The 420th meeting of the Council was held at 8.00am on Friday, 30 May 2014 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 Ilana Atlas
Professor Stephen Bottomley
Dr Vince FitzGerald
Ms Robin Hughes AO
Dr Doug McTaggart
Mr David Miles AM
Mr Matthew King
Ms Martine Letts
Mr Arjuna Mohottala
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
Chief Financial Officer, Mr David Sturgiss

Chancery staff:
Director, Corporate Governance and Risk Office - Kate Molloy
Governance Officer, Corporate Governance and Risk Office – Leslie McDonald
Manager, Governance and Policy, Corporate Governance and Risk Office – Andrew Heath

PART 1: PROCEDURAL ITEMS

1. ANNOUNCEMENTS

The Chancellor welcomed to the 420th meeting of Council Mr. Matthew King re-elected to Council for a term of two years, from 26 May 2014 to 25 May 2016, following the recent election by the general staff.

Council recorded its immeasurable thanks and appreciation to outgoing members Pro-Chancellor Ms Ilana Atlas, Dr Vince Fitzgerald and Ms Martine Letts, who have each
served Council, and its Committees, over the course of 10 years providing exceptional contributions to the work of Council. Council also expressed its gratitude for the contribution made by Mr. Arjuna Mohottala who also concludes his term on Council as PARSA President.

Council further extended its appreciation to the professional support, and sound advice tendered by the University’s Chief Financial Officer, Mr. David Sturgiss, who will conclude his role in the coming months.

Mr. Graeme Samuel joined the meeting via videoconference from ANU House, Melbourne.

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

Council noted the updated agenda tabled at the meeting which removed the confidentiality marking for the following items:

Agenda item 7 – ANU Future Directions
Agenda item 12 – Student Accommodation Demand Analysis Project
Agenda item 14 – Service improvement program – presentation
Agenda item 15 – Melbourne Engagement Strategy
Agenda item 21 – Academic Board Annual Report

Council noted that Agenda item 18 – Appointment of Board of Governors of the Endowment for Excellence - has been starred for the meeting.

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 28 March 2014 (65/2014).

PART 2: KEY BUSINESS ITEMS

6. VICE-CHANCELLOR’S REPORT

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

International rankings results

Leiden Rankings and U-Multirank have issued their international rankings in recent weeks. Of note, citations are a significant measure for ranking purposes by Leiden. ANU results rose in this category. In relation to U-Multirank, ANU understandably performed well in research but poorly in industry collaboration.

Semester 2 Intake

Second semester intake results show that international commencements have almost doubled when compared with last year’s results – 400 compared with 200 last year - noting that acceptances are still 8 weeks out from finalisation.
Capital Development

The university has implemented a capital planning and management program, as approved by Council at its meeting on 28 March 2014, providing for the pooling of funds and competitive bidding amongst Colleges, to support major infrastructure development over a 5 year program cycle.

The results from the first round of funding, have produced a suite of high quality proposals that facilitate major consolidation of disciplines within a single complex, as in the case of Maths and Computing Science at an estimated cost of $26 million, provision of a new building for Social Sciences at an estimated cost of $50 million, first stage development for the Physics building at an estimated cost of $50 million, or $180 million for the full redevelopment; and refurbishment of Biological Sciences.

Consolidation of the budget in this way will significantly assist in bringing the university’s infrastructure to state-of-the-art standard and will enhance opportunities to attract philanthropic support. Moreover, the outcomes achieved have only been made possible through the collegiality and engagement of Deans and Directors in the process.

A paper outlining capital projects approved through this program will be circulated to Council members out of session.

May Federal Budget

The Vice-Chancellor gave an overview of the Federal Government’s proposed Higher Education reforms with an historical analysis of Commonwealth expenditure on the Higher Education Contribution Scheme and the Commonwealth Grants Scheme (CGS) and likely future projections if the current system continues in its present configuration.

The Vice-Chancellor referenced the key outcomes from the Federal budget, notably:

1. preservation of NIG funding with indexation;
2. continued funding for the Future Fellows program;
3. funding for the National Collaborative Research Infrastructure Scheme for a further year;
4. the introduction of fee deregulation;
5. the introduction of a new scholarship scheme and
6. reduction in Commonwealth Grant Scheme (CGS) funding rates in the order of 20% combined with extension of CGS to the non-university sector and CGS funding of sub-degrees to enhance pathways to degrees.

A clear objective of the government’s decision to introduce fee deregulation is to adjust the ratio of Commonwealth to student funding for undergraduate education of domestic students on the basis that current projections present significant downward pressure on the Federal budget and one that cannot be sustained longer term.

Council noted that fee deregulation, arises from the exponential increase in the proportion of the Australian population with a bachelor degree with 2020 targets already reached and consequent cost pressures realised. Of note, CGS funding in 2007 represented $5.9 billion. In 2010 costs grew to $9.5 billion and, in 2017, the budget impact is predicted to reach $12.8 billion. Further, government borrowings are calculated at the 10 year bond rate, currently 3.8%, but are passed on to students, through the HECS-HELP Scheme, at CPI, currently at 2.9%. Total HECS liability for 2013 is forecast at $30 billion and is projected to grow to $55 billion by 2017. On this basis, government has argued the need for fundamental change to ensure sustainability and affordability in out years.

The Vice-Chancellor outlined the range of options that could prevail in the current fiscal climate:
1. Option 1 – an increase in government funding to, not only, cover the increasing costs of the expanding higher education system but to also increase the funding per student. This is very unlikely in the present fiscal climate;

2. Option 2 - introducing a recapping of students currently in the system – this option would not be supported by parties of either political persuasion;

3. Option 3 – ‘do nothing’ – this option would result in a continued decline in the level of funding for students and would result in mediocre educational outcomes;

4. Option 4 – transfer some of the liability from the taxpayer to students – this option, a feature of fee deregulation, represents the current policy direction of government post-budget.

Noting the current uncertainty in respect of passage of the Appropriation Bill, Council reaffirmed the importance of being able to navigate the current fiscal and policy landscape in a way that supports the university’s objectives to:

1. deliver a quality student experience by investment in research, teaching and infrastructure;
2. increase scholarships and/or bursaries; and
3. ensure the principles of access and equity are upheld in an environment of fee deregulation.

Extensive discussion ensued in relation to the Federal budget and the medium to longer term consequences for ANU. In particular, concern was raised that the benefits forecast to accrue through fee deregulation and sector restructuring may be eroded to offset losses arising from the 20% reduction in CGS funding. The magnitude of the reduction in CGS funding, in itself, may diminish the sector’s capacity to effectively maintain equity and access programs aimed at attracting and supporting student cohorts from diverse socio-economic backgrounds.

Discussion moved to consideration of the impact of an increased interest rate on future HECS loans for the domestic student market. This issue has featured prominently in most recent media coverage and general community debate.

Against this backdrop, program development and delivery, including growing online delivery, and ensuring an enriched student experience must remain areas for priority action and innovation if ANU is to achieve research and scholarship excellence on a sustained basis.

Council noted that Professor Bruce Chapman is undertaking analysis in relation to the policy’s implementation. Issues arising include consideration of ‘suspension events’ and how, or whether, this may feature within the structure of the new HECS loan scheme.

Council received a presentation during the meeting from Professor Marnie Hughes-Warrington, Deputy Vice-Chancellor (Academic) and Ms Richelle Hilton, Director, Planning and Performance Measurement highlighting early work in modelling various fee scenarios, and their impacts, as a result of the government’s decision to move towards fee deregulation.

At the conclusion of extensive discussion, Council endorsed the Group of Eight position on the Higher Education Reforms, expressing its deep concerns regarding the proposed rate of interest for HECS debts and the magnitude of the funding reduction for the Commonwealth Grants Scheme.

Council noted the report of the Vice-Chancellor.

7. ANU FUTURE DIRECTIONS

The Vice-Chancellor recapped the outcomes from Council’s February retreat at which time Council resolved that a review, or “refresh”, of ANU by 2020 was timely and a process of engagement across the university should be initiated to debate emerging issues and themes that will contribute to a strengthened articulation of the university’s strategic intent through to 2025 – 2030.
The working party convened on 29 May 2014 and agreed that a series of forums, 10 in all, be conducted across the university. Forum topics and format have been agreed with Deans and a model, similar to the Budget Solutions forums, will be adopted. In addition, forum feedback will be consolidated and placed on the university’s website with a further opportunity for online feedback.

The schedule of activity over the coming months is as follows:

1. Forums will be scheduled over July;
2. A White Paper incorporating the results from each forum will be developed by August and considered by the working party; and
3. A final report will be presented to Council, at its October meeting.

Council members considered the benefit in attending some sessions, as observers, particularly in relation to student experience considerations. Council further recommended that a discussion forum be convened inviting participation by alumni.

Council noted the progress report on the review of ANU by 2020 by the Vice-Chancellor.

8. ASSET OWNERS DISCLOSURE PROJECT – GLOBAL UNIVERSITIES SURVEY

The Executive Director (Administration and Planning) outlined the rationale for recommending that Council not participate in the survey based on the following:

- the need for the University to focus on implementing its Socially Responsible Investment policy;
- that survey’s integrity as a robust research tool is questionable; and
- the survey suffers from a low response rate from past participants.

Resolved:
That Council:

1. Approve the university’s plan to focus efforts on the implementation of its Socially Responsible Investment Policy;
2. Agree not to participate in the 2014 Global Universities Index Survey; and
3. Endorse the university’s proposal to formally respond to Professor Hewson outlining the University’s position.

9. BUDGET SOLUTIONS UPDATE

The Executive Director (Administration and Planning) spoke to the report provided to Council.

Council noted the summary report on the implementation of the Budget Solutions package and results achieved to date (66/2014).

10. ANU ENTERPRISE PTY LTD – PROPOSED ACQUISITION OF THE SOCIAL RESEARCH CENTRE PTY LTD

The Vice-Chancellor provided an outline of the details of the acquisition and its strategic alignment with the University.

Resolved:
That Council approved the acquisition of the Social Research Centre Pty Ltd by ANU Enterprise Pty Ltd and the loan facility of $6.0 million.

11. PROJECTED FINANCIAL RESULTS AND KEY PERFORMANCE INDICATORS

The Executive Director (Administration and Planning) spoke to the report, advising Council that the results show a significant improvement against budget attributed to improved
investment returns, reduced staffing expenditure as a result of the implementation of the Voluntary Early Retirement program and an increase in student commencements. The combined effect of these factors shows the overall Net Operating Result, after Capital Grants, has moved favourably from a budgeted deficit of $26.174 million to a projected deficit of $3.512 million.

Council noted the summary report of the University’s draft financial position as at 13 April 2014 and projected result for the Financial Year to 31 December 2014 (522/2014; 523/2014 and 524/2014).

12. STUDENT ACCOMMODATION DEMAND ANALYSIS PROJECT

The Vice-Chancellor provided an outline of the project scope, the purpose of which is to better understand, and build a business case for meeting student demand for accommodation, community services and facilities and an enhanced physical environment that brings life to the university campus and residential experience.

Preliminary analysis signals the need for major redevelopment of Union Square to incorporate apartment-style accommodation for postgraduate students and staff, combined with commercial outlets. The Student Accommodation Demand Analysis Project has been commissioned to provide a more nuanced understanding of longer term demand and the investment model required to meet this demand.

Council noted the Student Accommodation Demand Analysis project scope (70/2014).

13. WORK HEALTH AND SAFETY PERFORMANCE AT ANU

The Executive Director (Administration and Planning) spoke to the report. The Council discussed key issues emerging from the report, including implications for self-insurance, underlying causes of repetitive stress injuries, trend data highlighting the emergence of mental health issues and the extent to which structural change influences these factors.

Council noted the report on Work Health and Safety performance in 2013 and action underway to improve performance (68/2014).

PART 3: STRATEGIC ISSUES

14. SERVICE IMPROVEMENT PRESENTATION – PROGRESS REPORT

The Director, Service Improvement Group, and Acting Chief Information Officer, Ms Karen Hill, provided a presentation outlining progress on the Service Improvement Program. The focus of the presentation highlighted:

- The current situation and desired future state of administrative services; and
- Project status to support business transformation and delivery of administrative efficiencies.

Of the original 60 projects scheduled for implementation, Council noted that 30 remain as “work in progress”. Active contribution and cooperation from Colleges has been a hallmark of the program, leading to the delivery of results to date. In addition, engagement across the university community has generated ideas and project proposals in relation to:

- Target areas for administrative reform;
- The identification of systems and services that should be integrated, aligned and coordinated;
- The articulation of more effective ways of working and cooperating with reduced resources; and
• The establishment of communities of practice to build organisational capability and a performance culture.

Council noted the presentation on implementation progress in relation to the Service Improvement program of work for 2014 and thanked Ms Hill for a succinct and focussed overview of this major change program across the university.

15. MELBOURNE ENGAGEMENT STRATEGY

Council noted the Chancellor’s report on the Melbourne Engagement Strategy (69/2014).

PART 4: OTHER MATTERS FOR DECISION

16. HONORARY DEGREE NOMINATIONS

Council approved the awarding of the degree of Doctor of Science *honoris causa* to William (Bill) Thomas Cooper and Wendy Elizabeth Cooper on the grounds of their outstanding achievements as scholars.

17. APPOINTMENTS TO COMMITTEES

Council was advised of the terms of the current membership of the Audit and Risk Management Committee, Finance Committee, Appeals Panel, Honorary Degrees Committee and Nominations Committee.

17.1 Audit & Risk Management Committee

Resolved:
That Council:

1. Approve the following membership of the Committee:

   • Mr. Geoff Knuckey be reappointed as Committee Chair, for two years to from 1 July 2014 to 30 June 2016;
   • Mr. Mark Ridley be reappointed for two years from 1 July 2014 to 30 June 2016;
   • Ms Robin Hughes be appointed, as Council member, for two years from 1 July 2014 to 30 June 2016; and
   • The following two new independent members be appointed, each for a two year term, from 1 July 2014 to 30 June 2016:
     o Ms Janine McMinn and
     o Mr. Jeremy Chandler.

2. Agree to retain one vacancy on the Committee to provide a level of flexibility for the Committee to determine skill mix requirements over the longer term, to support its work.

17.2 Finance Committee

Resolved:
That Council:

1. Approve changes to the composition of the Finance Committee providing for:

   • ex-Officio members, being, for the present time, the Pro-Chancellor, Vice-Chancellor and Chair, Audit and Risk Management Committee;
   • Up to three Council members; and
   • Up to five other members with appropriate expertise, at least four of whom are neither students nor employees of the University, appointed by Council.
2. Approve the following membership of the Committee:

- Dr. Doug McTaggart be reappointed for two years from 1 July 2014 to 30 June 2016;
- Mr. David Miles be reappointed for two years from 1 July 2014 to 30 June 2016;
- Subject to Ministerial approval, Ms Naomi Flutter be appointed, as a new Council member, for two years; and
- Mr. Keith Lyon be reappointed for two years from 1 July 2014 to 30 June 2016.

3. Note that the Chair of Finance Committee will confer with the Chancellor, Council members, the Vice-Chancellor and Committee members in relation to the future appointment of other members, with a particular focus on achieving an improved gender balance within the Committee.

4. Note that Mr. Samuel's current term as Committee Chair will not expire until 30 June 2015. In addition, Ms Siobhan McKenna's term will not expire until 30 June 2015.

17.3 Appeals Panel

Resolved:
That Council:

1. Renew the following appointments to the Appeals Panel:

- Dr Mary Varghese, as the Council nominated member, effective from 25 May 2014 to 24 May 2016 and
- Ms. Emma Dunn, ANUSA representative, effective from 25 May 2014 to 24 May 2015.

2. Note that Ms Sophie Stanley's term, ANUSA representative, will not expire until 22 September 2015.

17.4 Honorary Degrees Committee

Resolved:
That Council:

1. Approve the following appointments to replace current retiring Council members:

- Subject to Ministerial approval, appoint Professor Suzanne Cory, effective from 1 July 2014 to 30 June 2016,
- Subject to Ministerial approval, appoint Professor Patrick Dodson, effective from 1 July 2014 to 30 June 2016, and
- Mr David Miles, effective from 1 July 2014 to 30 June 2016, to replace the third Council position which will become vacant as Ms Robin Hughes assumes the role of Pro-Chancellor on the Committee.

2. Note the Vice-Chancellor’s forthcoming appointments of Distinguished Professor Brian Anderson, Research School of Information Sciences and Engineering, College of Engineering and Computer Science and Professor Don Rothwell, Centre for International and Public Law, ANU College of Law replacing outgoing members Professor Marilyn Ball and Professor Nicolas Peterson, whose terms will conclude on 29 September 2014.
17.5 Nominations Committee

Resolved:
That Council note:

1. The reappointment of the following members to the Nominations Committee of Council for a further three year term to 26 May 2017:
   - Professor Carmen Lawrence; and
   - Ms Hilary McPhee.

2. The appointment of Ms Julie Steiner who will replace long-serving member Mr Rob Southey, for a three year term from 1 June 2014 to 31 May 2017.

3. The ongoing appointment of Professor Kieran Kirk and Professor Ian Young, Vice-Chancellor; and

4. The appointment of Ms Robin Hughes, Pro-Chancellor to the Committee to replace Ms Ilana Atlas.

18. APPOINTMENT OF BOARD OF GOVERNORS OF THE ENDOWMENT FOR EXCELLENCE

Resolved:
That Council:

1. Approve the following appointments to the Board of Governors of the ANU Endowment for Excellence:
   i. Extension of Dr David Chessell as Senior Vice-President to the Board of Governors of the ANU Endowment for Excellence Board of Governors until 19 February 2017, under Paragraph 3 (1) (b) of the Rules.
   ii. Appointment of a representative from The Australian National University Students’ Association Inc. or the Postgraduate and Research Students’ Association Inc under Paragraph 3 (1) (e) of the Rules:

   Incumbent up to 30.04.14: Mr Arjuna Mohottala
   Replacing Nominee up to 30.11.14: Mr Cameron Wilson

2. Approve the appointment of Mr Vince FitzGerald to the Board of Governors of the ANU Endowment for Excellence effective from 1 June 2014 to 31 May 2018, in accordance with Council (Rule 3(2) ANU Endowment for Excellence Rules 2012).

PART 5: OTHER MATTERS FOR NOTING

19. 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 1 May 2014.

20. 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 16 May 2014.
21. ACADEMIC BOARD ANNUAL REPORT 2013
Council approved the 2013 Annual report for Academic Board (74/2014).

22. ACADEMIC BOARD
Council noted the report from the meeting of the Academic Board held on 2 May 2014 (809/2014).

23. ANU ENDOWMENT FOR EXCELLENCE ANNUAL REPORT TO DONORS 2013
Council approved the ANU Endowment for Excellence Annual Report to Donors 2013 (72/2014).

24. POWER OF ATTORNEY
Council noted the list of transactions over which the Investment Manager exercised the Power of Attorney between 12 March 2014 and 5 May 2014.

25. UNIVERSITY SEAL REPORT
Council noted the document to which the University Seal has been affixed since the meeting of Council held on 28 March 2014.

26. SIGNIFICANT VISITS AND EVENTS, GRANTS AND CONSULTANCIES
Council noted the report of significant visits and events, grants and consultancies (84/2014).

27. ANU ENTERPRISE PTY LIMITED UPDATE REPORT TO 31 MARCH 2014
Council noted the update report for ANU Enterprise Pty Limited as at 31 March 2014 (530/2014).

28. BRU HOLDINGS PTY LIMITED AND SA2 HOLDINGS PTY LIMITED QUARTERLY UPDATE REPORT TO 31 MARCH 2014
Council noted the quarterly summary financial update from BRU Holdings Pty Limited (Davey Lodge) and SA2 Holdings Pty Limited (Kinloch Lodge) to 31 March 2014 (531/2014) and (532/2014).

PART 6: OTHER BUSINESS

29. QUESTION TIME
There were no matters raised in Question Time.

30. OTHER BUSINESS
The Chancellor invited Council members to join with him and the Vice-Chancellor to meet with a representative group of students to discuss issues of concern arising from the Federal Budget announcement to deregulate university fees.

Council concluded at 11:25 am.
31. NEXT MEETING
It was noted that the next meeting of Council will be held on 25 July 2014.

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

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