		3,270	3,201	3,270	3,201
<b>Total Research</b>	34(c)	<b>3,270</b>	<b>3,201</b>	<b>3,270</b>	<b>3,201</b>

**(e) Other Capital Funding**

Linkage Infrastructure, Equipment and Facilities grant		552	-	552	-
Education Investment Fund		-	15,688	-	15,688
<b>Total Other Capital Funding</b>	34(e)	<b>552</b>	<b>15,688</b>	<b>552</b>	<b>15,688</b>

**(f) Australian Research Council**

Discovery		916	847	916	847
Linkages		621	659	621	659
<b>Total ARC</b>	34(f)	<b>1,537</b>	<b>1,506</b>	<b>1,537</b>	<b>1,506</b>

**2 Australian government financial assistance including Australian government loan programs (HELP) (continued)****(g) Other Australian Government Financial Assistance**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Non-capital</b>				
Department of Agriculture and Water Resources (Farm Co-op)	<b>6,538</b>	3,944	<b>6,538</b>	3,944
Department of Agriculture and Water Resources (Other)	<b>25</b>	-	<b>25</b>	-
Department of Education	<b>271</b>	484	<b>271</b>	484
Department of Environment and Energy	<b>10</b>	-	<b>10</b>	-
Department of Foreign Affairs	<b>171</b>	-	<b>171</b>	-
Department of Health	-	94	-	94
Department of Prime Minister & Cabinet	-	450	-	450
Aust'n Ctr for International Agricultural Research	<b>502</b>	982	<b>502</b>	982
Horticultural Innovation Australia Ltd	-	140	-	140
Rural Industries Research & Dev Corporation	-	156	-	156
Other	-	950	-	950
<b>Total non-capital</b>	<b>7,517</b>	7,200	<b>7,517</b>	7,200
<b>Total Other Australian Government Financial Assistance</b>	<b>7,517</b>	7,200	<b>7,517</b>	7,200
<b>Total Australian Government financial assistance</b>	<b>160,076</b>	173,196	<b>160,076</b>	173,196

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and specific criteria have been met for each of the University's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. This applies to revenue items recognised in notes 2 through to 7.

The University recognises grants received from the Australian government in note 2 as income when the University obtains control of the right to receive the grant, it is probable that economic benefits will flow to the University and it can be reliably measured.

Revenue from HELP is categorised into those received from the Australian Government (note 2 (a)) and those received directly from students (note 2 (b)). Revenue is recognised and measured in accordance with the above disclosure.



**3 State and local government financial assistance**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Non-capital</b>				
New South Wales	1,323	758	1,323	758
Queensland	51	157	51	157
Victoria	227	255	227	255
South Australia	12	90	12	90
Western Australia	15	3	15	3
<b>Total</b>	<b>1,628</b>	<b>1,263</b>	<b>1,628</b>	<b>1,263</b>
<b>Capital</b>				
New South Wales	-	880	-	880
<b>Total</b>	<b>-</b>	<b>880</b>	<b>-</b>	<b>880</b>
<b>Total State and Local Government Financial Assistance</b>	<b>1,628</b>	<b>2,143</b>	<b>1,628</b>	<b>2,143</b>

The University recognises contributions and grants received from State governments as revenue when the University obtains control of the right to receive the grant, it is probable that economic benefits will flow to the University and it can be reliably measured.

**4 Fees and charges**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Fee-paying onshore overseas students	44,997	34,367	44,997	34,367
Fee-paying offshore overseas students	2,008	2,039	2,008	2,039
Continuing education	47	124	47	124
Fee-paying domestic postgraduate students	3,680	2,736	3,680	2,736
Fee-paying domestic undergraduate students	542	540	542	540
Fee-paying domestic non-award students	71	25	71	25
<b>Total Course Fees and Charges</b>	<b>51,345</b>	<b>39,831</b>	<b>51,345</b>	<b>39,831</b>
<b>Other Non-Course Fees and Charges</b>				
Student services and amenities fees	895	848	895	848
Late fees	92	94	92	94
Student accommodation	335	438	335	438
Other services	227	209	227	209
<b>Total Other Fees and Charges</b>	<b>1,549</b>	<b>1,589</b>	<b>1,549</b>	<b>1,589</b>
<b>Total Fees and Charges</b>	<b>52,894</b>	<b>41,420</b>	<b>52,894</b>	<b>41,420</b>

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

**5 Investment revenue**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Interest income	406	750	404	749
Dividends	500	-	500	-
<b>Total investment revenue</b>	<b>906</b>	<b>750</b>	<b>904</b>	<b>749</b>

Interest revenue is recognised as it is earned. Dividends are recognised when the dividend is declared.

**6 Consultancy and contracts**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Consultancy	2,574	2,158	2,574	2,158
Contract research	3,952	2,848	3,952	2,848
<b>Total consultancy and contracts</b>	<b>6,526</b>	<b>5,006</b>	<b>6,526</b>	<b>5,006</b>

Consultancy revenue and contract research 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.

**7 Other revenue**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	129	28	129	28
Scholarships and prizes	218	208	218	208
Sale of goods	777	725	149	213
Rental and facilities hire	642	774	623	771
Cost recoveries	3,817	3,393	3,815	3,392
Memberships and registrations	1,165	870	275	153
Laboratory services	4,244	3,507	4,244	3,507
Conferences and workshops	102	62	102	62
Other revenue	1,097	934	1,039	853
<b>Total other revenue</b>	<b>12,191</b>	<b>10,501</b>	<b>10,594</b>	<b>9,187</b>

Contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the group obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

Other revenue is recognised when the goods and services are provided.

**8 Employee related expenses**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Academic</b>				
Salaries	48,748	46,559	48,748	46,559
Contributions to funded superannuation schemes	7,434	7,024	7,434	7,024
Payroll tax	3,231	3,063	3,231	3,063
Worker's compensation	320	390	320	390
Long service leave	1,258	1,223	1,258	1,223
Annual leave	3,086	3,005	3,086	3,005
Other	590	558	590	558
<b>Total academic</b>	<b>64,667</b>	<b>61,822</b>	<b>64,667</b>	<b>61,822</b>
<b>Non-academic</b>				
Salaries	51,308	47,602	49,877	46,457
Contributions to funded superannuation schemes	8,191	7,724	8,053	7,613
Payroll tax	3,356	3,161	3,262	3,088
Worker's compensation	341	406	325	392
Long service leave	1,335	1,636	1,329	1,624
Annual leave	3,477	3,218	3,422	3,180
Other	1,066	1,078	1,065	1,078
<b>Total non-academic</b>	<b>69,074</b>	<b>64,825</b>	<b>67,333</b>	<b>63,432</b>
<b>Total employee related expenses</b>	<b>133,741</b>	<b>126,647</b>	<b>132,000</b>	<b>125,254</b>

Contributions to the defined contribution section of Southern Cross University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Past service costs are recognised in profit or loss immediately.

Refer to note 19 for accounting policies on employee benefits and note 33 for retirement benefit obligations.



**9 Depreciation and amortisation**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Depreciation</b>				
Buildings	<b>6,198</b>	5,936	<b>6,198</b>	5,936
Infrastructure	<b>687</b>	836	<b>687</b>	836
Plant and equipment	<b>6,258</b>	5,825	<b>6,223</b>	5,792
Leasehold improvements	<b>2</b>	3	<b>2</b>	3
<b>Total depreciation</b>	<b>13,145</b>	12,600	<b>13,110</b>	12,567
<b>Amortisation</b>				
Computer software	<b>73</b>	114	<b>73</b>	114
<b>Total depreciation and amortisation</b>	<b>13,218</b>	12,714	<b>13,183</b>	12,681

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

	<b>2017</b>	2016
	<b>Useful Lives</b>	Useful Lives
	<b>(Years)</b>	(Years)
<b>Depreciable assets</b>		
Buildings	<b>10-60</b>	10-60
Plant and equipment	<b>2-30</b>	2-30
Improvements	<b>5</b>	5
Infrastructure	<b>7-70</b>	7-70

**10 Impairment of assets**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade receivables	1,238	491	1,238	491
Infrastructure	-	(168)	-	(168)
<b>Total impairment of assets</b>	<b>1,238</b>	<b>323</b>	<b>1,238</b>	<b>323</b>

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 impairment are reviewed for possible reversal of the impairment at each reporting date.

**11 Other expenses**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotional expenses	2,804	3,913	2,800	3,908
Audit fees, bank charges, insurance and taxes	1,624	1,542	1,540	1,473
Books and subscriptions	4,038	3,515	4,037	3,514
Consulting and professional fees	13,050	12,306	12,927	12,227
External education services	28,091	19,297	28,091	19,297
Grants & contributions	4,178	668	4,178	668
Leased asset charges	4,234	3,998	4,234	3,998
Non-capitalised equipment	3,036	2,353	2,979	2,311
Printing and stationery	1,285	1,177	1,278	1,173
Property and facility costs	6,980	6,921	6,674	6,618
Scholarships, grants and prizes	4,877	5,141	4,875	5,141
Software expenses	3,790	3,729	3,790	3,729
Telecommunications	1,302	1,092	1,293	1,086
Travel, entertainment and staff development	4,660	4,721	4,820	4,851
Other expenses	4,891	4,634	5,132	4,892
<b>Total other expenses</b>	<b>88,840</b>	<b>75,007</b>	<b>88,648</b>	<b>74,886</b>

Leased asset charges in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 25). 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 and are included in other expenses above.

**12 Cash and cash equivalents**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	5,067	4,854	4,995	4,784
Short term deposits at call	11,550	15,550	11,550	15,550
<b>Total cash and cash equivalent in the statement of financial position and cashflows</b>	<b>16,617</b>	<b>20,404</b>	<b>16,545</b>	<b>20,334</b>

**(a) Cash at bank and on hand**

Cash on hand is non-interest bearing. Cash at bank earned a floating interest rate of 1.30% (2016:1.30% to 1.80%).

**(b) Deposits at call**

The deposits are bearing floating interest rates between 1.50% and 2.31% (2016: 1.50% and 2.75%). The deposits have an average maturity of 31 days.

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 on the statement of financial position.

**13 Receivables**

		Consolidated		Parent	
	Note	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
Trade receivables		5,506	4,146	5,482	4,130
Student fees		5,145	4,224	5,145	4,224
Less: Provision for impaired receivables		(2,313)	(1,870)	(2,313)	(1,870)
		<b>8,338</b>	<b>6,500</b>	<b>8,314</b>	<b>6,484</b>
Related party receivables	26(e)(f)	16	16	578	205
Other receivables		2,233	8,096	2,227	8,091
<b>Total current receivables</b>		<b>10,587</b>	<b>14,612</b>	<b>11,119</b>	<b>14,780</b>
<b>Non-current</b>					
Deferred government benefit for superannuation	33(d)	92,175	87,061	92,175	87,061
<b>Total non-current receivables</b>		<b>92,175</b>	<b>87,061</b>	<b>92,175</b>	<b>87,061</b>
<b>Total receivables</b>		<b>102,762</b>	<b>101,673</b>	<b>103,294</b>	<b>101,841</b>

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 for trade debtors.

The non-current receivable for deferred government superannuation benefits are the amounts recognised as reimbursement rights expected to be received from the Australian and New South Wales (NSW) Governments. This amount is offset by a liability in respect of defined benefit superannuation plans in Note 19.



**13 Receivables (continued)**

As at 31 December 2017 current receivables of \$374,939 (2016: \$327,044 ) were past due but not impaired. These relate to a number of student fees not yet collected and trade debtors for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
3 to 6 months	206	322	206	322
6 to 12 months	131	-	131	-
Over 12 months	38	5	38	5
<b>Total past due but not impaired current receivables</b>	<b>375</b>	<b>327</b>	<b>375</b>	<b>327</b>

**(a) Impaired receivables**

As at 31 December 2017 current receivables of the University with a nominal value of \$2,313,448 (2016: \$1,870,139) were impaired. The amount of the provision was \$2,313,448 (2016: \$1,870,139). The individually impaired receivables mainly relate to student fees not yet collected and a wide variety of trade debtors. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
0 to 3 months	140	7	140	7
3 to 6 months	984	603	984	603
6 to 12 months	262	467	262	467
Over 12 months	927	793	927	793
	<b>2,313</b>	<b>1,870</b>	<b>2,313</b>	<b>1,870</b>

**13 Receivables (continued)****(a) Impaired receivables (continued)**

Movements in the provision for impaired receivables are as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
At 1 January	<b>1,870</b>	1,846	<b>1,870</b>	1,845
Provision for impairment recognised during the year	<b>2,313</b>	1,870	<b>2,313</b>	1,870
Receivables written off during the year as uncollectible	<b>787</b>	501	<b>787</b>	501
Unused amount reversed	<b>(2,657)</b>	(2,347)	<b>(2,657)</b>	(2,346)
<b>At 31 December</b>	<b>2,313</b>	1,870	<b>2,313</b>	1,870

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.

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

**14 Investments accounted for using the equity method****Associates**

Name of Entity	Place of business/ Country of incorporation	Measurement method	Quoted fair value \$		Ownership Interest %	
			2017	2016	2017	2016
Coffs Harbour Technology Park Ltd	Coffs Harbour, Australia	At Cost	175	175	33.33	33.33

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

	2017 \$'000	2016 \$'000
<b>Financial Position</b>		
Current assets	101	104
Non-current assets	921	954
<b>Total assets</b>	<b>1,022</b>	<b>1,058</b>
Current liabilities	25	28
Non-current liabilities	96	96
<b>Total liabilities</b>	<b>121</b>	<b>124</b>
<b>Net assets</b>	<b>901</b>	<b>934</b>
<b>Reconciliation of carrying amounts:</b>		
Balance at 1 January	312	316
Share of profit/(loss) for year	(11)	(4)
<b>Balance at 31 December</b>	<b>301</b>	<b>312</b>
<b>Financial Performance</b>		
Income	110	102
<b>Profit/(loss) from continuing operations</b>	<b>(34)</b>	<b>(13)</b>
<b>Total comprehensive income</b>	<b>(34)</b>	<b>(13)</b>
Share of associates' profit/(loss)	(11)	(4)

**(a) Associates**

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

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

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

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



**15 Other financial assets**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Non-current</b>				
<b>Available for sale</b>				
- Shares in unlisted entities	15,700	11,027	15,700	11,027
<b>Total non-current other financial assets</b>	<b>15,700</b>	<b>11,027</b>	<b>15,700</b>	<b>11,027</b>

**Classification**

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

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

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

Regular purchases and sales of financial assets are recognised on trade date - the date on which the University commits to purchase or sell the asset. Investments are initially recognised at fair value plus 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 University has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the 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.

**Impairment**

The University 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 or 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.

16 Property, plant and equipment

Parent	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Improvements \$'000	Library collections \$'000	Capital Works in Progress \$'000	Total \$'000
<b>At 1 January 2016</b>								
At cost	12,224	222,647	60,810	25,630	43	8,827	5,378	335,559
Accumulated depreciation	-	(47,438)	(27,969)	(4,438)	(4)	(8,027)	-	(87,876)
Accumulated impairment	-	(112)	-	(1,431)	-	(683)	-	(2,226)
<b>Net book amount</b>	<b>12,224</b>	<b>175,097</b>	<b>32,841</b>	<b>19,761</b>	<b>39</b>	<b>117</b>	<b>5,378</b>	<b>245,457</b>
<b>Year ended 31 December 2016</b>								
Opening net book amount	12,224	175,097	32,841	19,761	39	117	5,378	245,457
Additions	-	23	4,014	56	-	-	26,647	30,740
Disposals	(250)	(1,983)	(365)	(349)	-	-	-	(2,947)
Depreciation charge	-	(5,936)	(5,792)	(836)	(3)	-	-	(12,567)
Impairment reversal in income	-	-	-	168	-	-	-	168
Transfers	-	113	413	561	-	-	(1,087)	-
<b>Closing net book amount</b>	<b>11,974</b>	<b>167,314</b>	<b>31,111</b>	<b>19,361</b>	<b>36</b>	<b>117</b>	<b>30,938</b>	<b>260,851</b>
<b>At 31 December 2016</b>								
At cost	11,974	220,036	62,105	25,790	43	8,827	30,938	359,713
Accumulated depreciation	-	(52,610)	(30,994)	(5,166)	(7)	(8,027)	-	(96,804)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)
<b>Net book amount</b>	<b>11,974</b>	<b>167,314</b>	<b>31,111</b>	<b>19,361</b>	<b>36</b>	<b>117</b>	<b>30,938</b>	<b>260,851</b>

16 Property, plant and equipment (continued)

Parent	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Improvements \$'000	Library collections \$'000	Capital Works in Progress \$'000	Total \$'000
<b>At 1 January 2017</b>								
At cost	11,974	220,036	62,105	25,790	43	8,827	30,938	359,713
Accumulated depreciation	-	(52,610)	(30,994)	(5,166)	(7)	(8,027)	-	(96,804)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)
<b>Net book amount</b>	<b>11,974</b>	<b>167,314</b>	<b>31,111</b>	<b>19,361</b>	<b>36</b>	<b>117</b>	<b>30,938</b>	<b>260,851</b>
<b>Year ended 31 December 2017</b>								
Opening net book amount	11,974	167,314	31,111	19,361	36	117	30,938	260,851
Additions	-	-	4,932	79	-	-	18,893	23,904
Disposals	-	-	(786)	-	-	-	-	(786)
Depreciation expense	-	(6,198)	(6,223)	(687)	(2)	-	-	(13,110)
Transfers	-	33,927	9,463	900	-	-	(44,290)	-
<b>Closing net book amount</b>	<b>11,974</b>	<b>195,043</b>	<b>38,497</b>	<b>19,653</b>	<b>34</b>	<b>117</b>	<b>5,541</b>	<b>270,859</b>
<b>At 31 December 2017</b>								
At cost	11,974	253,963	72,359	26,770	43	8,827	5,541	379,477
Accumulated depreciation	-	(58,808)	(33,862)	(5,854)	(9)	(8,027)	-	(106,560)
Accumulated Impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)
<b>Net book amount</b>	<b>11,974</b>	<b>195,043</b>	<b>38,497</b>	<b>19,653</b>	<b>34</b>	<b>117</b>	<b>5,541</b>	<b>270,859</b>

16 Property, plant and equipment (continued)

Consolidated	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Improvements \$'000	Library collections \$'000	Capital Works in Progress \$'000	Total \$'000
<b>At 1 January 2016</b>								
At cost	12,224	222,647	61,047	25,630	43	8,827	5,378	335,796
Accumulated depreciation	-	(47,438)	(28,033)	(4,438)	(4)	(8,027)	-	(87,940)
Accumulated impairment	-	(112)	-	(1,431)	-	(683)	-	(2,226)
<b>Net book amount</b>	<b>12,224</b>	<b>175,097</b>	<b>33,014</b>	<b>19,761</b>	<b>39</b>	<b>117</b>	<b>5,378</b>	<b>245,630</b>
<b>Year ended 31 December 2016</b>								
Opening net book amount	12,224	175,097	33,014	19,761	39	117	5,378	245,630
Additions	-	23	4,014	56	-	-	26,647	30,740
Disposals	(250)	(1,983)	(365)	(349)	-	-	-	(2,947)
Depreciation expense	-	(5,936)	(5,825)	(836)	(3)	-	-	(12,600)
Impairment reversal in income	-	-	-	168	-	-	-	168
Transfers	-	113	413	561	-	-	(1,087)	-
<b>Closing net book amount</b>	<b>11,974</b>	<b>167,314</b>	<b>31,251</b>	<b>19,361</b>	<b>36</b>	<b>117</b>	<b>30,938</b>	<b>260,991</b>
<b>At 31 December 2016</b>								
At cost	11,974	220,036	62,313	25,790	43	8,827	30,938	359,921
Accumulated depreciation	-	(52,610)	(31,062)	(5,166)	(7)	(8,027)	-	(96,872)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)
<b>Net book amount</b>	<b>11,974</b>	<b>167,314</b>	<b>31,251</b>	<b>19,361</b>	<b>36</b>	<b>117</b>	<b>30,938</b>	<b>260,991</b>



16 Property, plant and equipment (continued)

Consolidated	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Improvements \$'000	Library collections \$'000	Capital Works in Progress \$'000	Total \$'000
<b>At 1 January 2017</b>								
At cost	11,974	220,036	62,313	25,790	43	8,827	30,938	359,921
Accumulated depreciation	-	(52,610)	(31,062)	(5,166)	(7)	(8,027)	-	(96,872)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)
<b>Net book amount</b>	<b>11,974</b>	<b>167,314</b>	<b>31,251</b>	<b>19,361</b>	<b>36</b>	<b>117</b>	<b>30,938</b>	<b>260,991</b>
<b>Year ended 31 December 2017</b>								
Opening net book amount	11,974	167,314	31,251	19,361	36	117	30,938	260,991
Additions	-	-	4,986	79	-	-	18,893	23,958
Disposals	-	-	(807)	-	-	-	-	(807)
Depreciation expense	-	(6,198)	(6,258)	(687)	(2)	-	-	(13,145)
Transfers	-	33,927	9,463	900	-	-	(44,290)	-
<b>Closing net book amount</b>	<b>11,974</b>	<b>195,043</b>	<b>38,635</b>	<b>19,653</b>	<b>34</b>	<b>117</b>	<b>5,541</b>	<b>270,997</b>
<b>At 31 December 2017</b>								
At cost	11,974	253,963	72,598	26,770	43	8,827	5,541	379,716
Accumulated depreciation	-	(58,808)	(33,963)	(5,854)	(9)	(8,027)	-	(106,661)
Accumulated impairment	-	(112)	-	(1,263)	-	(683)	-	(2,058)
<b>Net book amount</b>	<b>11,974</b>	<b>195,043</b>	<b>38,635</b>	<b>19,653</b>	<b>34</b>	<b>117</b>	<b>5,541</b>	<b>270,997</b>

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

Property, plant and equipment is shown at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

**17 Trade and other payables**

		Consolidated		Parent	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Current</b>					
Trade creditors		14,474	14,697	14,391	14,594
Australian Government unspent financial assistance		3,783	-	3,783	-
OS-HELP liability to Australian Government	34(h)	26	176	26	176
<b>Total current trade and other payables</b>		<b>18,283</b>	<b>14,873</b>	<b>18,200</b>	<b>14,770</b>

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

**18 Borrowings**

		Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Current Borrowings</b>					
<b>Unsecured</b>					
Bank loans		2,440	2,440	2,440	2,440
<b>Total current borrowings</b>		<b>2,440</b>	<b>2,440</b>	<b>2,440</b>	<b>2,440</b>
<b>Non-current Borrowings</b>					
<b>Unsecured</b>					
Bank loans		7,580	10,020	7,580	10,020
<b>Total non-current borrowings</b>		<b>7,580</b>	<b>10,020</b>	<b>7,580</b>	<b>10,020</b>
<b>Total borrowings</b>		<b>10,020</b>	<b>12,460</b>	<b>10,020</b>	<b>12,460</b>

**(a) Assets pledged as security**

The University has no assets pledged as security for borrowings drawn during the year ended 31 December 2017 (2016: Nil).

**18 Borrowings (continued)****(b) Financing arrangements**

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

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Credit standby arrangements</b>				
Total facilities	<b>5,000</b>	5,000	<b>5,000</b>	5,000
Used at balance date	<b>(168)</b>	(166)	<b>(168)</b>	(166)
<b>Total unused at balance date</b>	<b>4,832</b>	4,834	<b>4,832</b>	4,834
<b>Bank loan facilities</b>				
Total facilities	<b>34,000</b>	36,460	<b>34,000</b>	36,460
Used at balance date	<b>(10,020)</b>	(12,460)	<b>(10,020)</b>	(12,460)
<b>Total unused at balance date</b>	<b>23,980</b>	24,000	<b>23,980</b>	24,000

**(c) Bank loans**

On 21 December 2017, Southern Cross University re-negotiated its loan facility with the ANZ Banking Group Limited to reduce its facility to \$34 million for a term of 5 years.

**(d) Fair value**

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

	<b>2017</b>		<b>2016</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	Carrying amount	Fair value
	<b>\$'000</b>	<b>\$'000</b>	\$'000	\$'000
<b>On-balance sheet</b>				
Bank loans	<b>10,020</b>	<b>10,020</b>	12,460	12,460
<b>Total borrowings</b>	<b>10,020</b>	<b>10,020</b>	12,460	12,460

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

**(e) Risk exposures**

The exposure of the University's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Between one and five years	<b>10,020</b>	12,460	<b>10,020</b>	12,460
<b>Total borrowings</b>	<b>10,020</b>	12,460	<b>10,020</b>	12,460
Current borrowings	<b>2,440</b>	2,440	<b>2,440</b>	2,440
Non-current borrowings	<b>7,580</b>	10,020	<b>7,580</b>	10,020
<b>Total borrowings</b>	<b>10,020</b>	12,460	<b>10,020</b>	12,460

The carrying amounts of the University's borrowings are denominated in Australian dollars. For an analysis of the sensitivity of borrowings to interest rate risk, refer to note 31.

**18 Borrowings (continued)****(f) Reconciliation of liabilities arising from financing activities**

	<b>2016</b>	<b>Cash flows</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Long-term borrowings	12,460	(2,440)	10,020
<b>Total liabilities from financing activities</b>	<b>12,460</b>	<b>(2,440)</b>	<b>10,020</b>

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

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

**19 Provisions**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits</b>				
Annual leave	<b>6,919</b>	6,617	<b>6,873</b>	6,581
Long service leave	<b>4,738</b>	4,349	<b>4,733</b>	4,346
	<b>11,657</b>	10,966	<b>11,606</b>	10,927
<b>Current provisions expected to be settled after more than 12 months</b>				
<b>Employee benefits</b>				
Annual leave	<b>1,803</b>	1,906	<b>1,772</b>	1,882
Long service leave	<b>12,443</b>	12,044	<b>12,420</b>	12,033
	<b>14,246</b>	13,950	<b>14,192</b>	13,915
<b>Total current provisions</b>	<b>25,903</b>	24,916	<b>25,798</b>	24,842



**19 Provisions (continued)**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Non-current provisions</b>				
<b>Employee benefits</b>				
Long service leave	3,389	3,565	3,381	3,547
Defined benefit obligation	92,362	87,108	92,362	87,108
<b>Total non-current provisions</b>	<b>95,751</b>	<b>90,673</b>	<b>95,743</b>	<b>90,655</b>
<b>Total provisions</b>	<b>121,654</b>	<b>115,589</b>	<b>121,541</b>	<b>115,497</b>

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. 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.

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.

**Employee benefits****(i) Short-term obligations**

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

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

The liability for other long-term benefits are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave and long service leave liabilities.

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

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

**(iii) Retirement benefit obligations**

Refer to note 33.

**20 Other liabilities**

		Consolidated		Parent	
	Note	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
Lease incentive		54	54	54	54
Other income received in advance		3,764	3,476	3,764	3,476
Student Fees received in advance		14,083	9,553	14,042	9,524
<b>Total current other liabilities</b>		<b>17,901</b>	<b>13,083</b>	<b>17,860</b>	<b>13,054</b>
<b>Non-current</b>					
Lease incentive		1,542	1,597	1,542	1,597
<b>Total non-current other liabilities</b>		<b>1,542</b>	<b>1,597</b>	<b>1,542</b>	<b>1,597</b>
<b>Total other liabilities</b>		<b>19,443</b>	<b>14,680</b>	<b>19,402</b>	<b>14,651</b>

**21 Reserves and retained earnings****(a) Reserves**

		Consolidated		Parent	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Reserves</b>					
Available-for-sale investments revaluation surplus		15,700	11,027	15,700	11,027
<b>Total reserves</b>		15,700	11,027	15,700	11,027
<b>Movements</b>					
<b>Available-for-sale investments revaluation surplus</b>					
Balance 1 January		11,027	9,198	11,027	9,198
Gain on revaluation of available for sale financial assets		4,673	1,829	4,673	1,829
<b>Balance 31 December</b>		15,700	11,027	15,700	11,027
<b>Total reserves</b>		15,700	11,027	15,700	11,027
<b>Retained earnings at 1 January</b>		229,655	212,888	229,666	212,657
Net result for the period		(4,158)	16,769	(3,766)	17,011
Remeasurements of defined benefit plans	33(e)	(141)	(2)	(141)	(2)
<b>Retained earnings at 31 December</b>		225,356	229,655	225,759	229,666

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

Available-for-sale investments revaluation reserve

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

**22 Key management personnel disclosures****(a) Names of responsible persons**

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

**Official Council Members**

Mr Nicholas Burton Taylor AM, Chancellor  
 Professor Adam Shoemaker, Vice Chancellor  
 Professor Susan Nancarrow, Chair Academic Board  
 Professor Mark Hughes, Chair Academic Board

**Ministerial Appointments**

Murray d'Almeida

**Elected Council Members**

Professor William Boyd  
 Associate Professor Adele Wessell  
 Toni Ledgerwood  
 Michael Jones

**Council Appointed Members**

Dr Austin Curtin  
 Neale Genge  
 Julie Granger  
 Anthony Matis  
 John Shanahan  
 Margot Sweeny  
 Christian Lugnan  
 Lynda O'Grady

**Council members whose term concluded in 2017 are as follows:**

Margot Sweeny  
 John Shanahan  
 Neale Genge  
 Christian Lugnan  
 Anthony Matis  
 Susan Nancarrow

**(b) Names of executive officers**

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

Professor Adam Shoemaker	Vice Chancellor
Professor Geraldine Mackenzie	Deputy Vice Chancellor (Research)
Professor Susan Nancarrow	Associate Deputy Vice Chancellor (Research)/ Deputy Vice Chancellor (Research)
Professor Andrew McAuley	Deputy Vice Chancellor (Academic)
Professor John Jenkins	Deputy Vice Chancellor (Academic)
Professor Nanette Bahr	Pro Vice Chancellor (Students) and Dean of Education
Chris Patton	Vice President (Global)
Monty Singh	Vice President (Global)
Helen Hughes	Executive Director, Community and Corporate Relations
Allan Morris	Vice President (Operations)
Travis Walker	Vice President (Finance)
Ben Roche	Pro Vice Chancellor (Engagement)

At the reporting date of 31 December 2017, Professor Geraldine Mackenzie, Professor Andrew McAuley, Chris Patton and Helen Hughes were no longer executive officers.

**22 Key management personnel disclosures (continued)****(c) Remuneration of board members and executives**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Remuneration of Board Members</b>				
Nil to \$14,999	11	10	11	10
\$15,000 to \$29,999	1	-	1	-
\$90,000 to \$104,999	1	-	1	-
\$105,000 to \$119,999	-	1	-	1
\$120,000 to \$134,999	1	-	1	-
\$135,000 to \$149,999	-	1	-	1
\$180,000 to \$194,999	2	2	2	2
\$210,000 to \$224,999	-	1	-	1
\$495,000 to \$509,999	-	1	-	1
\$750,000 to \$764,999	1	-	1	-

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Remuneration of executive officers</b>				
\$75,000 to \$89,999	1	-	1	-
\$90,000 to \$104,999	1	-	1	-
\$120,000 to \$134,999	1	-	1	-
\$180,000 to \$194,999	1	1	1	1
\$195,000 to \$209,999	1	-	1	-
\$270,000 to \$284,999	1	-	1	-
\$315,000 to \$329,999	-	2	-	2
\$330,000 to \$344,999	4	3	4	3
\$405,000 to \$419,999	-	1	-	1
\$450,000 to \$464,999	1	1	1	1
\$495,000 to \$509,999	-	1	-	1
\$750,000 to \$764,999	1	-	1	-

Remuneration bands for the Vice Chancellor appear in both tables above as this management position is a responsible person and an executive officer.

Four executive officers ceased in 2017, three new executive officers commenced and two executive officer positions were filled in an acting capacity.

**22 Key management personnel disclosures (continued)****(d) Key management personnel compensation**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	3,219	3,314	3,219	3,314
Post-employment benefits	480	486	480	486
Other long-term benefits	78	33	78	33
Termination benefits	354	61	354	61
	4,131	3,894	4,131	3,894

**23 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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Audit of the Financial Statements</b>				
Fees paid to the Audit Office of NSW	201	197	173	170
<b>Total paid for audit</b>	201	197	173	170
<b>Other audit and assurance services</b>				
Fees paid to the Audit Office of NSW	11	11	11	11
Fees paid to firms unrelated to the Audit Office of NSW	115	112	115	112
<b>Total paid for audit and assurance</b>	126	123	126	123

**24 Contingencies****(a) Contingent liabilities***Bank Guarantees*

The University has entered into bank guarantees with ANZ Banking Group Limited for \$167,868 (2016: \$165,520). These guarantees are in respect of leased premises at the University's Gold Coast and Sydney campuses.

*Claims*

There are no litigation claims in progress against the University at balance date.

*Letter of comfort to subsidiary*

The University has provided its subsidiary (Southern Cross Campus Services Ltd formerly Noresearch Limited) a letter of comfort guaranteeing the liabilities of the controlled entity. At the date of this report the net liabilities of the controlled entity total \$-530,491 (2016: \$-151,749).

**(b) Contingent assets***Bonds and guarantees*

The University entered into a construction contract in 2015. The parties agreed to enter into a performance bond up to \$84,916 and a maintenance bond up to \$900,947, both in favour of the University. These performance bonds are in respect to obligations for the construction of a building.

The University has entered into a bank guarantee with Commonwealth Bank of Australia for \$12,354 in favour of the University. This bank guarantee is in respect of obligations for the provision of a laboratory.



**25 Commitments****(a) Capital commitments**

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Property, plant and equipment</b>				
Within one year	2,355	16,897	2,355	16,897
Between one and five years	-	459	-	459
Total capital commitments	2,355	17,356	2,355	17,356

**(b) Operating lease commitments**

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

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Within one year	3,532	3,579	3,532	3,579
Between one and five years	8,114	8,386	8,114	8,386
Later than five years	67,253	68,521	67,253	68,521
Total future minimum lease payments	78,899	80,486	78,899	80,486

**26 Related Parties****(a) Parent entities**

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

**(b) Subsidiaries**

Interests in subsidiaries are set out in note 27.

**(c) Key management personnel**

Disclosures relating to directors and specified executives are set out in note 22.

**(d) Transactions with related parties**

The following transactions occurred between related parties:

	Parent	
	2017	2016
	\$'000	\$'000
Sale of goods and services		
Recoveries for other expenses	2	3
Purchase of goods		
Catering and accommodation	217	165
External labour hire	559	597
Management fees	-	21
Other transactions		
Other costs	115	31

**26 Related Parties (continued)****(e) Loans to related parties**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Loans to associated companies</b>				
Beginning of the year	16	16	16	16
End of year	16	16	16	16

**(f) Outstanding balances**

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

Current receivables

Subsidiary	562	189
------------	-----	-----

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.

**(g) Guarantees**

There have been no guarantees given by the parent entity to its subsidiary as at balance date (2016: Nil)

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

**(h) Terms and Conditions**

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

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

**27 Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described below.

Name of Entity	Principle place of business	Ownership interest	
		2017%	2016%
Southern Cross Campus Services Limited (previously Norsearch Limited)	Australia	100.00	100.00

**Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Southern Cross University ("parent entity") as at 31 December 2017 and the results of all subsidiary for the year then ended. Southern Cross University and its subsidiary together are referred to in this financial report as the University or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the University has control. The University has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity.

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

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

## 28 Joint Operations

The University has entered into the following joint operations.

Name of joint operation	Nature of relationship	Principle place of business	Controlling Interest	
			2017	2016
The Hotel School	Represents a partnership with Mulpha Education Group Pty Ltd for the purpose of the education and development of students who are either employed, or wishing to be employed, in the hotel and tourism industries.	Sydney and Melbourne	<b>50.00</b>	50.00
Coffs Harbour Education Campus	Represents the development and continued operation of a joint educational precinct with Coffs Harbour Senior College and North Coast TAFE at the Coffs Harbour campus	Coffs Harbour	<b>33.33</b>	33.33

Under AASB11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

The University's share of assets, liabilities, revenue and expenses of each joint operation have been incorporated in the financial statements under the appropriate headings.

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

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

	2017	2016
	\$'000	\$'000
Assets (including share of jointly held assets)	<b>20,591</b>	21,109
Liabilities (including jointly incurred)	<b>944</b>	772

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

Share of revenue from joint operation	<b>5,150</b>	4,096
Expenses (including jointly incurred)	<b>3,956</b>	2,918

## 29 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the University, the results of those operations, or the state of affairs of the University in future financial years.

**30 Reconciliation of net result to net cash provided by / (used in) operating activities**

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net result for the period		(4,158)	16,769	(3,766)	17,011
Depreciation and amortisation	9	13,218	12,714	13,183	12,681
Impairment loss on assets	10	1,238	323	1,238	323
Net loss on sale of non-current assets		119	396	113	402
Net foreign exchange differences		108	138	108	138
Share of associate net profit after income tax and dividends		11	4	-	-
Fair value adjustments to derivative financial liabilities		-	(121)	-	(121)
<b>Change in operating assets and liabilities:</b>					
(Increase) / decrease in trade and other receivables		2,538	(5,689)	2,174	(5,862)
(Increase) / decrease in inventories		(62)	(104)	(62)	(92)
(Increase) / decrease in other assets		78	(315)	78	(315)
Increase / (decrease) in trade payables and accruals		5,298	1,369	5,317	1,343
Increase / (decrease) in other provisions		951	1,590	930	1,580
Increase / (decrease) in other operating liabilities		4,471	1,137	4,456	1,148
Net cash provided by / (used in) operating activities		23,810	28,211	23,769	28,236

**31 Financial risk management**

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

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

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

**(a) Market risk****(i) Foreign exchange risk**

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

**(ii) Price risk**

Price risk arises on financial instruments because of changes in equity prices in shares in unlisted entities.

**31 Financial risk management (continued)****(a) Market risk (continued)****(iii) Cash flow and fair value interest rate risk**

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

The University's exposure to market interest rates relates primarily to the University's long term borrowings and investments held as interest bearing deposits and on-call bank deposits. It is policy to protect part of the borrowings from exposure to increasing interest rates.

The University exited an interest rate swap on 24 April 2017 which was originally entered into on 23 May 2014, for a term of 4 years. As a result, at 31 December 2017 the interest rate swap liability had a market value of \$0 (2016: \$294,613). The liability was recorded in derivative financial instruments in the statement of financial position.

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

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

**(iv) Summarised sensitivity analysis**

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

31 December 2017		Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-10%		+10%	
	Carrying amount	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>Financial assets</b>													
Cash and cash equivalents	16,616	(116)	(116)	116	116	-	-	-	-	-	-	-	-
Receivables	102,316	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets - Available for sale	15,700	-	-	-	-	-	-	-	-	-	(1,570)	-	1,570
<b>Financial liabilities</b>													
Trade and other payables	(15,933)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	(10,020)	100	100	(100)	(100)	-	-	-	-	-	-	-	-
<b>Total</b>		<b>(16)</b>	<b>(16)</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,570)</b>	<b>-</b>	<b>1,570</b>



**31 Financial risk management (continued)****(a) Market risk (continued)****(iv) Summarised sensitivity analysis**

31 December 2016		Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-10%		+10%	
	Carrying amount	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>Financial assets</b>													
Cash and cash equivalents	20,404	(156)	(156)	156	156	-	-	-	-	-	-	-	-
Receivables	100,977	-	-	-	-	3	3	(3)	(3)	-	-	-	-
Other financial assets - Available for sale	11,027	-	-	-	-	-	-	-	-	-	(1,103)	-	1,103
<b>Financial liabilities</b>													
Trade and other payables	(12,390)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	(12,460)	125	125	(125)	(125)	-	-	-	-	-	-	-	-
Derivative financial instrument	(295)	(3)	(3)	3	3	-	-	-	-	-	-	-	-
<b>Total</b>		(34)	(34)	34	34	3	3	(3)	(3)	-	(1,103)	-	1,103

**31 Financial risk management (continued)****(b) Credit risk**

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

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

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

The carrying amount of financial assets (as contained in the table in subnote 32(a) represents the University's maximum exposure to credit risk.

**(c) Liquidity risk**

The University manages liquidity risk by maintaining adequate reserves, banking facilities and continuously monitoring forecast and actual cash flows to ensure that there is adequate liquidity to meet the University's obligations over the near term.

The interest bearing deposits and deposits at call have an average maturity of 31 days.

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

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

	Average Interest rate		Variable interest rate		Non Interest		Within 1 year	1 - 5 years		Total		
	2017	2016	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial Assets:												
Cash and cash equivalents	1.98	2.28	16,587	20,373	29	31	16,588	20,373	-	-	16,617	20,404
Receivables	-	-	-	-	102,316	100,977	-	-	-	-	102,316	100,977
Total financial assets			16,587	20,373	102,345	101,008	16,588	20,373	-	-	118,933	121,381
Financial Liabilities:												
Payables	-	-	-	-	15,933	12,390	-	-	-	-	15,933	12,390
Borrowings	3.70	4.17	10,020	12,460	-	-	2,440	2,440	7,580	10,020	10,020	12,460
Derivative financial instrument	-	3.16	-	-	-	-	-	-	-	295	-	295
Total financial liabilities			10,020	12,460	15,933	12,390	2,440	2,440	7,580	10,315	25,953	25,145

**32 Fair value measurements****(a) Fair value measurements**

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

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

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

	Carrying Amount		Fair Value	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>				
<b>Financial assets</b>				
Cash and cash equivalents	16,617	20,404	16,617	20,404
Receivables	102,316	100,977	102,316	100,977
Investments using the equity method	301	312	301	312
Other financial assets	15,700	11,027	15,700	11,027
<b>Total financial assets</b>	<b>134,934</b>	<b>132,720</b>	<b>134,934</b>	<b>132,720</b>
<b>Financial Liabilities</b>				
Payables	15,933	12,390	15,933	12,390
Borrowings	10,020	12,460	10,020	12,460
Derivative financial instrument	-	295	-	295
<b>Total financial liabilities</b>	<b>25,953</b>	<b>25,145</b>	<b>25,953</b>	<b>25,145</b>
<b>Parent</b>				
<b>Financial assets</b>				
Cash and cash equivalents	16,545	20,334	16,545	20,334
Receivables	102,292	100,961	102,292	100,961
Investments using the equity method	175	175	175	175
Other financial assets	15,700	11,027	15,700	11,027
<b>Total financial assets</b>	<b>134,712</b>	<b>132,497</b>	<b>134,712</b>	<b>132,497</b>
<b>Financial Liabilities</b>				
Payables	15,887	12,328	15,887	12,328
Borrowings	10,020	12,460	10,020	12,460
Derivative financial instrument	-	295	-	295
<b>Total financial liabilities</b>	<b>25,907</b>	<b>25,083</b>	<b>25,907</b>	<b>25,083</b>

The University measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Investments using the equity method
- Other financial assets

**32 Fair value measurements (continued)****(b) Fair value hierarchy**

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

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

**(b) Fair value hierarchy (continued)****(i) Recognised fair value measurements**

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

**Fair value measurements at 31 December 2017**

	Note	2017 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial assets</b>				
Available-for-sale financial assets	15			
Equity instruments		15,700	15,700	-
Investments using the equity method	14			
Associates		301	-	301
Total financial assets		16,001	15,700	301

**Fair value measurements at 31 December 2016**

	Note	2016 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial assets</b>				
Available-for-sale financial assets	15			
- Equity securities		11,027	11,027	-
Investments using the equity method	14			
- Associates		312	-	312
Total financial assets		11,339	11,027	312
<b>Financial liabilities</b>				
Derivatives financial instrument		295	295	-
Total financial liabilities		295	295	-

There were no transfers between levels 1,2 and 3 for recurring fair value measurements during the year.

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

**(ii) Disclosed fair values**

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

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

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

**32 Fair value measurements (continued)****(c) Valuation techniques used to derive level 2 and level 3 fair values**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

- The use of quoted market prices discounted to reflect the limited liquidity in the market for shareholders to sell their holding and the likely impact of a trade sale should the shareholders realise the value of their equity interests;
- Share of the net assets of unlisted entities;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

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

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2017 and 2016.

	<b>Associates</b>
	<b>\$'000</b>
<b>Level 3 Fair Value Measurement 2017</b>	
Opening balance	312
Recognised in net result	(11)
Closing balance	301
<b>Level 3 Fair Value Measurement 2016</b>	
Opening balance	316
Recognised in net result	(4)
Closing balance	312

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

There were no transfers of assets/liabilities between levels 2 and 3 during the financial year ended 31 December 2017.

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

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



### 33 Retirement benefit obligations

All University employees, including casuals, receive superannuation benefits equal or exceeding the government superannuation guarantee levy.

#### Defined Contribution Plan (Unisuper)

The University contributes to the UniSuper Defined Benefit Plan ('Unisuper') (formerly Superannuation Scheme for Australian Universities) SSAU for academic staff appointed since 1 March 1988 and all other staff from 1 July 1991. Unisuper is a post employment defined contribution plan into which the University pays fixed contributions. The Unisuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of Clause 34 of the Unisuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119.

#### Defined Benefit Plans (State Funds)

The University contributes to three closed state pension schemes (as detailed in Note 33(a)), which are subject to reimbursement arrangements under the Higher Education Support Act 2003 in the proportion of 78:22 from the Commonwealth and the NSW State Government respectively.

A non-current receivable for deferred government superannuation benefits are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian and New South Wales (NSW) Governments for the emerging costs of the superannuation funds for the life of the liability.

A liability in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries. 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 retained earnings in the statement of changes in equity and in the statement of financial position. Past service costs are recognised in profit or loss immediately.

The liabilities recorded in the statement of financial position under provisions, for all NSW Universities, have been determined by Mercer (Australia) Pty Ltd using consistent valuation techniques.

#### (a) Fund specific disclosure

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

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

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

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

**33 Retirement benefit obligations (continued)***ii) Description of the regulatory framework*

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

- Superannuation Act 1916
- State Authorities Superannuation Act 1987
- State Authorities Non-Contributory Superannuation Scheme Act 1987, and their associated regulations

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

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

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

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2015. The next actuarial investigation will be performed at 30 June 2018.

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

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

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

*iv) Description of 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.

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

The trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

**33 Retirement benefit obligations (continued)****(a) Fund specific disclosure (continued)***v) Description of any plan amendments, curtailments and settlements*

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

*vi) Expected Contributions*

The University expects to make employer contribution's of \$395,267 (2016: \$456,875) to the defined benefit plan during the next financial year.

*vii) Maturity Profile*

The weighted average duration of the defined benefit obligation is 12.6 years (2016 12.9 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	<b>Less than 1 year \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total \$'000</b>
Defined benefit obligations - 31 December 2017	<b>5,240</b>	<b>5,335</b>	<b>16,371</b>	<b>109,792</b>	<b>136,738</b>
Defined benefit obligations - 31 December 2016	5,523	5,615	16,846	121,113	149,097

**(b) Categories of plan assets**

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

	<b>2017 (%)</b>		<b>2016 (%)</b>	
	<b>Active Market</b>	<b>No Active Market</b>	<b>Active Market</b>	<b>No Active Market</b>
Short term securities	<b>9.50</b>	-	5.70	-
Australian fixed interest	<b>6.90</b>	-	5.60	-
International fixed interest	<b>3.60</b>	-	1.90	-
Australian equities	<b>22.40</b>	-	24.70	-
International equities	<b>29.60</b>	-	28.40	2.60
Property	<b>3.60</b>	<b>5.10</b>	3.90	5.10
Alternatives	<b>9.80</b>	<b>9.60</b>	12.40	9.70
<b>Total</b>	<b>85.40</b>	<b>14.70</b>	<b>82.60</b>	<b>17.40</b>

**33 Retirement benefit obligations (continued)****(b) Categories of plan assets (continued)**

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

	<b>2017</b>	2016
	%	%
Discount rate(s)	<b>2.65</b>	2.78
Expected rate of return on fund assets backing current pension liabilities	<b>7.4</b>	7.4
Expected rate of return on fund assets backing other liabilities	<b>6.4</b>	6.4
Expected rate(s) of salary increase	<b>2.7 to 3.2</b>	2.7 to 3.2
Expected rate of CPI increase	<b>2.2</b>	2.2

**(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 14%	Decrease by -11%
Rate of CPI	0.50%	Increase by 6%	Decrease by -6%
Salary inflation rate	0.50%	Increase by 0.4%	Decrease by 0.3%
Pensioner mortality	5.00%	Decrease by 2%	Increase by -1%

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position. The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

**33 Retirement benefit obligations (continued)****(d) Statement of financial position amounts**

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<b>Liabilities</b>					
Provision for deferred government benefits for superannuation		4,661	1,012	86,689	92,362
<b>Assets</b>					
Receivable for deferred government benefit for superannuation		4,659	996	86,520	92,175
<b>Net liability recognised in the statement of financial position</b>		2	16	169	187
<b>Net liability reconciliation - 2017</b>					
Defined benefit obligation		9,358	1,945	102,805	114,108
Fair value of plan assets		(4,696)	(933)	(16,117)	(21,746)
<b>Net liability</b>	19	4,662	1,012	86,688	92,362
Reimbursement right		(4,660)	(996)	(86,519)	(92,175)
<b>Total net liability/(asset)</b>		2	16	169	187
<b>Reimbursement rights - 2017</b>					
Opening value of reimbursement right		4,266	626	82,169	87,061
Return on reimbursement rights		162	(5)	2,426	2,583
Remeasurements		232	375	1,924	2,531
<b>Closing value of reimbursement right</b>	13	4,660	996	86,519	92,175



**33 Retirement benefit obligations (continued)****(d) Statement of financial position amounts (continued)**

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<b>Present value of obligation - 2017</b>					
Opening defined benefit obligation		9,069	1,892	100,906	111,867
Current service cost		285	70	270	625
Interest expense		234	49	2,754	3,037
		9,588	2,011	103,930	115,529
<b>Remeasurements</b>					
Actuarial losses/(gains) arising from changes in financial assumptions		39	12	1,315	1,366
Experience (gains)/losses		428	380	953	1,761
		467	392	2,268	3,127
<b>Contributions</b>					
Plan Participants		119	-	96	215
<b>Payments from plan</b>					
Benefits paid		(752)	(134)	(3,938)	(4,824)
Taxes, premiums and expenses		(67)	(323)	449	59
		(819)	(457)	(3,489)	(4,765)
<b>Closing defined benefit obligation</b>		<b>9,355</b>	<b>1,946</b>	<b>102,805</b>	<b>114,106</b>

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<b>Present value of plan assets - 2017</b>					
Opening fair value of plan assets		4,803	1,261	18,696	24,760
Interest (income)		119	33	470	622
		4,922	1,294	19,166	25,382
<b>Remeasurements</b>					
Return on plan assets, excluding amounts included in net interest expense		235	5	217	457
<b>Contributions</b>					
Employers		239	92	127	458
Plan participants		119	-	96	215
		358	92	223	673
<b>Payments from plan</b>					
Benefits paid		(752)	(134)	(3,938)	(4,824)
Settlements		(67)	(323)	449	59
		(819)	(457)	(3,489)	(4,765)
<b>Closing fair value of plans assets</b>		<b>4,696</b>	<b>934</b>	<b>16,117</b>	<b>21,747</b>

**33 Retirement benefit obligations (continued)****(d) Statement of financial position amounts (continued)**

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<b>Amounts recognised in the statement of financial position - 2016</b>					
<b>Liabilities</b>					
Provision for deferred government benefits for superannuation		4,267	630	82,211	87,108
<b>Assets</b>					
Receivable for deferred government benefit for superannuation		4,266	626	82,169	87,061
<b>Net liability recognised in the statement of financial position</b>		1	4	42	47
	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
<b>Net liability reconciliation 2016</b>					
Defined benefit obligation		9,070	1,891	100,906	111,867
Fair value of plan assets		(4,803)	(1,261)	(18,695)	(24,759)
<b>Net liability</b>	19	4,267	630	82,211	87,108
Reimbursement right	13	(4,266)	(626)	(82,169)	(87,061)
<b>Total net liability/(asset)</b>		1	4	42	47
<b>Reimbursement rights 2016</b>					
Opening value of reimbursement right		4,382	671	81,405	86,458
Return on reimbursement rights		169	19	2,523	2,711
Remeasurements		(285)	(64)	(1,759)	(2,108)
<b>Closing value of reimbursement right</b>	13	4,266	626	82,169	87,061
<b>Present value of obligation 2016</b>					
Opening defined benefit obligation		10,477	2,080	102,213	114,770
Current service cost		350	80	289	719
Interest expense		288	57	2,911	3,256
		11,115	2,217	105,413	118,745
<b>Remeasurements</b>					
Actuarial losses/(gains) arising from changes in demographic assumptions		38	12	573	623
Experience (gains)/losses		(279)	(102)	(2,027)	(2,408)
<b>Contributions</b>		(241)	(90)	(1,454)	(1,785)
Plan Participants		149	-	95	244
<b>Payments from plan</b>					
Benefits paid		(1,898)	(217)	(3,563)	(5,678)
Taxes, premiums and expenses		(56)	(18)	415	341
		(1,954)	(235)	(3,148)	(5,337)
		9,069	1,892	100,906	111,867
<b>Closing defined benefit obligation</b>		9,069	1,892	100,906	111,867

**33 Retirement benefit obligations (continued)****(d) Statement of financial position amounts (continued)**

	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Present value of plan assets - 2016</b>	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>	<b>Total</b>
Opening fair value of plan assets	6,016	1,365	20,807	28,188
Interest (income)	163	37	552	752
	6,179	1,402	21,359	28,940
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in net interest expense	124	13	264	401
<b>Contributions</b>				
Employers	305	81	125	511
Plan participants	149	-	95	244
	454	81	220	755
<b>Payments from plan</b>				
Benefits paid	(1,898)	(217)	(3,563)	(5,678)
Settlements	(56)	(18)	415	341
	(1,954)	(235)	(3,148)	(5,337)
<b>Closing fair value of plans assets</b>	<b>4,803</b>	<b>1,261</b>	<b>18,695</b>	<b>24,759</b>

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

The following amounts are recognised in the statement of comprehensive income and included in retained earnings (note 21(a)).

<b>Amounts recognised in other comprehensive income</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Remeasurements			
Actuarial losses (gains) arising from changes in financial assumptions		<b>(1,367)</b>	(623)
Actuarial (losses) gains arising from liability experience		<b>(1,761)</b>	2,408
Remeasurement of reimbursement right		<b>2,531</b>	(2,187)
Actual return on plan assets less interest income		<b>456</b>	400
<b>Total amounts recognised in the Statement of Comprehensive Income</b>	<b>21(a)</b>	<b>(141)</b>	<b>(2)</b>

### 34 Acquittal of Australian government financial assistance

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

	Note	Commonwealth Grants Scheme #1		Indigenous Student Success Program#2		Access and Participation Fund		Disability Performance Funding #3		Australian Maths & Science Partnership Program	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>											
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		81,050	78,758	1,865	1,372	2,861	3,610	96	95	-	332
Net accrual adjustments		(2,969)	562	188	-	-	153	-	-	32	58
Revenue for the period	2(a)	78,081	79,320	2,053	1,372	2,861	3,763	96	95	32	390
Surplus/(deficit) from the previous year		-	-	10	-	-	-	-	-	-	-
Total revenue including accrued revenue		78,081	79,320	2,063	1,372	2,861	3,763	96	95	32	390
Less expenses including accrued expenses		(78,081)	(79,320)	(1,813)	(1,362)	(2,861)	(3,763)	(96)	(95)	(32)	(390)
Surplus/(deficit) for the reporting period		-	-	250	10	-	-	-	-	-	-

	Note	Improving the Quality of Maths & Science Teaching Programs		Promo of Exc in Learning and Teaching		Total	
		2017	2016	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>							
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	262	10	10	85,882	84,439
Net accrual adjustments		72	20	-	-	(2,677)	793
Revenue for the period	2(a)	72	282	10	10	83,205	85,232
Surplus/(deficit) from the previous year		-	-	24	16	34	16
Total revenue including accrued revenue		72	282	34	26	83,239	85,248
Less expenses including accrued expenses		(72)	(282)	(1)	(2)	(82,956)	(85,214)
Surplus/(deficit) for the reporting period		-	-	33	24	283	34

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Allocated Places, Non-Designated Courses and CGS-Special.

#2 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs are combined and reported in Indigenous Student Success Program for 2016. The reported surplus for this program of \$250,000 for 2017 has approval to be rolled over for future use by the University.

#3 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.

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

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

Parent Entity (University) Only	Note	HECS-HELP (Aust. Government payments only)		FEE-HELP #4		SA-HELP		Total
		2017	2016	2017	2016	2017	2016	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash Payable/(Receivable) at the beginning of the year		(1,443)	(1,711)	(2,284)	(30)	(49)	(48)	(1,789)
Financial assistance received in cash during the reporting period		50,889	46,539	12,153	6,058	1,147	1,107	53,704
Cash available for the period		49,446	44,828	9,869	6,028	1,098	1,059	60,413
Less: Revenue earned	2(b)	48,314	46,271	10,148	8,312	1,116	1,108	59,578
Cash Payable/(Receivable) at the end of the year		1,132	(1,443)	(279)	(2,284)	(18)	(49)	(3,776)

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

**(c) Department of Education and Training Research #5**

Parent Entity (University) Only	Note	Research Training Program #5		Research Support Program #6		Total
		2017	2016	2017	2016	
		\$'000	\$'000	\$'000	\$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		4,417	4,678	3,270	3,201	7,687
Revenue for the period	2(c)&2(d)	4,417	4,678	3,270	3,201	7,687
Surplus/(deficit) from the previous year		318	361	65	37	383
Total revenue including accrued revenue		4,735	5,039	3,335	3,238	8,070
Less expenses including accrued expenses		(4,735)	(4,721)	(3,335)	(3,173)	(8,070)
Surplus/(deficit) for reporting period		-	318	-	65	-
						383

#5 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017. 2016 data for the programs that have been replaced is reported in the Research Training Program comparatives.

#6 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017. 2016 data for the programs that have been replaced is reported in the Research Support Program comparatives.



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

#### (d) Total Higher Education Provider Research Training Program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research Training Program Fees offsets	3,187	167
Research Training Program Stipends	1,176	157
Research Training Program Allowances	30	18
<b>Total for all types of support</b>	<b>4,393</b>	<b>342</b>

#### (e) Other Capital Funding

	Linkage Infrastructure, Equipment and Facilities Grant		Teaching and Learning Capital Fund		Education Investment Fund		Total
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000
<b>Parent Entity (University) Only</b>	<b>Note</b>						
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)							
Revenue for the period	552	-	-	-	-	15,688	552
Surplus/(deficit) from the previous year	552	-	-	-	-	15,688	552
Total revenue including accrued revenue	-	-	-	5,826	-	(235)	-
Less expenses including accrued expenses	552	-	-	5,826	-	15,453	552
Surplus/(deficit) for the reporting period	(552)	-	-	(5,826)	-	(15,453)	(552)
	-	-	-	-	-	-	-

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

#### (f) Australian Research Council Grants

##### Parent Entity (University) Only

Financial assistance received in CASH during the reporting period (total cash received from the 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 reporting period

2(f)

	Discovery		Linkages		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	916	847	621	659	1,537	1,506
	916	847	621	659	1,537	1,506
	299	390	555	379	854	769
	1,215	1,237	1,176	1,038	2,391	2,275
	(626)	(938)	(1,010)	(483)	(1,636)	(1,421)
	589	299	166	555	755	854

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

##### Parent Entity (University) Only

Cash received during the reporting period

Cash spent during the reporting period

Net cash received

Cash surplus/(deficit) from the previous period

Cash surplus/(deficit) for reporting period

	2017	2016
	\$'000	\$'000
	7,518	7,200
	(7,825)	(4,322)
	(307)	2,878
	2,963	85
	2,656	2,963

**34 Acquittal of Australian government financial assistance (continued)****(h) OS-HELP**

<b>Parent Entity (University) Only</b>	<b>Note</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Cash received during the reporting period		<b>641</b>	607
Cash spent during the reporting period		<b>(791)</b>	(710)
Net cash received	2	<b>(150)</b>	(103)
Cash surplus/(deficit) from the previous period		<b>176</b>	279
Cash surplus/(deficit) for the reporting period	17	<b>26</b>	176

**(i) Student Services and Amenities Fee**

<b>Parent Entity (University) Only</b>		<b>2017 \$'000</b>	<b>2016 \$'000</b>
Unspent/(overspent) revenue from previous period		<b>44</b>	529
SA-HELP revenue earned	2(b)	<b>1,116</b>	1,108
Student services and amenities fees	4	<b>895</b>	848
Total revenue expendable in period		<b>2,055</b>	2,485
Student services expenses during period		<b>(2,325)</b>	(2,441)
Unspent/(overspent) student services revenue		<b>(270)</b>	44



## INDEPENDENT AUDITOR'S REPORT

### Southern Cross University

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Southern Cross University (the University), which comprise the Statement by the Members of Council, the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements 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.

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 2017, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2017 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the University in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

## Other information

The members of the Council of the University are responsible for the Other Information, which comprises the information in the University's annual report for the year ended 31 December 2017, other than the financial report and my Independent Auditor's Report thereon.

My opinion on the financial report does not cover the Other Information. Accordingly, I do not express any form of assurance conclusion on the Other Information. However, I must read the Other Information and consider whether it is materially inconsistent with the financial report, the knowledge I obtained during the audit, or appears to be materially misstated.

If, based on the work I performed, I conclude there is a material misstatement in the Other Information, I must report that fact.

I have nothing to report in this regard.

## University Council's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the University will be dissolved by an Act of Parliament or otherwise cease operations.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf) The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the University carried out its activities effectively, efficiently and economically
- 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.



Ian Goodwin  
Acting Auditor-General of NSW

12 April 2018  
SYDNEY

# **Southern Cross Campus Services Limited (formerly Norsearch Limited)**

ABN 57 003 082 406

## **Financial Statements**

**For the Year Ended 31 December 2017**

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# Directors' Report

31 December 2017

The directors present their report on Southern Cross Campus Services Limited for the financial year ended 31 December 2017.

## Change of Company Name

On 7 April 2017, the Southern Cross University Council, in accordance with the company's constitution, resolved to change the name of the company to Southern Cross Campus Services Limited with effect from 3 July 2017.

## Information on directors

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

<b>Benjamin Roche</b>	
Qualifications	BSc(Hons)(UNSW), MEd(UTS)
Experience	Ben Roche is currently the Pro Vice Chancellor (Engagement) at Southern Cross University, a Senior Associate of the AtKisson Group of international sustainability thinkers and a Director of The Connect Project. He is Chair of the national Farming Together program, Chair of Engagement Australia and Deputy Chair of Regional Arts NSW. Ben has worked with a range of agencies from small not for profits to Universities, Government and the United Nations Environment Programme on strategic approaches to education and engagement.
Appointed	3 July 2017
Special responsibilities	Pro Vice Chancellor (Engagement) at Southern Cross University
<b>David Lynch</b>	
Qualifications	BEd (JCU), Med (School Admin) (JCU), DipTeach (JCU), EdD (CQU), FAACLM (OTHAUS)
Experience	Over thirty years experience in the public education sector.
Special responsibilities	Professor (School of Education) at Southern Cross University
<b>Donna Moffitt</b>	
Qualifications	BCom (Griffith), MStratHRM (UOW)
Experience	Over thirteen years experience in the higher education sector.
Special responsibilities	Director of Student Services at Southern Cross University
<b>Paul Deegan</b>	
Qualifications	BBuild (UNSW), Licensed Real Estate Agent
Experience	Over thirty years experience in the property and construction industries.
Special responsibilities	Real Estate Agent at LJ Hooker, Lismore NSW 2480
<b>Chris Patton</b>	
Qualifications	BA (UBC), MA (Guelph)
Experience	Over twenty years experience in both the public and private education sector.
Resigned	25 August 2017
Special responsibilities	Vice President (Global) at Southern Cross University

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

# Directors' Report

31 December 2017

## Company Secretary

Belinda Atkinson is a Lawyer and the Head, Governance Services at Southern Cross University. Belinda has been the Company Secretary of Southern Cross Campus Services Limited for 1 year.

## Principal activities

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

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

## Short term and long term objectives

The Company's short and long term objective is to provide services and amenities to students and staff of the University.

## Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the strategy to provide high quality service in the provision of on-campus food and beverage services and other amenities.

## Performance measure

The Company measures performance through the analysis of metrics relating to student and staff usage of facilities provided.

## Members guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. On 7 April 2017, the Southern Cross University Council, in accordance with the company's constitution, resolved to terminate the membership of Chris Patton, David Lynch, Donna Moffitt and Paul Deegan and appoint itself as the sole member of the company. As the sole member, Southern Cross University, undertakes to contribute to the property of the Company, in the event of it being wound up, such an amount as may be required not exceeding \$ 20. At 31 December 2017, the collective liability of members was \$ 20 (2016: \$ 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.

# Directors' Report

31 December 2017

## 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
Benjamin Roche	2	2
David Lynch	3	2
Donna Moffitt	3	2
Paul Deegan	3	3
Chris Patton	2	1

## 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 2017 has been received and can be found on page 4 of the financial report.

Signed on behalf of and in accordance with the resolution of the Board of Directors in accordance with section 298(2)(a) of the Corporations Act 2001:

Director:




Benjamin Roche

Dated

27/3/2018

Director:



Donna Moffitt



To the Directors  
Southern Cross Campus Services Limited

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

As auditor for the audit of the financial statements of Southern Cross Campus Services Limited for the year ended 31 December 2017, 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 "Margaret Crawford".

Margaret Crawford  
Auditor-General of NSW

21 March 2018  
SYDNEY

# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended  
31 December 2017

	Note	2017 \$	2016 \$
Revenue	2	<b>1,786,302</b>	1,460,033
Other income	2	<b>704,936</b>	672,238
Costs of goods sold		<b>(331,405)</b>	(294,083)
Employee benefits expense		<b>(1,743,189)</b>	(1,395,480)
Impairment expense		<b>152</b>	(152)
Depreciation expense		<b>(35,590)</b>	(33,526)
Other expenses	3	<b>(759,949)</b>	(649,110)
<b>Net loss for the year from continuing operations</b>		<b>(378,743)</b>	(240,080)
<b>Total comprehensive income</b>		<b>(378,743)</b>	(240,080)
<b>Net loss attributable to members of equity</b>		<b>(378,743)</b>	(240,080)

The accompanying notes form part of these financial statements.

# Statement of Financial Position

As At 31 December 2017

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	71,565	70,142
Trade and other receivables	5	33,474	20,193
Inventories	6	29,139	30,614
Prepayments		1,655	-
<b>Total current assets</b>		<b>135,833</b>	<b>120,949</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	138,848	139,619
<b>Total non-current assets</b>		<b>138,848</b>	<b>139,619</b>
<b>Total assets</b>		<b>274,681</b>	<b>260,568</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	645,578	292,453
Provisions	9	105,612	73,020
Deferred revenue		45,319	29,143
<b>Total current liabilities</b>		<b>796,509</b>	<b>394,616</b>
<b>Non-current liabilities</b>			
Provisions	9	8,663	17,700
<b>Total non-current liabilities</b>		<b>8,663</b>	<b>17,700</b>
<b>Total liabilities</b>		<b>805,172</b>	<b>412,316</b>
<b>Net liabilities</b>		<b>(530,491)</b>	<b>(151,748)</b>
<b>Equity</b>			
Accumulated losses	10	(530,491)	(151,748)
<b>Total equity</b>		<b>(530,491)</b>	<b>(151,748)</b>

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

For the Year Ended  
31 December 2017

	Accumulated losses \$
<b>Balance at 1 January 2016</b>	88,332
Net loss attributable to members of equity	(240,080)
<b>Balance at 31 December 2016</b>	<b>(151,748)</b>
<b>Balance at 1 January 2017</b>	<b>(151,748)</b>
Net loss attributable to members of equity	(378,743)
<b>Balance at 31 December 2017</b>	<b>(530,491)</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flows

For the Year Ended  
31 December 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		2,455,289	2,035,959
Payments to suppliers and employees		(2,665,301)	(2,175,205)
Amounts advanced from related parties		315,989	189,238
GST paid		(120,918)	(74,260)
<b>Net cash used in operating activities</b>	16	(14,941)	(24,268)
<b>Cash flows from investing activities:</b>			
Proceeds from sale of plant and equipment		16,364	5,265
<b>Net cash generated by investing activities</b>		16,364	5,265
<b>Cash flows from financing activities:</b>			
<b>Net cash generated by financing activities</b>		-	-
<b>Net increase / (decrease) in cash and cash equivalents held</b>		1,423	(19,003)
Cash and cash equivalents at beginning of year		70,142	89,145
<b>Cash and cash equivalents at end of financial year</b>	4	71,565	70,142

The accompanying notes form part of these financial statements.

## 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.

### (a) Basis of Preparation

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

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

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

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

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

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

#### *Date of authorisation for issue*

The financial statements were authorised for issue by the directors of Southern Cross Campus Services Limited on 27 March 2018.

#### *Historical cost convention*

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

#### *Critical accounting estimates*

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

It also requires management to exercise its judgment in the process of applying Southern Cross Campus Services Limited's accounting policies.

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

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

#### *Going concern*

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

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

**1 Summary of Significant Accounting Policies (continued)****(b) Comparative Amounts**

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

**(c) Revenue and other income**

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

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

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

Revenue from the rendering of services is recognised when the outcome of the services provided can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery to the customer.

Revenue from the sale of goods 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.

Membership revenue is recognised as income in the year of receipt, except to the extent that membership revenue relates to future periods. Such receipts (or portion thereof) are treated as deferred revenue in the statement of financial position.

Interest revenue is recognised using the effective interest method.

**(d) Employee benefits***i) Wages and salaries*

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

*ii) Annual leave and sick leave*

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

*iii) Long service leave*

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

*iv) Termination benefits*

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

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

**(h) Trade receivables**

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

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

**(i) Inventories**

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

**1 Summary of Significant Accounting Policies (continued)****(j) Property, Plant and Equipment**

All property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. 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:

<b>Class of Asset</b>	<b>Useful life (yrs)</b>
Plant and Equipment	5 - 10
Motor Vehicles	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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



**1 Summary of Significant Accounting Policies (continued)****(k) Financial instruments****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company 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.

**(i) Receivables**

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.

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.

**(iii) Impairment**

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on 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*.

**1 Summary of Significant Accounting Policies (continued)****(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 payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(n) Impairment of assets**

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

**(o) New Accounting Standards and Interpretations**

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

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2014-7	1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined.

**1 Summary of Significant Accounting Policies (continued)****(o) New Accounting Standards and Interpretations (continued)**

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and amending standards.	1 January 2019	<p>AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfilment of performance obligations). Revenue will only be recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time.</p> <p>Furthermore, AASB 1058 amends the income recognition requirements that apply to not-for-profit entities and establishes principles for not-for-profit entities that apply to:</p> <p>(a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives;</p> <p>(b) the receipt of volunteer services; and</p> <p>(c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.</p>	<p>The company is in the process of assessing the changes, if any, to its revenue recognition policies upon the adoption of AASB 15 and AASB 1058. Until management completes that process, the company is unable to reasonably quantify the expected financial impacts of those Standards in future periods.</p> <p>The company intends to adopt the 'modified retrospective' approach to the initial application of AASB 15 and AASB 1058. That approach applies the new standards from the date of initial application on 1 January 2019 and will not result in the restatement of FY 2018 comparative financial information.</p>

## 2 Revenue and Other Income

	2017	2016
	\$	\$
<b>Revenue</b>		
Membership revenue	888,851	734,334
Facilities hire revenue	28,858	5,220
Catering revenue	606,084	468,423
Bar sales	187,787	186,844
	<b>1,711,580</b>	1,394,821
Other revenue	74,722	65,212
<b>Total Revenue</b>	<b>1,786,302</b>	1,460,033
<b>Other Income</b>		
Cost recoveries	704,936	666,973
Net gain on disposal of plant and equipment	-	5,265
<b>Total Other income</b>	<b>704,936</b>	672,238

## 3 Other expenses

Utilities	241,029	241,995
Fees and charges	190,360	130,286
Audit fees	27,540	27,000
Cleaning services	43,410	50,051
Security costs	22,697	11,734
Net loss on disposal of plant and equipment	5,543	-
Other costs	229,370	188,044
<b>Total Other expenses</b>	<b>759,949</b>	649,110

## 4 Cash and cash equivalents

Cash at bank and in hand	71,565	70,142
<b>Total cash and cash equivalents</b>	<b>71,565</b>	70,142

**4 Cash and cash equivalents (continued)**

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

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balances as above	<b>71,565</b>	70,142
Statement of cash flows balance	<b>71,565</b>	70,142

(b) Cash at bank

Cash in operating accounts earns interest at variable interest rates.

**5 Trade and other receivables****Current**

Trade receivables	<b>28,307</b>	15,504
Provision for impairment	-	(152)
	<b>28,307</b>	15,352
Other receivables	<b>5,167</b>	4,841
<b>Total current trade and other receivables</b>	<b>33,474</b>	20,193

**Impaired receivables**

As at 31 December 2017 current receivables of the Company with a nominal value of \$Nil (2016: \$152) were impaired. The amount of the provision was \$Nil (2016: \$152).

The ageing of these receivables is as follows:

**Current receivables**

6 to 12 months	-	103
Over 12 months	-	49
	-	152

**5 Trade and other receivables (continued)**

As at 31 December 2017 trade receivables of \$13,669 (2016:\$2,422) 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:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Past due but not impaired receivables</b>		
Between 0 to 3 months	<b>13,669</b>	2,422

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

At 1 January	<b>152</b>	-
Provision for impairment recognised during the year	-	152
Unused amount reversed	<b>(152)</b>	-
<b>At 31 December</b>	<b>-</b>	<b>152</b>

The creation and release of the provision for impaired receivables has been included in impairment expenses in the statement of profit or loss and other 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****Current**

At cost:

Food and beverage stock	<b>29,139</b>	30,614
<b>Total inventories</b>	<b>29,139</b>	<b>30,614</b>



## 7 Property, plant and equipment

	2017 \$	2016 \$
<b>Plant and equipment</b>		
At cost	182,464	208,434
Accumulated depreciation	(97,544)	(68,815)
<b>Total plant and equipment</b>	<b>84,920</b>	139,619
<b>Motor vehicles</b>		
At cost	56,725	-
Accumulated depreciation	(2,797)	-
<b>Total motor vehicles</b>	<b>53,928</b>	-
<b>Total property, plant and equipment</b>	<b>138,848</b>	139,619

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Plant and Equipment \$	Capital Works in Progress \$	Total \$
<b>Year ended 31 December 2016</b>			
Opening net book value	147,175	25,970	173,145
Transfers	25,970	(25,970)	-
Depreciation	(33,526)	-	(33,526)
<b>Closing net book amount</b>	<b>139,619</b>	-	139,619

	Plant and Equipment \$	Motor Vehicles \$	Total \$
<b>Year ended 31 December 2017</b>			
Opening net book value	139,619	-	139,619
Additions	-	56,725	56,725
Disposals	(21,907)	-	(21,907)
Depreciation expense	(32,792)	(2,797)	(35,589)
<b>Closing net book amount</b>	<b>84,920</b>	<b>53,928</b>	<b>138,848</b>

**8 Trade and other payables**

	Note	2017 \$	2016 \$
<b>Current</b>			
Trade payables		1,314	5,615
Related party payables	15(c)	561,952	189,238
Other payables		82,312	97,600
<b>Total current trade and other payables</b>		<b>645,578</b>	<b>292,453</b>

**9 Provisions****Current provisions expected to be settled wholly within 12 months****Employee benefits**

Annual leave	46,661	35,819
Long service leave	4,836	2,463
	<b>51,497</b>	<b>38,282</b>

**Current provisions expected to be settled wholly after more than 12 months****Employee benefits**

Annual leave	31,342	24,092
Long service leave	22,773	10,646
	<b>54,115</b>	<b>34,738</b>

**Total current provisions**

<b>105,612</b>	<b>73,020</b>
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**Non-current provisions****Employee benefits**

Long service leave	8,663	17,700
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**Total non-current provisions**

<b>8,663</b>	<b>17,700</b>
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**10 Accumulated losses**

(Accumulated losses)/retained earnings at the beginning of the financial year	(151,748)	88,332
Net result for the year	(378,743)	(240,080)
<b>Accumulated losses at end of the financial year</b>	<b>(530,491)</b>	<b>(151,748)</b>

## 11 Remuneration of Auditors

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Remuneration of the auditor of the Company, Audit Office of NSW, for:</b>		
Auditing the financial report	<b>27,540</b>	27,000

## 12 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2017 (31 December 2016: None).

## 13 Events Occurring After the Reporting Date

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.

## 14 Key Management Personnel Disclosures

### (a) Directors

The names of directors of Southern Cross Campus Services Limited who held office during the financial year are:

Benjamin Roche	Appointed 3 July 2017
David Lynch	
Donna Moffitt	
Paul Deegan	
Chris Patton	Resigned 25 August 2017

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

### (b) Directors and responsible officers remuneration

No income is paid or payable, or otherwise made available, to board members by the company in connection with the management of affairs of the company.

The independent board member, Paul Deegan, is external to the company and is not remunerated. The remaining board members and responsible officers are remunerated by the company's ultimate parent entity Southern Cross University.

**15 Related Parties**

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

**(a) Ultimate Parent Entity**

The Company is a wholly owned subsidiary of its ultimate parent entity, Southern Cross University.

Transactions with Southern Cross University for services provided are fully re-imbursed by the Company. The Company operates from premises owned by Southern Cross University at no charge and the Company is unable to determine the value for this charge.

**(b) Transactions with related parties**

The following transactions occurred with related parties:

	<b>Note</b>	<b>2017</b> <b>\$</b>	<b>2016</b> <b>\$</b>
<b>Parent</b>			
Catering services		176,855	144,246
Cost recoveries		704,936	666,973
Equipment hire		9,445	2,098
Other costs		(1,715)	(3,300)

**(c) Balances to related parties****Current**

Amount payable to:

Ultimate parent entity	8	<b>561,952</b>	189,238
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**(d) Terms and Conditions**

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

**16 Reconciliation of result for the year to cashflows from operating activities**

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Net result for the year	<b>(378,743)</b>	(240,080)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in net result:		
Depreciation expense	<b>35,590</b>	33,526
Net loss/(gain) on disposal of plant and equipment	<b>5,543</b>	(5,265)
Impairment of trade receivables	-	152
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	<b>(13,281)</b>	(14,225)
(Increase)/decrease in other assets	<b>(1,655)</b>	998
(Increase)/decrease in inventories	<b>1,475</b>	(13,035)
Increase/(decrease) in trade and other payables	<b>296,399</b>	214,977
Increase/(decrease) in provisions	<b>23,555</b>	9,464
Increase/(decrease) in other liabilities	<b>16,176</b>	(10,780)
<b>Cash flows used in operating activities</b>	<b>(14,941)</b>	(24,268)

**17 Fair Value Measurement**

## (a) Fair value measurements

The fair value of 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 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:

	<b>Carrying Amount</b>		<b>Fair Value</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	<b>71,565</b>	70,142	<b>71,565</b>	70,142
Trade and other receivables	<b>28,415</b>	15,534	<b>28,415</b>	15,534
<b>Total financial assets</b>	<b>99,980</b>	85,676	<b>99,980</b>	85,676
<b>Financial Liabilities</b>				
Trade and other payables	<b>626,376</b>	272,554	<b>626,376</b>	272,554
<b>Total financial liabilities</b>	<b>626,376</b>	272,554	<b>626,376</b>	272,554

## 18 Company Details

The registered office of and principal place of business of the company is:

Southern Cross Campus Services Limited  
Southern Cross University  
Military Road  
EAST LISMORE NSW 2480

## 19 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity.

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

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

### (a) Market risk

#### (i) Foreign exchange risk

The company does not undertake transactions in foreign currency or hold any financial instruments in a foreign currency. As such the company is not exposed to currency risk.

#### (ii) Price risk

Price risk arises on financial instruments because of changes in commodity prices or equity prices. The Company is not exposed to any material commodity price risk.

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

Interest rate risk refers to the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The Company's exposure to market interest rates relates primarily to the Company's investments on-call bank deposits.

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



**19 Financial Risk Management (continued)****(a) Market risk (continued)****31 December 2017**

31 December 2017	Interest rate risk				
		-1%		+1%	
	Carrying amount	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	71,565	(716)	(716)	716	716
Trade and other receivables	28,415	-	-	-	-
<b>Financial liabilities</b>					
Trade and other payables	626,376	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(716)</b>	<b>(716)</b>	<b>716</b>	<b>716</b>

**31 December 2016**

31 December 2016	Interest rate risk				
		-1%		+1%	
	Carrying amount	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	70,142	(701)	(701)	701	701
Trade and other receivables	15,534	-	-	-	-
<b>Financial liabilities</b>					
Trade and other payables	272,554	-	-	-	-
<b>Total increase/(decrease)</b>		(701)	(701)	701	701

**(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Trade receivables are assessed after 60 days and action taken to collect the debt. There has been no change in managing credit risk since the prior year.

**19 Financial Risk Management (continued)****(c) Liquidity risk**

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company manages its liquidity needs by maintaining adequate reserves, banking facilities and continuously monitoring forecast and actual cash flows.

There have been no variations to the objects, policies and processes for liquidity risk since the prior period.

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

	Average Interest rate		Variable interest rate		Non-Interest Bearing		Within 1 year	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>								
Cash and cash equivalents	<b>1.30</b>	1.30	<b>67,525</b>	63,658	<b>4,040</b>	6,484	<b>71,565</b>	70,142
Trade and other receivables	-	-	-	-	<b>28,415</b>	15,534	<b>28,415</b>	15,534
<b>Total Financial Assets</b>			<b>67,525</b>	63,658	<b>32,455</b>	22,018	<b>99,980</b>	85,676
<b>Financial Liabilities:</b>								
Trade and other payables	-	-	-	-	<b>626,376</b>	272,554	<b>626,376</b>	272,554
<b>Total Financial Liabilities</b>	-	-	-	-	<b>626,376</b>	272,554	<b>626,376</b>	272,554

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, set out on pages 92 to 113, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards, the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*, *Australian Charities and Not-for-profit Commission Act 2012* and *Australian Charities and Not-for-profit Commission Regulation 2013*; and
  - b. give a true and fair view of the financial position as at 31 December 2017 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 in accordance with section 295(5)(a) of the *Corporations Act 2001*.

Director .....  
Benjamin Roche

Director .....  
Donna Moffitt

Dated 27/3/2018.



## INDEPENDENT AUDITOR'S REPORT

### Southern Cross Campus Services Limited

To Members of the New South Wales Parliament and Members of Southern Cross Campus Services Limited

#### Opinion

I have audited the accompanying financial statements of Southern Cross Campus Services Limited (the Company), which comprise, the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, 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.

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 2017 and its performance for the year ended on that date
  - complying with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of Southern Cross Campus Services Limited on 21 March 2018, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

### **Directors' Responsibilities for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

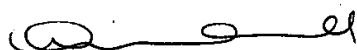
My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements. A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- 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.



Margaret Crawford  
Auditor-General of NSW

28 March 2018  
SYDNEY

## Appendix A

### Staff employment

ALL STAFF FTE\*

Nominal FTE	2011	2012	2013	2014	2015	2016	2017
Academic	331.9	347.3	363.7	326.0	319.0	310.7	313.2
Professional	557.1	563.1	575.0	553.4	519.0	515.2	526.5
<b>TOTAL</b>	<b>889.0</b>	<b>910.4</b>	<b>938.8</b>	<b>879.4</b>	<b>838.0</b>	<b>825.9</b>	<b>839.7</b>

\*This data excludes staff employed on a casual/sessional basis.  
Figures might not add exactly to the total FTE due to rounding.

#### Academic Staff

Nominal FTE	2011	2012	2013	2014	2015	2016	2017
Above Senior lecturer	71.1	73.0	75.6	68.6	77.1	73.0	75.3
Senior lecturer	85.1	88.0	91.4	79.0	80.2	84.0	82.8
Lecturer	113.9	147.2	152.8	142.0	122.4	118.9	123.9
Below lecturer	61.8	39.1	44.0	36.4	39.3	34.9	31.2
<b>TOTAL</b>	<b>331.9</b>	<b>347.3</b>	<b>363.7</b>	<b>326.0</b>	<b>319.0</b>	<b>310.7</b>	<b>313.2</b>

Above senior lecturer = Levels D, E (plus VC and SDVC)

Senior lecturer = Level C

Lecturer = Level B

Below lecturer = Level A

#### Professional staff

Nominal FTE	2011	2012	2013	2014	2015	2016	2017
HEW 1	1.6	8.2	6.6	7.0	8.0	7.8	7.6
HEW 2	2.5	2.5	3.1	3.5	2.0	0.5	1.0
HEW 3	30.7	20.6	16.0	16.8	17.4	12.1	12.4
HEW 4	143.2	145.2	146.3	139.0	124.4	117.4	118.2
HEW 5	148.1	142.6	149.4	142.3	133.9	132.7	129.1
HEW 6	86.2	90.4	92.5	89.7	79.1	89.2	97.6
HEW 7	69.9	73.9	82.6	85.0	88.5	89.7	92.9
HEW 8	42.2	42.9	38.5	32.6	27.0	31.0	30.2
HEW 9	10.4	10.4	12.1	10.6	13.8	12.0	12.0
HEW 10	9.5	11.5	15.0	12.0	12.0	9.0	10.0
Above Level 10	13.0	15.0	13.0	15.0	12.9	13.9	15.5
<b>TOTAL</b>	<b>557.1</b>	<b>563.1</b>	<b>575.0</b>	<b>553.4</b>	<b>519.0</b>	<b>515.2</b>	<b>526.5</b>

\*This data excludes staff employed on a casual/sessional basis. Figures might not add exactly to the total FTE due to rounding.  
Source: MIS Government Staff Cube – 27<sup>th</sup> February 2018



## Appendix B

### Senior Executives

Band	2017		2016	
	Female	Male	Female	Male
Band 1(Executive)		1		
Band 2 (Executive)	2	2	1	2
Band 3 (Executive)		2	1	2
Band 4 (Executive)				
Above Band 4 (Executive)		1		1
Totals	2	6	2	5
	8		7	

In 2017, 2.11% of the Southern Cross University's employee related expenditure was related to senior executives, compared to 2.16% in 2016.

Band	Range \$	Average remuneration	
		2017 \$	2016 \$
Band 1 (Executive)	\$183,300 to \$261,450	\$238,500	\$0
Band 2 (Executive)	\$261,451 to \$328,900	\$299,650	\$322,867
Band 3 (Executive)	\$328,901 to \$463,550	\$338,750	\$352,233
Band 4 (Executive)	\$463,551 to \$535,550	\$0	\$0
Above Band 4 (Executive)	Over \$535,550	\$712,300	\$713,700

## Appendix C

### Trends in the representation of employees in diversity groups

Extract of data for 2016/2017 reporting period (as at 31 March 2017; excludes casual staff)

Academic Staff	Benchmark or target	2014	2015	2016	2017
Women	50%	49.2%	50.3%	49.8%	49.3%
Aboriginal people and Torres Strait Islanders	2.6%	1.4%	1.5%	1.8%	1.8%
People whose first language was not English	19%	7.3%	7.4%	8.7%	8.4%
People with disability	NA	6.4%	6.5%	6.3%	6.6%
People with disability requiring work-related adjustment	1.1%	0.8%	0.6%	0.6%	0.6%

Professional Staff	Benchmark or target	2014	2015	2016	2017
Women	50%	66.8%	67.9%	67.1%	66.3%
Aboriginal people and Torres Strait Islanders	2.6%	3.5%	3.2%	3.2%	2.8%
People whose first language was not English	19%	3%	3%	2.8%	3.8%
People with disability	NA	4%	3.5%	3.6%	3.3%
People with disability requiring work-related adjustment	1.1%	0.3%	0.2%	0.2%	0.2%

## Appendix C

### Trends in the distribution of employees in diversity groups #

Academic Staff	Benchmark or target	Distribution Index			
		2014	2015	2016	2017
Women	100	90	90	93	88
Aboriginal people and Torres Strait Islanders	100	119	139	120	107
People whose first language was not English	100	92	93	89	98
People with disability	100	100	101	93	104
People with disability requiring work-related adjustment	100	136	127	89	89

Professional Staff	Benchmark or target	Distribution Index			
		2014	2015	2016	2017
Women	100	87	90	89	91
Aboriginal people and Torres Strait Islanders	100	87	81	87	85
People whose first language was not English	100	92	94	92	93
People with disability	100	102	105	102	100
People with disability requiring work-related adjustment	100	119	106	104	104

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

## Appendix D

### Frequency of meetings and members' attendance at meetings

Council 2017						
	9 Feb	7 Apr	9 Jun	22 Sep	23 Nov	
B Boyd	✓		✓	✓		
N Burton Taylor	✓	✓	✓	✓	✓	
A Curtin	✓	✓	✓	✓	✓	
M d'Almeida	✓	✓		✓	✓	
N Genge						Resigned 28 Feb 2017
J Granger	✓	✓		✓	✓	
M Hughes				✓	✓	Term commenced 21 Aug 2017
M Jones	✓	✓	✓	✓	✓	
T Ledgerwood	✓	✓	✓	✓	✓	
C Lugnan				✓		Term commenced 4 Sep 2017, resigned 8 Nov 2017
A Matis	✓		✓			Resigned 13 June 2017
S Nancarrow	✓	✓	✓			Term concluded 21 Aug 2017
L O'Grady	✓		✓	✓		Term commenced 17 Feb 2017
J Shanahan	✓	✓	✓			Term concluded 3 Sep 2017
A Shoemaker	✓	✓	✓	✓	✓	
M Sweeny	✓					Term concluded 18 Feb 2017
A Wessell	✓	✓	✓	✓	✓	

#### Legend

Attended meeting	✓
Absent from meeting	

## Appendix E

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media								
Members of Parliament								
Private sector business								
Not for profit organisations or community groups		1						
Members of the public (application by legal representative)								
Members of the public (other)		2						1

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

**Table B: Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*								
Access applications (other than personal information applications)								
Access applications that are partly personal information applications and partly other		2						1

\* A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

## Appendix E

**Table C: Invalid applications**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	
Application contravenes restraint order (section 110 of the Act)	
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	1*

\*This application became valid in 2018 so the details are not included in this Annual Report

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

	Number of times consideration used*
Overriding secrecy laws	
Cabinet information	
Executive Council information	
Contempt	
Legal professional privilege	1
Excluded information	
Documents affecting law enforcement and public safety	
Transport safety	
Adoption	
Care and protection of children	
Ministerial code of conduct	
Aboriginal and environmental heritage	

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

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

	Number of occasions when application not successful
Responsible and effective government	2
Law enforcement and security	0
Individual rights, judicial processes and natural justice	2
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

## Appendix E

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	
Not decided within time (deemed refusal)	
Total	2

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

	Decision varied	Decision upheld	Total
Internal review		1	1
Review by Information Commissioner*			0
Internal review following recommendation under section 93 of Act			0
Review by ADT			0
Total		1	1

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

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

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

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

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0



## Appendix F

### Financial Compliance

#### Investment Performance

The University held investment funds of \$12 million as at 31 December 2017 which were made up of cash investments (maturing 30 days or less).

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

Cash Investments	2.31%
TCorp Hourglass Facility - Cash	2.28%

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 2017 financial year, credit card use was in accordance with the University's Corporate Credit Card and Procurement policies. These policies are based on the requirements of the New South Wales Treasurer's Directions.

#### Payment of Accounts

The University's payment terms in respect of its creditors are 30 days. In 2017, 79 per cent of invoices were paid in accordance with these terms. Interest of \$263 was incurred during 2017.

#### Aged analysis at the end of each quarter

Quarter	Mar-17	Jun-17	Sep-17	Dec-17
	\$	\$	\$	\$
Current	5,309,618	471,149	399,995	528,905
Between 30-60 days	572,968	38,077	36,795	146,851
Between 60-90 days	43,059	1,768	17,637	-
Over 90 days	22,981	693	196,006	-
<b>Total</b>	<b>5,948,626</b>	<b>511,688</b>	<b>650,433</b>	<b>675,757</b>

#### Accounts paid within each quarter

Measure	Mar-17	Jun-17	Sep-17	Dec-17	Annual
Number of accounts paid	832	809	860	918	<b>1,622</b>
Number of invoices paid on time	3,141	3,302	3,638	3,837	<b>13,918</b>
Actual percentage of invoices paid on time (based on number of invoices)	79%	77%	80%	80%	<b>79%</b>
Number of payments for interest on overdue accounts	2	-	-	1	<b>3</b>
Interest paid on overdue accounts	157	-	-	106	<b>263</b>
Total number of invoices paid	<b>3999</b>	<b>4269</b>	<b>4542</b>	<b>4810</b>	<b>17620</b>

## Appendix F

The University spent \$1.47 million on a variety of overseas visits in 2017 (\$1.29 million in 2016) for the purposes of promotion and marketing of the University and specific programs, visits to overseas partners and the development of new partner relationships, the attendance and presentation of research papers at international conferences, and research and teaching at affiliated universities.

### Consultants

The University engaged a range of consultants to provide recommendations or high level specialist or professional advice to assist in decision making by management. Table 1 lists the consultancies that were engaged by the University and the fees paid for their services during the year ended 31 December 2017. Table 2 lists those consultants costing greater than \$50,000.

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

Consultancy	No.	Amount \$'000
Financial Services	1	9
IT	1	24
Planning & Environment	2	8
Architect & Engineering	2	30
Organisation Review	2	78
<b>Total Consultancies costing less than \$50,000</b>		<b>149</b>

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

Consultant Name	Description	Amount \$'000
Philips KPA	Strategic Analysis	75
Strategic Project Partners	Feasibility Assessment	50
McCullough Robertson Lawyers	Dispute Resolution	130
<b>Total Consultancies costing more than \$50,000</b>		<b>255</b>

## Operations

### **Digital Information Security Annual Attestation and Evidence of Certification Statement for 2017**

I, Allan Morris, Vice President, Operations, Southern Cross University am of the opinion that Southern Cross University had an Information Security Management System in place during the financial year being reported on that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of Southern Cross University are adequate.

There is no agency under the control of Southern Cross University which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.



Allan Morris  
Vice President, Operations

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

**Lismore**  
PO Box 157, Lismore NSW 2480 Australia  
T +61 2 6620 3000 F +61 2 6620 3700

**Coffs Harbour**  
Hogbin Drive, Coffs Harbour NSW 2450 Australia  
T +61 2 6659 3777

**Gold Coast**  
Locked Mail Bag 4, Coolangatta QLD 4225 Australia  
T +61 7 5589 3000 F +61 7 5589 3700

CRICOS Provider 01241G

## Appendix H

### Budget and Actual Performance (Parent entity only)

<b>Southern Cross University</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
<b>Statement of Comprehensive Income</b>	<b>2017</b>	<b>2017</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income from continuing operations</b>			
Australian Government financial assistance			
Australian Government grants	100,498	98,739	114,602
HELP - Australian Government payment	59,578	58,319	65,880
State and local Government financial assistance	1,628	7,018	3,329
HECS-HELP - Student payment	1,944	2,600	1,650
Fees and charges	52,894	56,960	61,894
Investment revenue	904	320	200
Royalties, trademarks and licences	852	600	900
Consultancy and contracts	6,526	5,000	6,750
Other revenue	10,594	7,731	11,751
<b>Total revenue from continuing operations</b>	<b>235,418</b>	<b>237,287</b>	<b>266,956</b>
<b>Expenses from continuing operations</b>			
Employee related expenses	132,000	128,999	135,817
Depreciation and amortisation	13,183	14,018	14,676
Repairs and maintenance	3,311	3,299	3,500
Borrowing costs	583	1,076	1,180
Impairment of assets	1,238	500	1,032
Loss on disposal of assets	113	250	100
Loss on foreign exchange differences	108	-	91
Other expenses	88,648	92,921	101,544
<b>Total expenses from continuing operations</b>	<b>239,184</b>	<b>241,063</b>	<b>257,940</b>
<b>Net result from continuing operations</b>	<b>(3,766)</b>	<b>(3,776)</b>	<b>9,016</b>
<b>Net result attributable to members of Southern Cross University</b>	<b>(3,766)</b>	<b>(3,776)</b>	<b>9,016</b>



**Southern Cross University  
Annual Report 2017**

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

Production costs: **\$2,630**

**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



**[scu.edu.au](https://scu.edu.au)**

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