THE AUSTRALIAN NATIONAL UNIVERSITY

COUNCIL MINUTES

The 425th meeting of the Council was held at 9.15am on Thursday, 27 March 2015, in the R C Mills Room, Chancelry Building, ANU campus, Canberra.

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
Dr Doug McTaggart
Mr David Miles AM
Mr Graeme Samuel AC
Professor Suzanne Cory AC
Professor Patrick Dodson
Ms Naomi Flutter
Professor Matthew Colless
Professor Tim Senden
Dr Karen Hussey
Mr Matthew King
Mr Ben Niles
Mr Ben Gill

Apologies:
Dr Karen Hussey, for a late arrival
Dr Doug McTaggart, for an early departure

In attendance:
Deputy Vice-Chancellor (Research) – Professor Margaret Harding
Deputy Vice-Chancellor (Academic) – Professor Marnie Hughes-Warrington
Pro-Vice Chancellor (Innovation) – Professor Michael Cardew-Hall
Pro-Vice Chancellor (International & Outreach) – Dr Erik Lithander
Pro-Vice Chancellor (Research and Research Training) – Professor Jenny Corbett
Pro-Vice Chancellor (Student Experience) – Professor Richard Baker
Executive Director, Administration and Planning – Mr Chris Grange
Chief Financial Officer – Mr Alastair Sinton

Chancery staff:
Director, Corporate Governance and Risk Office – Ms Kate Molloy
Manager, Corporate Governance and Policy – Mr Andrew Heath
Governance Officer, Corporate Governance and Risk Office – Ms Leslie McDonald
Executive Officer to the Vice-Chancellor - Dr Liz Eedle

PART 1: PROCEDURAL ITEMS

1. ANNOUNCEMENTS
The Chancellor informed Council that Mr Geoff Knuckey, Chair of Council’s Audit and Risk Management Committee will join the meeting to speak to the University’s Annual Financial Statements for 2014; and to provide a report from the Committee in relation to delivery of its Charter responsibilities and internal audit work program over the 2014 period.

2. LEAVE OF ABSENCE
No leave of absence was granted for the meeting.
3. DISCLOSURE OF MATERIAL PERSONAL INTEREST

No member disclosed a material personal interest in any matter on the agenda.

4. ARRANGEMENT OF AGENDA

No additional agenda items were starred or declared confidential.

The Council agreed to re-arrange the agenda to deal with matters relating to the annual financial statements (those being agenda items 7, 8, 9, 17 and 18) immediately after dealing with procedural items. This would be followed by all confidential agenda items and remaining non-confidential agenda items.

Council agreed that all observers would be asked to leave the meeting for agenda item 19, except for the Executive Director, Administration and Planning and the Director, Corporate Governance and Risk Office.

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

5. COUNCIL MINUTES

For the minutes of the meeting of 19 February 2015, it was agreed that the minutes should reflect the fact that the Chancellor left the room for the discussion of agenda item 7 relating to the Chancellorship.

Council resolved to confirm the minutes, as amended, of the meeting held on 19 February 2015 (2/2015) and the report of the Council planning day held on 20 February 2015 (4/2015).

PART 2: KEY BUSINESS ITEMS

6. VICE-CHANCELLOR’S REPORT

The Vice-Chancellor introduced his report, addressing the following issues:

1. Higher Education Reforms
Council noted that the Higher education reforms were defeated in the Senate at their Second Reading and that the Minister is intending to return with a revised Bill for Parliament to consider. It remains unlikely that further reforms will pass the Senate in the current environment. ****

2. Defence Trade Controls
The Defence Trade Control Act which regulates the transfer of defence and strategic goods, technologies and intangible information outside of Australia has now passed Parliament and will come into effect from 16 May 2015. The Act presents some compliance challenges for the science and engineering areas who will now need to seek permission to conduct or continue research that involves the transfer of specified goods.

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4. Strategic Planning
Consultation forums with staff and students are underway and 10 sessions have been conducted to date. An important change initiative to be implemented over the year is an enhanced performance development program. The importance of regular communication throughout its implementation will be critical.

5. Union Court Redevelopment
The proposal for Union Court’s redevelopment will be the subject of rigorous review through Finance Committee, prior to its submission to Council. It is expected that the project, if approved, will be completed over 2019-2020, with student accommodation being considered as a priority and, if feasible, brought forward in the staged development. A progress report will be provided to
Council for its 2 October 2015 meeting. It is likely that additional student accommodation will be required earlier than 2019 and management is presently considering options.

Council noted the report of the Vice-Chancellor.

7. ANU FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Mr Alastair Sinton, Chief Financial Officer, presented the 2014 Annual Financial Statements to Council, highlighting the key outcomes and features for the reporting period. *****

Discussion took place about other factors contributing to the consolidated results which included:

- the acquisition of The Social Research Centre;
- depreciation and asset write-off costs;
- revaluation of 52 Collins Street Melbourne;
- employee benefit superannuation provisions based on the application of the 10 year government bond rate compared with prior actuarial calculations; and
- a late accrual for the National Rental Affordability Scheme.

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It was further noted that whilst there has been a sizeable uplift in maintenance funding for critical building infrastructure, the University will need to continue its efforts, to overcome an annual shortfall of some $20 Million towards this work.

Mr. Geoff Knuckey, Chair of the Audit and Risk Management Committee (ARMC), joined Council and outlined, in his memorandum dated 27 March 2015, the processes which had been followed by the Finance and Business Services Division, the Australian National Audit Office (ANAO) and the Audit and Risk Management Committee during the preparation and submission of the University's Consolidated Financial Statements for the year ended 31 December 2014, the Annual Financial Statements for subsidiary entities of the university, the lead up to audit clearance and sign off by the Australian National Audit Office.

Council was informed that on 17 March 2015, the ARMC recommended that the 2014 Annual Financial Statements for the University be adopted, subject to the receipt of clearance from the ANAO. The ANAO provided its clearance in respect of the university’s Financial Statements in its close out letter, dated 26 March 2015, and in respect of ANU subsidiary entities in a close out letter dated 23 March 2015.

Council noted that the Australian National Audit Office reported that, as part of its review, all matters have been dealt with and that an unqualified audit has resulted.

Resolved:
That Council:

1. Note a report on the Audit and Risk Management Committee’s consideration of the Australian National University Consolidated Financial Statements for the year ended 31 December 2014;
2. Note a Management Representation letter from the Vice-Chancellor and Chief Finance Officer on the 2014 Financial Statements to the Australian National Audit Office
3. Subject to receipt of clearance from the Australian National Audit Office:
   a) authorise the Chancellor to sign the Council’s Representation letter to the Australian National Audit Office;
   b) adopt the Australian National University Consolidated Financial Statements for the year ended 31 December 2014; and
   c) authorise the Chancellor, Vice-Chancellor and Chief Financial Officer to sign the Statement by the Council that attaches to the Consolidated Financial Statements.
8. UNIVERSITY SUBSIDIARY ENTITIES ANNUAL FINANCIAL STATEMENTS 2014

Council noted the 2014 Draft Annual Financial Statements for the following:

- ANU Enterprise Pty Limited (503A/2014)
- ANU Section 68 Pty Limited (506A/2014)
- ANU (UK) Foundation (507/2014)
- BRU Holdings Pty Limited (504A/2014)
- SA2 Holdings Pty Limited (505A/2014)

It was further noted that the Public Governance, Performance and Accountability Act 2013 requires the University to provide the responsible Minister with copies of the Annual Financial Statements for the University and also its subsidiary entities.

Members of University staff with appropriate knowledge and expertise represent the University on the Boards of the subsidiary entities. The subsidiary entity Boards formally consider and approve the financial statements and obtain audit clearance prior to their consolidation in the University Entity financial statements.

All subsidiaries, with the exception of ANU (UK) Foundation, which is unaudited, have clear audit reports from the Australian National Audit Office. Under the PGPA Act, the ANU (UK) Foundation is not required to be audited by the ANAO.

9. AUSTRALIAN NATIONAL AUDIT OFFICE INTERIM AUDIT REPORT ON THE 2014 ANNUAL FINANCIAL STATEMENTS

Council noted the 2014 Annual Financial Statement Audit Interim Management Letter issued by the Australian National Audit Office (72/2015).

10. ANU ANNUAL REPORT 2014

The Chancellor noted that the Annual Report for 2014 has this year provided a more substantial section detailing the university's governance framework, the role of Council and its Committees, Council membership, together with a profile of members.

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Council approved the 2014 Annual Report for submission to the Commonwealth Minister for Education and Training and tabling in the Australian Parliament. It was further agreed that members receive copies of the printed Annual Report for 2014 as soon as it is available.

Resolved:
That the 2014 Australian National University Annual Report to Parliament be approved.

11. 2014 VOICE SURVEY – KEY HIGHLIGHTS

In 2011, the university conducted its first employee engagement survey using the Voice Project and has recently completed the second survey in 2014 using the same firm. The Voice Project began as a research program at Macquarie University, exploring the impact of employee and client “voice” on engagement, leadership and service quality. The Voice Project now has a 10 year track record of working with universities on staff engagement.

The core objective of the Voice Project survey is to improve organisations by giving people a voice, and, in particular, to use employee surveys to improve engagement, leadership and service quality. In addition, it provides important cues on issues of concern to enable the organisation to develop appropriate interventions.

The Director, Human Resources, Dr Nadine White, gave a brief overview of the key highlights from the survey.
Amongst the points discussed were:

- The University had a 62% response rate to the survey, compared with 71% in 2011. The industry average response rate is 63%.
- 42 other universities participate in the survey which is conducted every 2 years.
- The survey shows a higher rate of indigenous identification within the University community than is reported in other systems.
- ANU has a high engagement score with an overall rating of 77% of survey respondents indicating high engagement with, and commitment to, their work environment, job satisfaction and intention to stay.
- Amongst key improvements since 2011 are ‘Safety’, awareness of occupational health and safety responsibilities and a safe work environment, and ‘Facilities’, with buildings, ground and facilities reported as being in good condition.
- Amongst the lowest rating scores were responses in relation to ‘Organisational Direction’, ‘Change and innovation’ and ‘Technology’.
- Consideration needs to be given to improving the ways in which the university facilitates innovation and entrepreneurship as part of its staff recruitment and retention strategy.

In response to the range of issues raised, the Vice-Chancellor highlighted the need for consistent and regular communication about the University’s strategic priorities, implementation progress, and what it means to be the ‘national’ university in terms of performance standards and outcomes.

In discussion, Council observed the need to ensure that the role in communication and engagement rests also with Deans of Colleges and the senior management across the University to build a clear understanding about the University’s long term strategy and how each area contributes to its implementation and success.

In a future survey, consideration should also be given to testing ‘national’ and ‘public policy’ to determine the extent to which these pillars of the university’s strategy resonate with the ANU community. In response, the Director, Human Resources, undertook to raise this with the consultants for a future survey round.

Council thanked Dr White for her presentation of the key findings of the 2013 Voice Survey.

PART 3: STRATEGIC ISSUES

12. ANU ENGAGEMENT WITH ABORIGINAL AUSTRALIA

The Vice-Chancellor led a discussion with Council on the key issues for the University. Joining Council discussions was Professor Michael (Mick) Dodson, Director of the National Centre for Indigenous Studies.

Amongst the points discussed were:

- ANU has a long and distinguished engagement with Aboriginal Australia through research, public policy and education.
- The Centre for Aboriginal Economic Policy Research has a convincing public policy role in indigenous issues.
- Whilst the University is not ideally set up for indigenous undergraduate intakes, the Tjabal Centre has flourished and has achieved strong succession rates through its range of services and pastoral care support.
- In terms of HDR, students are predominately enrolled in Law and Humanities.
- There are indigenous students in each year of Medicine.
- Student cohorts are drawn from each State and Territory of Australia.
- The Leadership programs on offer through Tjabal promote ANU to the secondary school market. For instance, the Cape York Leadership program engages students from a bush environment with city-based students promoting the importance of students staying on at school.
A range of opportunities exist to better leverage the University's indigenous expertise in public policy, its extensive research capability and potential national reach, its resources and services. These include:

- Support for PhD students through the provision of Academic ‘A’ level roles, as a future strategy, where possible
- In addition to College scholarships, offer Scholarship programs to attract indigenous students into the sciences, languages and indigenous studies, as a way of building the University's national profile
- Improve ANU visibility by advertising student Scholarships through the Aurora website
- Establish a biennial conference drawing together the expertise across the University’s research centres and academic disciplines to consider indigenous public policy issues of national importance
- Reinvigorate the staff network across teaching and research
- Direct a proportion of SAFF funding to support student driven forums
- Proactively pursue research grant applications through the Commonwealth Government’s Development for Northern Australia initiative which has a funding pool of $85 Million
- As part of the strategic reallocation of the University’s National Institutes Grant, direct funding to areas of emerging and established research priority

Council members observed that current organisational arrangements, research and discipline effort is disbursed and that greater benefit would be realised by harnessing and concentrating research focus, reach, and public policy work in a way that is strategically aligned, establishes the University’s national standing, consolidates expertise and achieves improved cohesion.

Council reiterated its earlier discussion from its February planning day that the University take a leadership role to advance public policy and programs that address issues of national import.

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The Vice-Chancellor proposed that a discussion be initiated with the leaders of each Centre to explore these opportunities in further detail.

At the conclusion of discussions, Council members thanked Professor Dodson for facilitating a most productive discussion about key issues for the University as it considers its 10 year strategy.

**PART 4: OTHER MATTERS FOR DECISION**

13. AUSTRALIAN NATIONAL UNIVERSITY STUDENTS’ ASSOCIATION INCORPORATED CONSTITUTION AMENDMENTS

Resolved:
That Council approve amendments to the Constitution of the Australian National University Students’ Association Incorporated (63/2015).

14. NEW COUNCIL AGENDA TEMPLATE

Resolved:
That Council endorse for implementation the proposed new Council Agenda Item Template to be implemented for the 29 May 2015 Council meeting.

15. ANU DRAFT COUNCIL STANDING ORDERS 2015

Council was invited to provide its feedback on the draft ANU Council Standing Orders 2015, developed in response to recommendations from the review of the ANU Act 1991 and governance arrangements.
Council offered no further feedback on the draft ANU Council Standing Orders 2015 as presented, and resolved to approve their adoption for implementation.

16. LEGISLATION – LIQOUR STATUTE 2015

Resolved:
That Council approve the Liquor Statute 2015.

PART 5: OTHER MATTERS FOR NOTING

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

Council noted the summary of major items considered by the Audit and Risk Management Committee (ARMC) at its meeting held on 17 March 2015.

18. AUDIT AND RISK MANAGEMENT COMMITTEE – 2014 REPORT ON CHARTER RESPONSIBILITIES AND INTERNAL AUDIT WORK PROGRAMS

Council noted the summary of activities undertaken by the Audit and Risk Management Committee (ARMC) in order to meet its Charter responsibilities including internal audit work completed in 2014.

19. FINANCE COMMITTEE – SUMMARY OF MAJOR ITEMS CONSIDERED

Council noted the summary of major items considered by the Finance Committee (ARMC) at its meeting held on 13 March 2015.

20. COUNCIL MEMBERSHIP

Council noted that the Commonwealth Minister for Education and Training had approved the recommendation of the Nominations Committee to reappoint Mr Graeme Samuel, for a further term of 4 years, effective from 1 August 2015 to 31 July 2019; and approved Mr Samuel’s reappointment as Chair of the Finance Committee to 31 July 2019.

21. ‘ANU BY 2025’ PROGRESS REPORT

Council noted a progress report by the Vice-Chancellor in relation to development of ‘ANU by 2025’.

22. EXECUTIVE SEARCH FOR A NEW VICE-CHANCELLOR

The Chancellor provided a progress report on the executive search for a new Vice-Chancellor.

23. HEALTH AND MEDICAL SCIENCES REVIEW – IMPLEMENTATION UPDATE

The Vice-Chancellor and Deputy Vice-Chancellor (Research) briefly outlined implementation progress on the recommendations of the Health and Medical Sciences Review.
Council noted the progress report and resolved to receive a report at its 29 May 2015 meeting on how the University is trending on research grant applications.

In discussion, Council recognised the likely benefit of the University engaging and developing links with other independent medical research institutes as a means of gaining uplift in its performance in securing NHMRC grant applications.

24. ANU SUB-BACHELOR PATHWAY PROGRAMS

Council noted a paper by the Deputy Vice-Chancellor (Academic) detailing the rationale for, and strategic relevance of, the University’s Sub-Bachelor pathways programs.

25. ANU PROGRAM ACCREDITATION

Council noted advice in relation to the University’s program accreditation processes, in response to the findings of the review of the ANU Act 1991 and governance arrangements.

26. ACADEMIC BOARD

Council noted the report from the meeting of the Academic Board held on 3 March 2015 (75/2015).

27. POWER OF ATTORNEY

Council noted the transactions over which the Investment Manager exercised the Power of Attorney between 13 February 2015 and 3 March 2015.

28. EMERITUS PROFESSORS AND EMERITUS FELLOWS

Council noted the names of those entered on the Roll of Emeritus Professors and Emeritus Fellows since March 2014 (57/2015).

29. UNIVERSITY SEAL REPORT

Council noted the documents to which the University Seal had been affixed since the meeting of Council held on 19 February 2015.

30. REPORT OF SIGNIFICANT VISITS AND EVENTS, GRANTS AND CONSULTANCIES

Council noted the report of significant visits and events, grants and consultancies.

PART 6: OTHER BUSINESS

31. QUESTION TIME

There were no matters raised in Question Time.

32. OTHER BUSINESS

Mr Ben Niles, PARSA President, raised the matter of urgent amendment of the PARSA Constitution and sought agreement that it be considered by Council via circular resolution. Council resolved to support Mr Niles’ request, provided that PARSA include provisions in its electoral process to ensure students understand that when they are voting for the President, they
are also voting for the postgraduate student member of the Council. This will ensure observance of the principle of *ad personam* elections for student members of Council.

### 33. NEXT MEETING

Council noted that its next meeting will be held on 29 May 2015.

_________________________________ Date:______________________
Professor the Hon Gareth Evans AC QC
Chancellor
The Australian National University

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