ANU Council:

Present:
The Chancellor, Professor Gareth Evans AC QC (in the Chair)
The Vice-Chancellor, Professor Ian Young AO
Pro-Chancellor Ms Robin Hughes AO
Professor Stephen Bottomley
Professor Suzanne Cory AC
Professor Patrick Dodson
Dr Doug McTaggart
Mr David Miles AM
Mr Matthew King
Ms Naomi Flutter
Mr Ben Niles
Mr Graeme Samuel AC
Professor John Close
Professor Tim Senden
Mr Cameron Wilson

Apologies:
No apologies were received.

In attendance:

ANU Executive and Senior Management:
Deputy Vice-Chancellor (Research) – Professor Margaret Harding
Deputy Vice-Chancellor (Academic) – Professor Marnie Hughes-Warrington
Pro-Vice Chancellor (Research and Research Training) – Professor Jenny Corbett
Pro-Vice Chancellor (International and Outreach) – Dr Erik Lithander
Pro-Vice Chancellor (Innovation and Advancement) – Professor Mick Cardew-Hall
Pro-Vice Chancellor (Student Experience) – Professor Richard Baker
Executive Director, Administration and Planning – Mr Chris Grange
Professor Nick Glasgow, Chair, Academic Board

Chancelry staff:
Director, Corporate Governance and Risk Office - Kate Molloy
Governance Officer, Corporate Governance and Risk Office – Leslie McDonald

PART 1: PROCEDURAL ITEMS

1. ANNOUNCEMENTS

The Chancellor welcomed to the 421st meeting of Council new members, Professor Suzanne Cory, Professor Patrick Dodson and Ms Naomi Flutter appointed by the Minister for Education for a term of four years, respectively, from 1 July 2014 to 30 June 2018; and Mr Ben Niles, PARS President, for a term of two years, from 30 May 2014 to 30 May 2015, following his recent election.
The Chancellor advised Council that this meeting would be the last attended by Professor John Close, elected member from academic staff of The Faculties. Professor Close has chosen not to stand for re-nomination in the upcoming academic elections. The Chancellor extended his sincere thanks and appreciation to Professor Close for the contribution he has made to Council’s strategic discussions over the term of his appointment.

Council was advised that the following observers have been granted permission to attend the meeting for non-confidential items; and to address Council in respect of its Socially Responsible Investment Policy:

Mr Josh Creaser, Students for a Fossil Free ANU, together with Mr Ray Yoshida, Ms Odette Shenfield and Mr Daniel Perez-McVie.

Council further noted that Woroni reporters, Ms Abigail Widijanto and Mr Alex Catalan-Flores, were also attending the meeting as observers for non-confidential items.

Council convened at 10:45am for a group photograph.

2. LEAVE OF ABSENCE

No leave of absence was granted for the meeting.

Mr David Miles advised that, due to other commitments, he will join the next meeting of Council, scheduled for 3 October 2014, via teleconference.

3. DISCLOSURE OF MATERIAL PERSONAL INTEREST

The Vice-Chancellor and Professor Tim Senden declared interests in relation to decisions about the university’s investments and further decisions in relation to the university’s Socially Responsible Investment Policy. Both members advised Council that they would not participate in discussion on these matters.

4. ARRANGEMENT OF AGENDA

The Chancellor advised Council that he would provide a briefing in relation to a review of the Council’s governance arrangements, foreshadowed by the office of the Minister for Education in the lead up to the new Ministerial appointments. This will be a confidential briefing immediately following the Vice-Chancellor’s report under Agenda item 6.

Council further noted re-arrangement of the agenda at the conclusion of the confidential briefing, as follows:

Agenda item 9 – Socially Responsible Investment Policy Implementation review and Mr Josh Creaser being given the opportunity to address Council for this item
Agenda item 7 – Chancellor’s Briefing to Council – Crawford Australian Leadership Forum
Agenda item 11 – Asset Naming Policy
Agenda item 12 – Alumni Relations and Philanthropy – Strategic presentation

Unstarred items were approved on the motion of the Vice-Chancellor.

5. COUNCIL MINUTES

Council resolved to confirm the minutes of the meeting held on 30 May 2014 (64/2014).
PART 2: KEY BUSINESS ITEMS

6. VICE-CHANCELLOR’S REPORT

The Vice-Chancellor introduced his report. Amongst the highlights were the following points:

**Fee deregulation**

Two working parties have been convened – one chaired by Professor Peter Shergold, Chancellor, University of Sydney and the second chaired by Professor John Dewar, Vice-Chancellor, LaTrobe University.

The Shergold working party is considering the arrangements used by TEQSA for admitting and accrediting non-university higher education providers (NUHEPs) entering the market. The Dewar working party, on which the Vice-Chancellor is a member, is focused on providing government with advice on the government funding rate for NUHEPs. However, the committee can also comment on other elements of the full reform package. Such issues may include the 20% cut to CGS and the proposal to apply the full interest rate on HECS debt. In respect of the latter point, Council was advised that Professor Bruce Chapman has undertaken modelling and provided detailed recommendations on alternative options for consideration by government.

In response to a question by the Chancellor, the Vice-Chancellor outlined the two models that have been developed for consideration:

1. The present government proposal is for HECS debts to attract an interest rate equal to the 10-year bond rate capped at 6%. Under option 1, a hybrid is proposed. If the student’s salary is below the $50,000 salary threshold, the interest rate would be the CPI. If the student’s salary increases above the $50,000 threshold, repayment will be at the bond rate capped at 6%. This model will reduce the interest burden on low income graduates and people who have extended periods out of the workforce.

2. The second model proposes a repayment at the CPI rate plus the application of a surcharge – a lump sum tax in effect. Under this model, students who are quick to repay their HECS debt would be most disadvantaged. The model offers a greater degree of certainty for graduates as they know the total amount to be repaid and that this amount will not attract an unknown real rate of interest. However, governments would need to set the surcharge which requires an estimate of interest rates over the period of typical loans.

**** The Vice-Chancellor noted government’s intention to introduce legislation into the Parliament in August, now likely to be September. However, passage through the Senate remains unclear. ****

**International Rankings**

The Vice-Chancellor – speaking to the circulated paper, Impact of Highly Cited (HiCis) Researchers on ARWU – noted the changes in methodology from recording the number of Highly Cited researchers on staff over a 30 year window to a 10 year window for the most recent rankings. The result for ANU shows the number of HiCi’s dropping from 20 to 3. ANU now has the second lowest number of HiCi researchers in the Go8. It is difficult to accurately estimate what impact this will have on the overall ARWU ranking. However, estimates are that the ANU ranking could drop from 66 to 83. The imperative for ANU, therefore, is to continue to actively engage in the strategy to concentrate its disciplines where it has research excellence, to pursue quality, to focus on academic staff renewal, to develop and instil a strong performance culture, to grow revenue and achieve a turnaround of this result over future years.

Council reaffirmed the need for strategic investment, combined with a sophisticated marketing campaign, to enable the university to identify, attract and recruit researchers from across the
globe; to identify new areas of research strength and develop emerging in-house talent, as part of the institution’s longer term renewal strategy.

Council agreed that this be a subject for strategic discussion at the October meeting of Council where Professor Margaret Harding, DVC (Research) will make a presentation on the university’s research reform initiative.

Research Future Fellowships
The Vice-Chancellor reported that the university had performed well in the recent ARC Future Fellowships round securing an additional 16 Fellows, compared with Melbourne University’s 22. Of the 16, 5 were external (international), with the balance comprising internal staff.

National Press Club address
The Vice-Chancellor advised Council of his forthcoming address to the National Press Club on Wednesday, 30 July 2014 on the topic of Education, Research and Deregulation.

Council noted the report of the Vice-Chancellor.

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7. CHANCELLOR’S BRIEFING – CRAWFORD AUSTRALIAN LEADERSHIP FORUM

The Chancellor recapped the outcomes from the inaugural Crawford Australian Leadership Forum:

1. The Forum was designed to increase the university’s profile as a leader of national public policy debate – a key element in our 2020 Strategy – and had succeeded in this objective;
2. 150 attendees, drawn equally from leaders of the business community, public sector and research and advocacy community, had engaged in an intensive two-day program of panel discussions with 55 eminent speakers, both international and Australian, around the theme Global Realities, Domestic Choice;
3. The post-conference feedback survey had a 50% response rate, with 100% of respondents stating that they would attend again next year. Participants responded positively to the program model, structure and venue, making a number of specific constructive suggestions for future Forums.
4. Media coverage, in particular by but not confined to the Australian Financial Review, was substantial.
5. The Forum will be held in 2015 with the prospective date being 28-30 June 2015. To this end, a Steering Committee has been established, comprising:

   Chancellor (Chair)
   Vice-Chancellor
   Professor Veronica Taylor, College of Arts and the Social Sciences
   Graeme Samuel
   Greg Hywood, CEO, Fairfax
   Jennifer Westacott, CEO, Business Council of Australia and
   Glenys Beauchamp, Secretary, Department of Industry (subject to confirmation).

6. Management of the Forum’s program development and organisational arrangements requires dedicated and professional expertise and, to this end, Mr Allan Gwynnell (former Director-General, Office of National Assessments, founding Executive Director of the Lowy Institute, former senior advisor to former Prime Minister Paul Keating and a distinguished Australian diplomat) has been appointed Forum Director.

8. 2016 POSTGRADUATE INTERNATIONAL FEE PRICING REVIEW AND RECOMMENDATIONS

The Deputy Vice-Chancellor (Academic) summarised the key features of the changes:

1. 2016 fees to be indexed by 5% of the 2015 tuition fees, and configured into a 5 band structure;
2. Fees for domestic graduate students to be set at 25%-35% less than international rates;
3. Pricing analysis has been based on cost of delivery and value of programs;
4. The recommended fee structure is generally comparable with other Go8 institutions, although it is noted that a far higher fee applies for the MBA course at Melbourne, due, in large part, to the strong brand reputation and corporate presence in Melbourne and the ‘value’ resulting in a willingness to pay, even in a highly competitive market;
5. The need for the university to critically review its program offerings to identify areas for improvement. To this end, the College of Business and Economics will undertake an external review of its MBA program;
6. Fees applied for international PhD students are aligned with the Go8, although there is a need to better balance the high number of fee waiving scholarships with full fee paying students.

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Resolved:
That Council approve the recommended fee changes for 2016 International postgraduate student commencements.

9. SOCIALLY RESPONSIBLE INVESTMENT (SRI) POLICY REVIEW

The Executive Director (Administration and Planning), Mr Chris Grange, was invited to speak to the report. The following key points were offered as background to the work currently underway by the Investment Office:

1. The Investment Office directly engages in the selection of some 40 domestic stocks as part of its overall investment portfolio;
2. The Office has examined options for commissioning a SRI assessment of these stocks, their ranking and issues relating to divestment;
3. Ethical Investment Research Services, part of EIRIS Global Platform, have been engaged to undertake a ranking of each stock, using a robust scorecard methodology, covering a broad range of indicators, including environmental/climate change, human rights, governance and stakeholder management;
4. The results of the assessment will be considered by the Investment Advisory Committee at its August meeting prior to submission to the next meeting of Finance Committee on 19 September 2014;
5. A report to Council will be provided for its October meeting ****

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Mr Josh Creaser, Students for a Fossil Free ANU, was invited to address Council and outlined the following areas of concern:

1. Financial risks – the potential risk of stranded assets on the balance sheet as a result of retaining downgraded assets, such as coal and coal seam gas, within the university's investment portfolio over a prolonged period, rather than full divestment on an expedient basis, has the potential to produce a significant write down of assets and the value of the portfolio overall;
2. Ethical implications – the correlation between old technology, pollution-producing industries on the condition of water basins and the health and wellbeing of
communities places ethical issues at the forefront when making investment choices; and
3. Engagement – the desire for a more fulsome engagement with the student body including the prospect of a university committee with student representation.

The Chancellor thanked Mr Creaser for his contribution and said that the issues raised would be taken into consideration as part of the review of the University's Socially Responsible Investment Policy, its implementation and reporting.

Resolved:
That Council note:
1. The progress report;
2. SRI assessment and benchmarking underway by EIRIS;
3. Review work being conducted by the Investment Office, under guidance from the Investment Advisory Committee; and
4. The issues raised by Students for a Fossil Free ANU.

Council further resolved that the Investment Office provide a final report, with an implementation plan, in response to the Frontier Advisory report and SRI assessment, to the next meeting of Council scheduled for 3 October 2014.

10. “INTELLEDOX” – DONATION TO ANU

The Director, Alumni Relations and Philanthropy, Dr Colin Taylor, advised Council of the proposed major donation of software worth approximately $1 million by two former ANU alumni, Phillip Williamson and Michelle Melbourne, through their company Intelledox, which has developed software to streamline office processes, achieve data integration and support delivery of administrative efficiencies via the use of ‘smart’ electronic forms.

The Executive Director (Administration and Planning), Mr Chris Grange, advised that the university has identified a major administrative problem – travel approvals – which are labour-intensive, problematic in their administration, slow to execute through current decision flow processes, result in inconsistencies in application across the university and compliance concerns. In discussion with Intelledox partners, the university has established a trial to test the software application by developing a proto-type online travel form. The product has been tested by a range of staff, with good performance outcomes, and when fully deployed is expected to realise savings in the order of $300,000 to $400,000 a year. The university will establish a Centre for Digital Transformation initially funded at a cost of $800,000 each year, over 2 years, to identify other administrative functions that would benefit from the software application and to establish the program of work to be implemented.

Resolved:
That Council note with appreciation the proposed “Intelledox” donation and the University’s planned approach in assessing its suitability for delivering more widespread administrative efficiencies.

11. ASSET NAMING POLICY

The Director, Alumni Relations and Philanthropy spoke to the paper and highlighted the need for the university to have in place a well-articulated set of principles and procedures about how to name assets, both physical and non-physical.

Council endorsed the proposed course of action to achieve a clear and consistent approach, to resolve ad-hoc practices and to pursue a planned and strategic program for the naming of appropriate assets as, inter alia, a means of attracting future benefaction.
In relation to the decision-making flow, Council reaffirmed that asset names must be presented to Council for approval and that the Asset Naming Committee be chaired by the Vice-Chancellor.

Resolved:
That Council approve the University’s Asset Naming Policy. Council further resolved to approve the Asset Naming Procedures, subject to the following amendments (in italics) in relation to the Asset Naming Committee:

1. The Asset Naming Committee endorses and the Council approves asset names.
2. Asset Naming Committee Membership
   a. Chair: Vice-Chancellor
   b. Executive Director, Administration and Planning
   c. Deputy Vice-Chancellor (Academic) and/or Deputy Vice-Chancellor (Research)
   d. Director, Alumni Relations and Philanthropy
   e. Director, Facilities and Services
   f. Director, Corporate Governance and Risk
   g. One Dean appointed by the Vice-Chancellor

PART 3: STRATEGIC ISSUES

12. ALUMNI RELATIONS AND PHILANTHROPY

The Director, Alumni Relations and Philanthropy (AR&P), Dr Colin Taylor outlined progress towards the development of a strategy for strengthening the University’s alumni relations and growing its philanthropic base. Amongst the key points presented were:

1. Recent developments in corporate philanthropy in Australia have had a dramatic impact on the national landscape – education is a major beneficiary.
2. New records in giving in the Go8 heighten the competition for securing the next major gift and the likely source of benefaction;
3. Growth in this area of university operations requires considerable resourcing, expertise and management;
4. In 2014, ANU initiated a pilot program of annual giving with a particular focus on ANU alumni – an initiative that has not been pursued since 2003 – for the primary purpose of testing methodology;
5. A further priority for Alumni Relations and Philanthropy is to contact a large number of the university’s alumni, including graduating students, with a view to establishing a continual ‘touchpoint’;
6. In relation to bequests, the approach is to foster relationships, on a passive basis, over a long term, with individuals and/or families, recognising that this is a specialised area requiring care and sensitivity in the way relationships are managed;
7. To attract support from high net worth individuals (HNW), AR&P has undertaken cultivation and engagement activity in a field trip to the United Kingdom with the Vice-Chancellor, with a similar initiative planned for HNW Melbourne alumni;
8. The university needs to craft its ‘big story’ and strategy which will inform both College and School priorities. There is a critical role for Council to articulate the story beyond ANU – its focus on education, research, public policy and outreach must help to build the case for support. This work needs to be done by 2014 year end in order to achieve traction over the following year.

Points made during the following discussion included the need to directly target high net worth individuals as a purposeful strategy; the potential to approach tax accountancy firms to offer gifting as a tax package for high net worth individuals and/or as part of estate planning; the need to engage students at graduation ceremonies, signing up future alumni as they are collecting their gowns; the need to ensure a sound return on investment in terms of cost of
operation for AR&P and achieving donation/gift targets year on year; and the importance of knowing when to say ‘no’ to a potential philanthropic gift if it does not align with areas of strategic priority across the university.

Council thanked Dr Taylor for the efforts of his team over the current reporting period.

Resolved:
That Council receive an update report on progress being made and achievements delivered in another year’s time.

PART 4: OTHER MATTERS FOR DECISION

13. ETHICS COMMITTEES ANNUAL REPORTS 2013

Council approved the following Ethics Committees Annual Reports 2013:

- Animal Experimentation Ethics Committee (96/2014)
- Human Research Ethics Committee (97/2014)
- Recombinant DNA Monitoring Committee (98/2014).

14. SCHOOL OF MUSIC FOUNDATION CHARTER AMENDMENTS 2014

Council approved the amendments to the Charter for the School of Music Foundation.

15. APPOINTMENT TO FINANCE COMMITTEE

Resolved:
That Council approve the following appointment to its Finance Committee:

- Ms. Susan Bitter for two years effective from 28 July 2014 to 27 July 2016.

PART 5: OTHER MATTERS FOR NOTING

16. AUDIT AND RISK MANAGEMENT COMMITTEE – SUMMARY OF MAJOR ITEMS CONSIDERED

Council noted the summary of the major items considered by the Audit and Risk Management Committee at its meeting held on 2 July 2014.

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17. FINANCE COMMITTEE – SUMMARY OF MAJOR ITEMS CONSIDERED

Council noted the summary of the major items considered by the Finance Committee at its meeting held on 11 July 2014.

18. REVIEW OF CAMPUS PLANNING AND DEVELOPMENT COMMITTEE

Council noted the proposed review of the University’s Campus Planning and Development Committee and that a recommendation paper, with draft terms of reference, will be submitted for Council approval at its meeting scheduled for 5 December 2014.

Council further noted that the university’s master plan, and major capital commitments flowing from it, will come to Council for approval.
19. ACADEMIC BOARD

Council noted the report from the meeting of the Academic Board held on 20 June 2014 (1032/2014).

20. POWER OF ATTORNEY

Council noted the list of transactions over which the Investment Manager exercised the Power of Attorney between 14 May 2014 and 27 June 2014.

21. UNIVERSITY SEAL REPORT

Council noted the document to which the University Seal has been affixed since the meeting of Council held on 30 May 2014.

22. SIGNIFICANT VISITS AND EVENTS, GRANTS AND CONSULTANCIES

Council noted the report of significant visits and events, grants and consultancies (102/2014).

23. LEGISLATION

Council noted the following legislation made by the Vice-Chancellor:

1.1 Academic and Ceremonial Dress Order 2014 (103/2014)
1.2 Academic Progress Rules 2014 (104/2014)
1.3 Assessment Rules 2014 (105/2014)
1.4 Graduate Coursework Awards Rules 2014 (106/2014)

A progress report be noted in relation to the 2014 review of Statutes, Rules and Orders.

24. PGPA ACT 2013 S19 NOTIFICATION TO MINISTER – ACQUISITION OF SOCIAL RESEARCH CENTRE PTY LTD (SRC) BY ANU ENTERPRISES PTY LIMITED 2014

Council noted the Vice-Chancellor’s letter notifying the Minister about the acquisition of the Social Research Centre Pty Ltd by ANU Enterprises Pty Limited

PART 6: OTHER BUSINESS

25. QUESTION TIME

There were no matters raised in Question Time.

26. OTHER BUSINESS

Council concluded at 12:30 pm.

27. NEXT MEETING

It was noted that the next meeting of Council will be held on 3 October 2014.

Professor the Hon Gareth Evans AC QC
Chancellor
The Australian National University

(**** indicates a removed item which is confidential to Council Members)