



CONFIDENTIAL

COUNCIL

The 436th meeting of the Council was held at 9:15am on Friday 30 September 2016, in the R C Mills Room, Level 4, Chancelry Building, ANU campus, Canberra.

Present:

The Chancellor, Professor Gareth Evans AC QC (in the Chair)
The Vice-Chancellor, Professor Brian P. Schmidt AC
The Pro-Chancellor, Ms Robin Hughes AO
Mr Graeme Samuel AC
Dr Doug McTaggart
Professor Suzanne Cory AC
Ms Naomi Flutter
Professor Tim Senden
Professor Jan Provis
Ms Deborah Veness
Professor Catherine Waldby
Ms Alyssa Shaw, President, PARSA
Mr Ben Gill, President, ANUSA

Apologies:

Mr Peter Yu
Ms Natasha Stott Despoja

In attendance:

Deputy Vice-Chancellor (Research) – Professor Margaret Harding
Pro-Vice Chancellor (Innovation) – Professor Michael Cardew-Hall
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
Professor Jacqueline Lo, Chair, Academic Board
Mr James Connolly, President-elect, ANUSA

Chancelry staff:

Director, Corporate Governance and Risk Office – Ms Kate Molloy
Manager, Corporate Governance and Policy – Mr Andrew Heath
Senior Governance Officer – Ms Leslie McDonald

PART 1: PROCEDURAL ITEMS

1. ANNOUNCEMENTS

The Chancellor advised that, since the last meeting, the Federal Minister for Education and Training has approved the appointment of Mr Peter Yu and Ms Natasha Stott Despoja and has approved the reappointment of Dr Doug McTaggart. Their terms are effective from 1 September 2016 to 30 June 2020.

Mr Yu and Ms Stott Despoja each advised their apologies for the meeting, due to prior business commitments.

Council congratulated Professors Tim Senden and Jan Provis on their recent re-elections as academic members of the Council, each for a term of two years, from 30 September 2016 to 29 September 2018 and further congratulated Professor Catherine Waldby following her election by the Deans and Heads of Research Schools. Professor Waldby's term is effective from 30 September 2016 to 29 September 2018.

In addition, Council welcomed Ms Alyssa Shaw, the newly-elected President of the Postgraduate and Research Students' Association, who takes up her term on Council for the period of 17 August 2016 to 17

August 2017. Mr James Connolly joined the meeting, as part of his induction as the incoming President of the ANU Students Association Incorporated, with a term effective from 1 December 2016 to 30 November 2017.

There were no other apologies for the meeting.

2. LEAVE OF ABSENCE

No member sought leave of absence.

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 items were declared confidential.

Council resolved to star Agenda item 14 – 2017 Council Forward Agenda – to enable Council discussion of the proposed agenda structure, strategic topics and dates. In addition, Agenda item 17 – Change of School name from RegNet to School of Regulation and Global Governance – was withdrawn from the meeting, to enable resolution of some outstanding matters. It is proposed that the paper be re-submitted to the 2 December 2016 meeting.

No items were unstarred. Unstarred items were approved on the motion of the Vice-Chancellor.

5. MINUTES

Resolved:

That the Council confirm the minutes of meetings held on 13 (754/2016) and 22 July 2016 (693/2016), subject to minor amendment, as correct records.

PART 2: KEY BUSINESS ITEMS

6. VICE-CHANCELLOR'S REPORT

The Vice-Chancellor introduced his report *****

- Recent appointments to senior staff with Professor Michael Wesley as the new Dean of the College of Asia and the Pacific; and appointment to the positions of Dean of the College of Arts and Social Sciences and Dean, Higher Degrees by Research nearing completion. Council noted that Professor Jenny Corbett will return to a key research role at the Crawford School of Public Policy, following completion of her term as Pro Vice-Chancellor (Research and Research Training). In addition, Professor Veronica Taylor has concluded her role as interim Dean, CAP, and will return to research in RegNet.
- The University will play a leading role in 8 out of 9 ARC Centres of Excellence and will be lead investigator in respect of \$38 million of research over 7 years. This outcome will provide a significant injection into the University's research funding.
- In an assessment of the state of ANU, it is clear that the University's reliance on government funding as a prime source of revenue will need to be augmented by growing the University's philanthropic and endowment base to attract early to mid-career researchers and to facilitate research activity in emerging areas where the University can, and should, play a key role. Further, drawing reserves from internal taxes on student fees, combined with a reallocation of the National Institutes Grant, longer term, will enable the University to re-position and concentrate its funding priorities in critical areas of research and public policy in the national interest.

Resolved:

That the Council note the Vice-Chancellor's report.

7. DRAFT ANU STRATEGIC PLAN

The draft ANU strategic plan reflects feedback received through the extensive consultation program, detailed discussions with the Executive and senior management of the University, and the emerging themes that have consistently been articulated in campus-wide conversations and through working groups. Chief amongst these themes is a recognition that, to achieve excellence in teaching, research and public engagement, we need to foster a performance culture, be more innovative to advance our standing nationally and globally, take measured risk in strategic decision-making and commit to a collegial workplace.

In discussion, Council resolved that:

- The current draft Plan requires further refinement to ensure clarity and consistency in language, and to ensure that it:
 - assumes a positive tone and is fit-for-purpose for campus-wide dissemination;
 - articulates the imperative for change, setting challenging and ambitious targets, without diminishing the University's standing or putting at risk government support;
 - serves as an effective communication tool to motivate staff and to connect explicitly with College/Service Divisions operational plans;
 - engages government and key stakeholders; and
 - promotes the University's credentials and reputation..
- The incorporation of a section on Values, reflecting the Vision Statement, should remain as an essential feature of the Plan;
- A three-tiered planning hierarchy would best serve the University's forward planning requirements, namely:
 - the Vision Statement with an outlook to 2025 and beyond;
 - the ANU Strategic Plan with a 5 year outlook underpinned by high level performance indicators condensed to 10 to 15 in total; and
 - College/Service Division operational plans, each with a one year outlook, supported by detailed financial information, key performance indicators (KPIs), implementation milestones, and clearly identified accountability for implementation;
- Performance reports need to be accountability documents with an appropriate level of detail and transparency about the outputs delivered, the outcomes and benefits realised from investment in strategic priorities, tracking against targets and remedies undertaken where performance is lagging. Above all, they must be robust and avoid disguising poor performance;
- The indicative KPIs model need further refinement to ensure that it balances the desire for high level, aggregate measures and detailed, granular information to enable performance to be readily assessed; and
- For statutory reporting purposes, and to comply with the Public Governance, Performance and Accountability Act 2013 (PGPA), an appropriately modified version of the Plan will be submitted to the Minister, once approved. To this end, PGPA reporting timelines require that the University submit the approved Strategic Plan by no later than 28 February 2017.

Council further noted the intention to incorporate the ideas generated from the extensive consultation process with staff and students, within relevant operational plans.

Resolved:

That Council note:

1. The progress being made in relation to the University's Strategic Plan; and
2. The planned program of work to bring the final draft of the Strategic Plan to the 2 December meeting for Council consideration and approval.

8. 2016 UNIVERSITY FINANCIAL PROJECTION AND 2017 BUDGET

In its consideration of the 2016 financial projection and 2017 University budget, Council noted the following highlights:

- An improvement in the updated 2016 projection as a result of an increase of \$24.5 million in international fee paying load, higher domestic HECS/CGS load with revenues up by \$3.1 million, a refund of \$2

million in respect of the 2014 and 2015 efficiency dividend and a reduction in employee costs of \$3.9 million have attributed to a reduced forecast staff headcount;

- Service costs are projected to increase by \$2.1 million due to increased agent commission fees for international student recruitment;
- An increase of \$10.8 million in depreciation expenses as a result of the write down of major IT infrastructure assets, buildings associated with the Union Court redevelopment and the construction of the Research School of Physics precinct;
- An increase of \$18.6 million in investment revenues;

- The continued restructuring of the University's funding allocation model from operating activities to capital works, resulting in a reallocation of \$2.5 million towards capital activities in the 2017 budget;
- A further softening in Federal Government revenues, through funding received from the Australian Research Council (ARC), National Health & Medical Research Council (NHMRC), and continued funding cuts in other government departments leading to a potential decline in Research Block Grant (RBG) funding.

Key issues considered included:

- The need to diversify the University's revenue streams as a priority;
- A continued decline in uptake of the Graduate Diploma of Legal Practice due to competition by The College of Law (Sydney) and the need to review program offerings and cost structures;
- The renegotiation of the salary increases in the Enterprise Agreement for 2017 and the impact on budgeted employee expenses;
- Intended increase in headcount of 25 FTE in 2017 to support strategic initiatives and efficiency dividends derived from reduced costs in IT Services, Finance and Business Services, crystallised savings of \$2.5 million, resulting from implementation of the Workers Compensation self-insurance project and through ongoing business process efficiencies in the Student Administration area.

The Chancellor commended the work of the Chief Financial Officer and his team in presenting clear, comprehensive, and readily comparable financial data to enable Council to give due weight and consideration to the financial and budgetary issues facing the University..

Resolved:

That the Council:

1. Consider the University 2016 financial projection; and
2. Approve the 2017 budget.

9. PBSA INVESTMENT TRANSACTION UPDATE

Resolved:

That the Council note the status the PBAS Investment Transaction and activities post financial close:

10. UNION COURT REDEVELOPMENT UPDATE

Council noted the update, in particular:

- The results from the open expression of interest issued to the market for architectural services where a total of 32 responses were received and included submissions to design all, or some, of the architectural elements;
- The evaluation process involving the establishment of an Evaluation Committee, chaired by the Deputy Vice-Chancellor (Academic), to develop a shortlist of respondents;
- Initial presentation of shortlisted proposals to the Major Projects Joint Sub-Committee (MPJSC) meeting on 30 August, 2016;

- BVN's appointment, resulting in one firm being responsible for all architectural elements, including the culture and events building;
- Design concepts presented, to date, remaining a work in progress and which will evolve as dialogue

continues with the University and key Committees to ensure that the final design presents an elegant solution and is fit for purpose. A key imperative of the redevelopment is to achieve a design outcome where buildings harmonise architecturally with each other, deliver their core service requirements, support student accommodation and living needs, provide the basis for activation through retail and commercial outlets, culture and performance, health and wellbeing services and are aesthetically integrated through landscaping and surrounds;

- BVN's mobilisation, which has been highly positive and reinforced by a commitment of its resources to the project to the point of not taking on other assignments;
- The establishment of a series of design groups across campus to invite staff and student input to the design of the precinct, noting that more work is needed to strengthen communications to, and with, students and to provide more regular information updates on the Union Court redevelopment website;

- The indicative construction schedule to which the University is working, and associated funding requirements, noting that the demanding timelines will be counter-balanced with ensuring a sound design solution is achieved in a considered manner.

Resolved:

That the Council note the current status of Union Court redevelopment and the next phase budget allocation.

11. STUDENT ACCOMMODATION DEVELOPMENT - SA6

Council noted in the update from the Executive Director (Administration and Planning) that, as a result of further budget review, the cost plan for the total development has been adjusted *****. Of note, the Tuckwells have signalled a willingness to continue to work with the University so that the resulting student accommodation construction is of a quality standard.

In relation to communications arising from the public announcement in July 2016, Bruce Hall students are enthusiastic about the development and remain strongly supportive. *****

Discussions have also been held with the office of the Federal Minister for the Environment and Energy and the University has now established a departmental contact for future reference. In addition, the University presented its submission to the National Capital Authority, to secure authority approval for the project.

The project remains on track for completion for the commencement of the 2019 student year.

Resolved:

That Council note the current status of the SA6 development.

PART 3: STRATEGIC ISSUES

12. ANU ADVANCEMENT PLAN – PROGRESS, CASE FOR SUPPORT AND FORWARD PLANNING

The Director, Alumni Relations and Philanthropy, Dr Colin Taylor, gave a presentation on progress being made in relation to implementation of the ANU Advancement Plan.

Priorities for the year have focussed on:

- 1 Developing a compelling, concise and distinctive Case for Support for ANU, ensuring that the University's fundraising objectives and priorities align with the new strategic plan;
- 2 Strengthening the gift pipeline in collaboration with Colleges and Research Schools to enable the University to increase the number of prospective donors at all levels of potential gift;
- 3 Enhancing Advancement infrastructure, expertise and resources by implementing structural changes within the Alumni Relations and Philanthropy team and across ANU, to build a motivated workforce, extend capability and capacity, improve coordination and strengthen reporting;
- 4 Cementing Academic and Volunteer Confidence and Buy-In by identifying and working with the academic leadership and champions within ANU to support the fundraising and engagement effort;
- 5 Enhancing Alumni and Stakeholder Engagement, following the merger of the alumni and donor relations teams, and adopting new ways of systematically engaging with our alumni; and

6 Embedding the Philanthropic Voice with a focus on donor relations, ensuring that resource effort and activity is spread across campus and moves the University towards the model of a 'philanthropic university'.

In discussion, Council noted the following:

- The Alumni Relations and Philanthropy team has increased from 3.2 fulltime equivalent staff (FTE) to 9.3 FTE and has projected a full staffing complement of 10.5 FTE by 2017, with scope to substantially grow the pool of funds raised and keep pace with managing the rate of opportunities as they arise;
- Given the competition for talent nationally in the area of fundraising and philanthropy, the University has brought together a team of staff with capacity to upskill, supplemented by fewer, more experienced, personnel;
- In-house training has been augmented by drawing on professional development programs available across Australia and a further plan to draw on international programs during 2017;
- The team is making sound progress to bring to gift conclusion, the total number of prospects being identified and a target has been set of \$20 million in completions each year from 2018 with an estimated cumulative fundraising potential of \$275 million over 2011 to 2022;
- Key challenges remain, in particular, how to make best use of the expertise of the University's volunteer base and to give them the support they require;
- A feasibility study will be commissioned during 2017 in relation to the adoption of a campaign approach by the University;
- Presentation of a preliminary Case for Support ('the Case') as the central framework to enable the University to move quickly, with a clear purpose, to realise donor opportunities. As a living document, to be finalised in line with the University's strategic plan, the Case will be tested internally and followed by external testing with trusted donors. Of relevance, elements of the Case will comprise a tiered communication approach with:
 - the Case being the key messaging, or the 'shop window';
 - the defined institutional strategic priorities being the 'shop floor'; and
 - the range of projects available for donor funding support being the 'warehouse'.

In response to the key considerations posed as part of the presentation, Council:

- Endorsed the concept of a Case for Support as a means of harnessing staff resources, focusing communications with stakeholders about donor opportunities and marketing the ANU brand;
- Reaffirmed the need for the Case documentation to be written in a clear, concise manner with an emphasis on the underpinning projects rather than a financial target to be reached;
- Noted that a range of material will be developed primarily for internal communication purposes but will also guide the development of media (video) for external communications;
- Noted that the final draft of the Case for Support will be presented to the 2 December 2016 meeting for approval.

At the conclusion of the presentation, Council observed that encouraging progress had been made over the year and thanked Dr Taylor for the presentation.

Resolved:

That the Council note:

1. The issues raised in the strategic presentation and discussion about progress being made in relation to implementation of the ANU Advancement Plan; and
2. The final draft of the Case document will be presented to the 2 December 2016 Council meeting, for consideration and approval.

PART 4: OTHER MATTERS FOR DECISION

13. HONORARY DEGREE NOMINATION

Resolved:

That the Council award the degree of Doctor of Science *honoris causa* to Professor Bertil Andersson, on the grounds of his exceptional contribution to science that is recognised internationally.

14. COUNCIL MEETING DATES FOR 2017 AND 2018

Resolved:

That Council:

1. Approve the proposed meeting dates for 2017 and 2018;
2. Adopt the forward agenda plan for 2017 with the inclusion of a strategic discussion about advancing the University's reputation and safeguarding against reputational risk; and
3. Endorse the acquittal of governance responsibilities for 2017.

Members were invited to bring forward other suggestions for strategic discussion over the course of 2017.

15. FINANCIAL AUTHORITY FOR TRANSACTIONS OVER \$10 MILLION

Resolved:

1. That, further to its resolution of 4 December 2015 placing a financial limit of \$10M on the Vice-Chancellor's delegated authority, Council resolve that:
 - a. the Vice-Chancellor, or his nominee, be authorised to approve, on behalf of Council, ancillary matters that relate to the implementation and management of already approved budgets and involve expenditures of greater than \$10M on the basis that:
 - i. the scope of matters authorised for such approval include procurement processes, execution of contracts and payment of contractual amounts over \$10M;
 - ii. the scope of budgetary matters include the Capital Management Plan and projects, both capital and non-capital, which have been considered and approved by Council;
 - iii. all such approvals relating to matters over the \$10M limit will be reported at least twice a year to Council.
2. That the University's Capital Management Plan be submitted for Council approval each year.

16. ANU ELECTRICITY AND GAS SUPPLY CONTRACTS

Resolved:

That Council resolve to:

1. Approve expenditure on provision of electricity and gas; and
2. Delegate to the Vice-Chancellor, the execution of the Electricity and Gas Supply Contracts.

18. AMENDMENT OF ANU STUDENT ASSOCIATION INCORPORATED CONSTITUTION

Resolved:

That Council approve the changes to the ANU Students' Association Constitution, as approved by their Ordinary General Meeting held on 23 September 2016.

19. DISSOLUTION OF THE JOHN CURTIN MEDICAL RESEARCH FOUNDATION

Resolved:

That Council approve the dissolution of the John Curtin Medical Research Foundation, a Foundation of the ANU Endowment for Excellence.

20. STUDENT SERVICES AMENITIES FEES – APPROVAL OF CONSULTATION PROCESS

Resolved:

That Council approve the process for consulting students on the expenditure of Student Services and Amenities Fee (SSAF) funds.

PART 5: OTHER MATTERS FOR NOTING

21. WORK, HEALTH AND SAFETY PERFORMANCE REPORT

Resolved:

That Council note the accompanying report pertaining to staff work, health and safety for the period up to 24 August 2016, together with the student safety report for the 21 June to 31 August 2016 period. Of concern, staff training participation had dropped for the reporting period, largely attributed to a reduction in the number of available courses, together with an increase in online training. Notwithstanding, this is an area requiring careful review and management undertook to examine options to redress this downturn.

In respect of the student safety report, discussion focussed on definitions being used in respect of the spectrum of sexual harassment. University management advised that these definitions have been in place for reporting purposes, over a considerable period. Notwithstanding, a re-examination of definitions will be undertaken, in consultation with key areas of the University and a report back will be provided to a future meeting of Council.

Council was further advised that in August, the first nationwide survey was launched on university students' experiences of sexual assault and sexual harassment. The survey is being conducted under the auspices by Universities Australia and the Australian Human Rights Commission.

All 39 of Australia's universities have been included, as part of Universities Australia's *Respect. Now. Always* campaign launched earlier in the year.

22. WORKPLACE GENDER EQUALITY AGENCY ANNUAL REPORT

Resolved:

That Council:

1. Note the University's report submitted to the Workplace Gender Equality Agency (WGEA); and
2. Acknowledge the Notice of Compliance with the *Workplace Gender Equality Act 2012* issued to the University by WGEA.

23. 2016 SECOND HALF YEAR STUDENT PERFORMANCE REPORT

Resolved:

That the Council note the student enrolment performance for the 2016 second half year.

24. STANDARD AND POOR'S RATING REPORT

Resolved:

That Council note the University's interaction with Standard & Poor's along with the information contained in its credit rating report.

25. AUDIT AND RISK MANAGEMENT COMMITTEE – EXECUTIVE SUMMARY

Resolved:

That the Council note the summary of major items considered by the Audit and Risk Management Committee (ARMC) at its meeting held on 14 September 2016.

26. FINANCE COMMITTEE – EXECUTIVE SUMMARY

Resolved:

That the Council note a summary of major items considered by the Finance Committee at its meeting held on 16 September 2016.

27. MAJOR PROJECTS JOINT SUB-COMMITTEE – EXECUTIVE SUMMARY, 30 AUGUST 2016

Resolved:

That the Council note the summary of major items considered by the Major Projects Joint Sub-Committee at its meeting held on 30 August 2016.

28. MAJOR PROJECTS JOINT SUB-COMMITTEE – EXECUTIVE SUMMARY, 5 SEPTEMBER 2016

Resolved:

That the Council note the summary of major items considered by the Major Projects Joint Sub-Committee at its meeting held on 5 September 2016.

29. CAMPUS PLANNING COMMITTEE – EXECUTIVE SUMMARY

Resolved:

That the Council note the summary of major items considered by the Campus Planning Committee at its meeting held on 12 July 2016.

31. ACADEMIC BOARD REPORT

Resolved:

That the Council note the report of Academic Board for its meeting held on 2 August 2016.

32. POWER OF ATTORNEY

Resolved:

That Council note the list of transactions over which the Investment Manager exercised Power of Attorney between 22 July 2016 and 6 September 2016.

33. UNIVERSITY SEAL REPORT

Resolved:

That Council note the documents to which the University Seal has been affixed since the last meeting of Council held on 22 July 2016.

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

Resolved:

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

35. LEGISLATION

Resolved:

That Council note the legislation as approved by the Vice-Chancellor, namely:

- *Council (Elections) Order 2016 (No. 2) and*
- *Academic Board and Committees Rule 2016.*

36. PGPA S19 ADVICE TO THE MINISTER – PBSA INVESTMENT TRANSACTION

Resolved:

That Council note the Vice-Chancellor's letter to the Minister for Education and Training, dated 16 August 2016, informing him of the details of the PBSA Investment Transaction, in accordance with section 19 of the *Public Governance, Performance and Accountability Act 2013 (773/2016)*.

37. DISESTABLISHMENT OF THE RESEARCH SCHOOL OF ASIA AND THE PACIFIC

Resolved:

That Council note the disestablishment of the Research School of Asia and the Pacific (RSAP), as approved by the Vice-Chancellor.

38. RESIDENTIAL FEE SETTING FOR 2017

Resolved:

That the ANU Council note the following residential fees increases for 2017:

1. Bruce Hall and SA5 – 2.5% increase for catering
2. Fenner Hall - CPI 1.3% plus 3.2% for maintenance.
3. PBSA - ANU Halls (Toad, Burton and Garron and Ursula), Lodges (Davey,
4. Kinloch, Warrumbul, Lena Karmel) and Graduate House - CPI 1.3%.

PART 6: OTHER BUSINESS

39. QUESTION TIME

No questions were raised during Question Time.

40. OTHER BUSINESS

No other business was raised.

41. NEXT MEETING

The Council noted that its next scheduled meeting is to be held on 2 December 2016, at 9:15am.

The meeting closed at 12:45 pm.

Date: _____

Professor the Hon Gareth Evans AC QC

Chancellor

The Australian National University

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