



The University of Sydney

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## Academic Board Agenda

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### SEPARATE ATTACHMENT

Following is documentation for

#### **item 7.1.1 Vice –Chancellor’s report to Open Session of Senate**

of the Academic Board Agenda for the meeting to be held on Wednesday 25 February 2009.



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## Senate, 2 February 2009

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### 5. Report of the Vice-Chancellor and Principal

#### 5.1 Update for Senate's information

I will report at the meeting

#### **Recommendation**

*That Senate note the update.*

#### **For discussion**

#### 5.2 Vice-Chancellor's and Provost's Business

##### 5.2.1 *Senate Retreat*

The Working Party on the Retreat Agenda met on 14 January and the result of that discussion and a draft agenda, prepared by the Secretary to Senate, is **attached** for discussion.

#### **Recommendation**

*For discussion*

##### 5.2.2 *Review of Senate Committees*

As the Senate proceeds to its fifth and perhaps the most robust externally facilitated review of its performance to date it occurs to me that given the crucial role our Senate committees play in enabling Senate to discharge its obligations it may be timely to augment the process of performance review with a review of Senate's current committee structure.

As a new Vice-Chancellor, Fellow of Senate and member or attendee at all nine Senate committees my impression is that the present structure is one which has grown, somewhat organically, in response to perceived needs at various times. It would appear that there has not been a systematic review of Senate's committee structure for some time.

In proposing that a review now be conducted I am aware that there are currently specific matters before the Audit and Risk Management Committee concerning the optimum location of various issues relating to risk, within the present committee structure and, as a consequence, the possible transfer of responsibilities among committees.

Under the University of Sydney Act, Senate clearly has a broad discretion to establish the number and kind of committee it wishes to assist in the discharge of its responsibilities. The present nine committees reflect the wisdom of Senate's past and would appear to have served us well. What I am proposing is not a review of the performance of those committees nor am I suggesting that the situation be considered *tabula rasa*. What I am proposing is simply that the Senate establish a process by which we can review whether our present committee structure is best adapted to our current and future needs and whether some tuning of the structure might be needed.

The process I propose we follow is to establish a small working party of Senate, chaired by the Deputy Chancellor and including the Vice-Chancellor and two or three other Fellows of Senate, chosen to give appropriate breadth of perspectives, supported by the Secretary to Senate and our General Counsel as required.

While the precise methodology to be followed would be a matter for the working party to determine, with the guidance of Senate, I assume it is a given that the working

party would wish to seek input from Fellows of Senate and senior officers generally and in particular from current chairs and members of the various committees, including external members. It is likely that the working party may also wish to survey the committee structures at the other G08 universities and selected private sector organizations for comparison. When their task was completed the working party would obviously bring its report and recommendations to Senate for Senate's consideration.

In view of the relevant expertise currently available within the Senate, through external committee members and a number of our senior staff, I see no need to engage external assistance with this task.

**Recommendation**

*For discussion*

5.2.3 *Report of the Bradley Review* C14-36

Fellows will be aware that the Chair of the Government's Review of Australian Higher Education, Professor Denise Bradley had provided her Report just prior to Christmas. A confidential briefing on the Report, prepared by the newly appointed Director, Policy Analysis and Communication, Mr Tim Payne, is **attached** for discussion.

**Recommendation**

*For discussion*

5.2.4 *Role of the Registrar* C37-38

**Attached** is a paper on the role of the Registrar, prepared by the Deputy Vice-Chancellor (Education). He points out that the position of Registrar at this university has collected various roles, both statutory and traditional, which are not inherently related. These can be substantially grouped in three areas: Secretariat, Student Affairs (especially appeals and misconduct); and Student Records (for the certification of progress and graduand status). Given the creation of the separate position of Secretary to Senate and the relocation of the administration of Student Affairs to the Student Administration and Support (SAS) Division headed by the Director SAS and Deputy Registrar who reports directly to the DVC (Education), I believe that the DVC (Education) should also be designated as Registrar (allowing him or her to delegate as appropriate managerial duties to the Director SAS and Deputy Registrar.

When this proposal was discussed at recent meeting of the Senior Executive Group, some members questioned how such a reallocation of duties would compare to the Registrarial role at other Go8 universities and whether, instead, the Director SAS should be designated as Registrar setting aside the traditional Secretarial elements of the role. I would argue that the proposal to designate the Deputy Vice-Chancellor (Education) as Registrar reflects the traditional status of this role within the University administration, appropriately adapted to modern arrangements. The Registrar has always been a direct report of the Vice-Chancellor. SEG agreed that the title should follow the allocation of responsibility and I therefore **recommend** that Senate approve the designation of the Deputy Vice-Chancellor (Education) as Deputy Vice-Chancellor (Education) and Registrar. If Senate agrees in principle, I will ask the General Counsel to advise in detail on the consequent changes required to rules, resolutions and delegations.

**Recommendation**

*For consideration*

**5.3 Research**

5.3.1 *Education Investment Fund (formerly HEEF) Update*

I am delighted to report that as a result of the application process described for Senate in December, the University was successful in being awarded the full \$95 million it had requested to help establish the Centre for Obesity, Diabetes and Cardiovascular Disease – stage one of the Sydney Arc project which is now underway. This award was the largest of 11 grants nationwide with total value of \$580 million.

5.3.2 *Update on new funding outcomes for 2009*

*Garnett Passe and Rodney Williams Memorial Foundation*

Dr Miriam Welgampola from the central clinical school and the Institute of Clinical Neurosciences at Royal Prince Alfred Hospital has been awarded the Foundation's Senior/Principal Fellowship for 2009. The fellowship is the Foundation's flagship award and will provide funding of \$940,000 over five years for Dr Welgampola to continue her work on developing simple new clinical tests of human vestibular function.

*NHMRC Capacity Building Grants*

The University of Sydney has been awarded two of nine capacity building grants to university research teams across Australia. These grants, with total funding of \$18.2 million over five years will support work in population health and health services — the implementation of health research and studies into effective and efficient health care services.

- Professor Simon Chapman, School of Public Health, \$1,897,375 for 'The Australian Health News Research Collaboration.'  
This program will build multidisciplinary research capacity between 3 universities, including participation by some of Australia's leading health journalists, to examine the content and accuracy of news treatments of health issues, how key audiences understand and are influenced by news coverage, how journalists decide which issues to cover and how they approach this coverage. The program aims to improve media literacy and the potency of policy advocacy among health professionals and so improve the quality of health news reporting in Australia.
- Associate Professor Stephen Jan, The George Institute, \$1,817,303 for 'Using health economics to strengthen ties between evidence, policy and practice in chronic disease.'  
This grant will provide training and development for a team of health economists to research chronic diseases covering issues such as: What is the value for money from investment in different treatments? How do such diseases affect the economic circumstances of families? How do we ensure that strategies to address illness work in practice and can be sustained? How do these issues get put on the policy agenda?

**5.3.3** *Update on new research block grants for 2009*

As a result of sector leading research income (\$311 million) and publications count in 2007 together with continued strong higher degree research student load and completions, the University of Sydney has been awarded a total of \$122,464,748 in research block grants for 2009, 10.89% of the total funds to the sector, and an increase of 5.12% over 2008. The University of Melbourne will receive \$133,590,829, the University of Queensland \$105,373,028, and the University of New South Wales \$92,421,326. The total comprises funding under three separate schemes, the Research Training Scheme (RTS) (\$60,706,018; 10.16%), the Institutional Grants Scheme (IGS) (\$36,275,566; 11.53%), and the Research Infrastructure Block Grants Scheme (RIBG) (\$25,483,164; 12.00%).

**5.4** **Education**

**5.4.1** *Postgraduate Studies*

Now that the new Deputy Vice-Chancellor (Research) and Deputy Vice-Chancellor (Education) have taken up their appointments, they have commenced discussions on the most appropriate cooperative arrangements between the two portfolios, to maintain and improve effective support and resources for postgraduate students. As well as the immediate need to provide continuity of the functions of the Graduate Studies office, recently transferred to the Education portfolio, in the coming months the best mix of central and devolved services and new strategies to improve the postgraduate student experience will be considered and consulted upon with Deans, the Academic Board and SUPRA, amongst others. Some of this will interact and draw upon the relevant Work Slate projects already in process.

**5.4.2** *TIES Grants*

The Teaching Improvement and Equipment Scheme (TIES) Grants were established to provide faculties the opportunity to apply for funding for projects which align with University or faculty Learning and Teaching strategic goals and objectives.

The most recent round of Large TIES Grants has been completed with 51 projects funded from across all faculties with the total funding reaching more than \$2.5 million. The Selection Committee were looking to fund applications which focused on large scale university-wide and/or inter-faculty projects, that had strategic significance for the enhancement of learning and teaching outcomes for the University and that were longer running projects than TIES grants funded in previous years.

The successful applications demonstrated a commitment to improving the quality of teaching and learning not just within their own discipline or Faculty but across the University.

The diverse range of successful Projects included:

- *IP Rural: Rural hubs to support inter-professional student experiences* involving the faculties of Education and Social Work, Dentistry, Architecture and Veterinary Science and which aims to provide support to students during their rural professional placements;
- *Embedding diversity: An Indigenous voice project* which aims to develop staff understanding of the Social Justice issues implicit in the teaching of Indigenous students; and
- *Writing for Engineering Disciplines: Supporting the Development of Student Writing across Curricula* which will develop an online and face to face resource for the teaching of professional writing in Engineering.

It is proposed to conduct a review of the TIES Grants which will involve consultation with Deans, academic staff and the wider University community. The review will focus on gathering evidence of the impact of funding past and present TIES projects to ensure that the distribution of this funding continues to support teaching and learning initiatives which are sustainable and strategically significant for the University.

## **5.5 Finance, Infrastructure and ICT**

### **5.5.1 Financial Performance**

Financial Services are following the agreed timetable for preparing the financial statements for year end 2008, and against the plan with NSW Audit Office. Figures will be released shortly and according to the timetable.

### **5.5.2 Information and Communication Technology**

#### **Future Student Administration Program**

Best and final offers (BAFO) from shortlisted vendors have been received and are currently being evaluated. These have resolved a number of queries around the tenders. Due diligence is now being conducted on these vendors. The development of improvements to student administration business processes has commenced and will continue in parallel to the vendor selection activities.

#### **Implement New Data Centre**

The successful commissioning of network connections from the University to the new Global Switch Data Centre has occurred and the first network attached equipment has been implemented at Global Switch. The movement of production systems to the new data centre will commence in February.

#### **Audio visual upgrades to lecture theatres**

A series of audio visual upgrades to teaching spaces is in progress and due to be completed by 20 February 2009. Building work has been carried out for the 29 scheduled lecture theatre upgrades.

### **5.5.3 Triple Bottom Line Reporting**

Membership of the Emissions Reduction Working Group has been agreed and incorporates a diverse range of academic expertise, relevant PSU staff and student representation.

- Mr Mark Easson, Chief Financial Officer (Chair)
- Professor Tony Vassallo, Delta Electricity Chair in Sustainable Energy, School of Chemical and Biomolecular Engineering
- Prof Mark Adams, Dean, Faculty of Agriculture, Food and Natural Resources
- A/Prof Rosemary Lyster, Australian Centre for Climate and Environmental Law, Faculty of Law, and Interim Co-Director, USISS

- Dr Chris Dey, Senior Research Fellow, Centre Integrated Sustainability Analysis, School of Physics
- A/Prof Geoff Frost, Associate Professor of Accounting, Faculty of Economics and Business
- Mr David McVicar, Director, Finance & Systems, Campus Infrastructure Services
- Mr John Lavarack, Manager Campus Sustainability, Campus Infrastructure Services
- Mr David Latimer, Utilities Officer, Energy and Water Administration, Campus Infrastructure and Services
- Mr Noah White, President, SRC
- Mr Rashmi Kumar, President, SUPRA

An initial meeting is being scheduled for the second half of February at which the group will finalise the draft Terms of Reference.

#### 5.5.4 *Campus Infrastructure and Services*

##### **Campus 2010**

- The Jane Foss Russell Building is complete with offices finished and tenanted. The University is working with prospective tenants for the retail plaza level.
- The Law School building is on track for completion on 31 January 2009. The law library will commence relocation activities on 23 January and move into the building from 27 January with the remainder of the faculty relocating shortly after. The building will be ready for the new teaching term.
- Works to Eastern Avenue are proceeding on track for completion in February 2009.
- The financial commitment to Campus 2010 will reduce to \$1.7m in 2009 and will cease thereafter.
- A total of 44 projects were under construction during the Christmas break with 32 due for completion during February 2009.

##### **Campus 2020**

- Abercrombie Precinct – CIS have completed a site investigation plan, a procurement analysis and a design consultant selection strategy. The concept application is being prepared including community consultation. The project is now waiting resolution of the purchase of Rose St and Boundary Lane from the City of Sydney Council.
- North Eveleigh – the University is continuing discussions with NSW Government regarding the purchase of this site.

#### **Capital Funding Projects**

##### • **Education Investment Fund (EIF) (Formerly HEEF)**

The University successfully attracted \$95m for its EOI for the Centre for Obesity, Diabetes and Cardiovascular Disease (CODCD) as part of the Stage 2 EIF funding application process. The funding will be directed towards the construction of buildings and facilities within the Sydney Arc Buildings. Appropriate governance structures to progress the project are currently in development.

##### • **Health and Hospitals Fund (HHF)**

The University has submitted five applications to the HHF. These applications were called for in the week before the Christmas break with a deadline of 19 January, making it impossible to consult as we would wish in sensibly determining capital priorities, but making such substantial funds available that the University could not responsibly refuse to bid. The details of bids are as follows:

- The **Western Clinical School (Combined Medical and Dental School)**. This application seeks funding to construct a new building to integrate clinical teaching for the Faculties of Medicine and Dentistry within the Clinical School into a single facility in the Westmead Hospital precinct. It will provide the Clinical School with modern and dedicated facilities needed to meet projected student growth in both medicine and dentistry; growth that is integral to the quality delivery of health care services in Australia. Funding sought: \$59.675m. The University commitment for this project will be \$10m.

- **Brain and Mind Research Institute – Childhood Mental Health and Brain Development Centre.** This ambulatory care and translational research facility will focus uniquely on advancing understanding and treatment of childhood developmental and behavioural disorders. The Childhood Mental Health & Brain Development Building activities will act as the hub for a wide range of early intervention and research strategies located at the BMRI reaching out from there to the rest of the NSW community in order to provide:
  - a high level of clinical care to children with mental health disorders
  - education and support for families with children suffering from such disorders
  - training for family medical practitioners in the treatment of these disorders
  - the best treatments that can be supplied from the basic and clinical research done at the BMRI and elsewhere.Funding sought: \$55.7m, which includes \$12m for the relocation of the Faculty of Nursing and Midwifery.
- **Nepean Clinical School Building.** This application seeks co-investment from the HHF for a new Clinical School at Nepean Hospital, a 600-bed general tertiary referral hospital that serves one of the fastest-growing areas of NSW. The new Clinical School is to be built on a vacant block in Derby Street, Kingswood, opposite the main entrance to the Hospital. The block was purchased for this purpose by the University in December 2008. Funding sought \$25m. University commitment is land only for \$2m which has already been purchased.
- **Northern Clinical School Hub – Early Phase Clinical Trial Unit** This application seeks an investment by the HHF in a 24-30 bed early phase clinical trials unit, situated at the Royal North Shore Hospital (RNSH) campus. In particular:
  - Capital fit out, of the currently vacant top floor of the Kolling building to accommodate the proposed early phase clinical trials unit.
  - Purchase and installation of a research specific PET/CT scanner within the proposed unit.Funding sought: \$12.9m. University commitment is \$400k.
- **Concord Hospital – Centre for Multidisciplinary Education and Innovative Practice.** The purpose of the Centre is to enable the University, through its Concord Clinical School, to effectively partner with Concord Repatriation General Hospital (CRGH) and Sydney South West Area Health Service (SSWAHS) in training a diverse range of undergraduate and graduate healthcare professionals and provide continuing education to current practitioners in better practice healthcare. A significant aspect of the continuing education program involves the participation of public and private community healthcare providers including general practitioners, community nurses, aged care service providers and the like. Funding sought \$25.75m. University will provide \$4m. This is the same \$4m included in the current CDP application for the Clinical School redevelopment.

In addition to the five applications above, the University has supported the following applications by other parties:

- **Westmead Millennium Institute – New Facility.** The Sydney West Area Health Service has submitted an application for funding for:
  - Construction of a new research building for the Westmead Millennium Institute and
  - The Core High Technology Facilities of the Westmead Research Hub (WRH). The building will be co-located with the other Hub partners
  - To extend WMI's translational research capacity by:
    - constructing a new Translational Research Laboratory
    - refurbishing a four bed ward in Westmead Hospital for a Phase I Clinical Trials Centre

In support of this application the University has agreed to an asset swap with the NSW Government, in which the University will purchase freehold title over the Cumberland Campus land, to the value of approximately \$30m, in exchange for an equal contribution by the NSW government to building this new facility.

- **ANZAC Research Centre – completion of the Bernie Banton Centre.**  
In support of this application the University has committed an in kind contribution of collaboration between the School and ANZAC research centre.
- **Capital Development Pool Funding Round (for Funding in 2010 and 2011)**
  - **The Lawson-Paterson Centre for Sustainable Land Futures** will be a flagship for the Faculty of Agriculture, Food and Natural Resources. The Centre will be a state-of-the-art teaching and research facility that supports undergraduate and postgraduate education and evidence-based teaching in the fields of global change biology, sustainable ecosystems and sustainable agriculture. The Centre will feature the latest thinking in sustainable building design and construction, as indicated by its 'carbon footprint'.  
Funding sought: \$5m
  - **The Clinical Education Centre, Concord Clinical School** is an initiative of the University of Sydney to deliver clinical teaching of both undergraduate and postgraduate specialist medical, nursing, allied services, pharmacy and dentistry education. The new education building will be located in the Education and Research Precinct of the Concord Repatriation General Hospital (CRGH) site and will provide for interdisciplinary and inter-professional learning at CRGH.  
Funding sought: \$3.85m

#### 5.5.5 *Key people*

To support achievement of its key objectives, the Operations portfolio has engaged a number of key staff:

##### **Mr Harry Banga, Director, Procurement Services**

Mr Banga holds a Bachelors Degree in Civil Engineering and a Bachelor of Laws Degree. He has held national procurement roles at Stockland Pty Ltd, David Jones and also has had successful senior roles in the construction and water resource industries. In his most recent role as the Group General Manager, NSW Procurement at the Department of Commerce, Mr Banga led significant change within the Procurement environment and brought about improvement and innovation to the way government business has traditionally been conducted. NSW Procurement is a self funding business within the government which generates close to \$50 million per annum in revenue and delivers ongoing annual savings of \$330 million across a \$4 billion goods and services portfolio.

##### **Mr Colin Rockliff, Director, Campus Infrastructure and Services**

Mr Rockliff holds a Bachelor of Science (Architecture) Degree UNSW and a Bachelor of Architecture Degree UNSW and is a Chartered Architect. In his most recent role Mr Rockliff was the Company Architect for Goodman International (formerly Macquarie Goodman) and managed the Masterplanning and Architecture division. Goodman International is an integrated property group that owns, develops and manages commercial and industrial facilities globally (operations in 20 countries). Mr Rockliff's primary responsibility was managing the design and planning approvals for the group's development pipeline throughout Australia. This included directing the planning and design team in undertaking site analysis, master planning, and planning applications in-house for the group's industrial and commercial estates.

Mr Rockliff has previously held roles with Reid Campbell Architects, Sabemo, Wong Tung Architects (Hong Kong), Nettleton Tribe Architects and Phillip Cox and Partners Architects. In addition, Mr Rockliff spent ten years in Development/Project Management and Architectural consulting with clients including News Limited, Multiplex and Royal North Shore Hospital (NSAHS).

#### 5.6 **International and External Relations**

##### 5.6.1 *International Conferences – China*

Professor John Hearn represented the University at a world meeting for the Presidents or Vice-Presidents of forty leading Chinese universities and twenty international universities in Nanjing. New agreements were made with Sichuan and Jilin universities in expanding our research and education networks among the top universities in China. Professor Hearn also attended the Presidents' sessions at the International Confucius Institutes conference in Beijing, learning about best practice initiatives in the 240 Confucius Institutes worldwide. Associate Professor Zhong Hui

Shen, Director of the Sydney Confucius Institute, participated in the Director's Conference.

#### 5.6.2 *International Student Office*

##### **AusAID Orientation, 19 January 2009**

The University welcomed 76 AusAID Scholarship students for an Orientation Week in mid-January, which is another record intake for the Program. A further 5 Asian Development Bank (ADB) Scholarship holders will commence their own orientation in February. The majority of these students will be undertaking Postgraduate studies with enrolments spread across 10 of our Faculties. Building on previous years, there is a growing diversity to this student cohort, with 24 countries represented in this intake including good representation from The Philippines, Pakistan, Papua New Guinea, Uganda, South Africa and Indonesia. All AusAID Program graduates are contracted to work in government organisations within their home country, which gives these students an excellent opportunity to develop long term diplomatic, economic and cultural links between their regions and The University of Sydney.

##### **Semester 1, 2009 Numbers**

As at 20 January 2009, international student acceptances have risen over 8% from the same period in 2008. If this trend continues, Semester 1, 2009, will be the highest intake ever for commencing international students at The University of Sydney.

The University's International Student Exchange Program continues to grow strongly. Both inbound and outbound student numbers have increased by more than 30% on 2008 levels. With more than 200 active exchange partner institutions in over 30 countries, the diversity of overseas study options available to University of Sydney students has also expanded. New programs have opened in Brazil, Canada, China, France, Hungary, Indonesia, Mexico, Portugal and the United States.

#### 5.6.3 *Summer School*

Summer School enrolments increased 5%, revenue increased 11% to \$11 Million. The revenue figure is provisional at this stage.

The largest increase in Summer School enrolments was for local postgraduates. Cross institutional students were down 50% for the US (as expected) but up for Europe.

Law and Dentistry have listed new subjects for Winter School, bringing the number of faculties participating to 7.

The CET online enrolment system has been developed- user testing commenced 22 January with a projected completion date mid February.

The new Internship Program for the incoming Study Abroad students has had 31 applications so far (our target is 35). These are all very good quality applicants.

#### 5.6.4 *RIAP*

**Nuclear Science and Medicine.** The RIAP online training package, supported by the International Atomic Energy Agency, will go on-line in April. This is the first such international resource and includes access for developing countries.

**Executive Leadership Courses.** A three month executive leadership course for Indonesian university leaders was completed in Sydney for the Indonesian Ministry of Education. This course, offered jointly with the Faculty of Education, was given excellent ratings by the participants, including government officials who evaluated the course.

**Centre for Obesity, Diabetes and Cardiovascular Diseases.** Grant development managers from RIAP worked intensely with faculty staff in a major HEEF bid for \$95m, which was successful. A further grant, announced over Christmas by the NHMRC with a ten day deadline was also prepared in an intense team approach with the faculties of Medicine and Health, being submitted successfully before the deadlines.

**Other grants.** Two AusAID grants were won for the support of research in surveillance and interventions for child malnutrition in Vietnam and for relevant policy information in childhood nutrition in Pakistan.

5.6.5 *Coming Events*

**OECD** – The Deputy Secretary General of OECD, Mr Art de Geus, will present an International Forum on the Global Financial Crisis and a round table on talent flows on the 3<sup>rd</sup> and 4<sup>th</sup> February respectively.

**City of Sydney** – The Confucius Institute will present a public lecture on Feng Shui as part of the Chinese New Year of the Ox celebration.

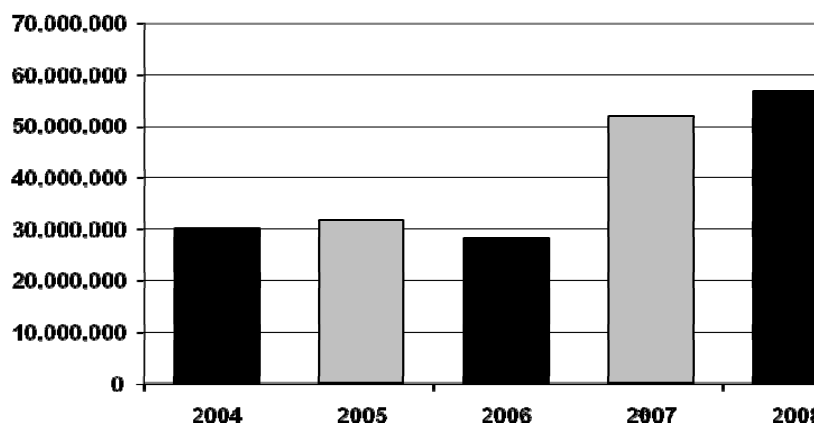
5.6.6 *2008 Year End Financial Performance (External Relations)*

At 31 December 2008, fundraising campaign activity raised \$56.8 million from bequests and donations from individuals, corporations, foundations and government. This compares to \$51.6 million at the end of the previous fiscal year, an increase of 10 per cent. The 2007 year end total, however, included a one-off \$22.7 million government contribution to the Brain and Mind Research Institute. Excluding this government contribution, the 2008 result represents an increase of funds raised from private philanthropic sources of 96.2 per cent over the prior year and is the best ever performance by any Australian University.

The number of donors to end December 2008 was 8,777, an increase of 30.5 per cent compared to the same time last year (6,726 donors).

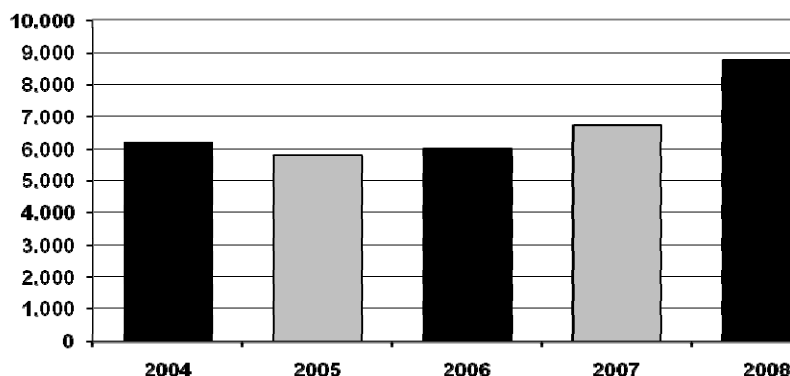
Over and above this receipted income, the University has obtained another \$9.9 million in future pledges and gift commitments.

**University Fundraising 2004-2008  
(dollars)**



\* includes a one-off \$22.7 million government contribution to Brain and Mind Research Institute

**University Fundraising 2004 - 2008  
(donors)**



**Comparison of Fundraising Activity by Donor Group**

| By donor group                                      | \$ 2008             | \$ 2007*            | # 2008       | #2007        | Current Pledge Balance |
|---|---------------------|---------------------|--------------|--------------|------------------------|
| Alumni and friends                                  | \$14,396,911        | \$6,897,928         | 8,045        | 5,962        | \$3,369,342            |
| Corporations and companies                          | \$15,898,358        | \$7,132,468         | 565          | 592          | \$2,344,956            |
| External foundations                                | \$7,224,305         | \$3,672,848         | 43           | 41           | \$3,571,158            |
| External associations                               | \$1,293,925         | \$1,125,553         | 78           | 85           | \$627,084              |
| Government contributions to fund-raising programmes | \$0                 | \$22,700,000        | 0            | 2            |                        |
| Total non-Bequest                                   | \$38,813,499        | \$41,528,798        | 8,731        | 6,682        | \$9,912,540            |
| Bequest   | \$17,985,587        | \$10,126,226        | 46           | 44           |                        |
| <b>Total</b>  | <b>\$56,799,086</b> | <b>\$51,655,024</b> | <b>8,777</b> | <b>6,726</b> | <b>\$9,912,540</b>     |

\* includes a one-off \$22.7 million government contribution to the Brain and Mind Research Institute

**Bequests**

Bequest income for January to 31 December 2008 totalled \$17,985,587 compared to \$10,126,226 at the same time last year, an increase of 77%.

The number of estates represented by the figures for the year to date is 46 compared to 44 for the same period in 2007. Average bequest income for the 2008 calendar year to date is \$390,991 compared to the 2007 full year average of \$232,029.

Challis Society membership for confirmed and indicated bequestors totalled 205 (40 confirmed, 165 indicated) at the end of December 2008.

**Major Gifts**

At the end of 2008, 55 major gift proposals were presented for sums totalling approximately \$70 million in support of areas including the faculties of Dentistry, Engineering, Pharmacy, Economics and Business, Law, Sydney College of the Arts, the Conservatorium of Music and the Brain and Mind Research Institute, as well as for interdisciplinary cross-faculty projects and specific projects such as the Chair in Adolescent Medicine.

#### *Alumni and Friends*

Revenue generated from direct marketing activities benefiting the University Development Fund totalled over \$1.9 million compared to \$1.2 million at same time last year. Donor numbers as at 31 December 2008 were 4,916, compared to 3,628 at the same time last year. These represent an increase of 53 per cent and 36 per cent respectively.

#### 5.6.7 *Major Alumni Events and Alumni Achievements*

The Vice-Chancellor's Alumni and Friends Christmas Reception, held on 5 December in the Great Hall and Quadrangle, provided an opportunity to thank and recognise key external supporters for their contributions to the University of Sydney throughout the year. Approximately 500 people attended the event.

In November, four alumni - Dr John Yu AC (MBBS '59, MD '97), Professor Guo-Fu Wang (MA '81), Dr Jocelyn Chey (BA '61, PhD '71) and Dr Mabel Lee (BA '62 PhD '66) - were recognised by the Australia-China Council (ACC) for their outstanding contributions to the development of Australia's important bilateral relationship with China.

In November, Chris Vonwiller (BSc '63, BE '65) won the Engineering Australia Sydney Division's 2008 Entrepreneur of the Year award, and in December won the national award for which he was selected personally by the Prime Minister. The awards recognised the export achievements of his company, Appen Ltd, a world-class IT company in speech and language technology.

#### 5.6.8 *Gift Policy and Gift Administration*

C39-44

The Gift Policy was first considered by Senate in May 2008. The policy was approved, subject to certain amendments, including the need to identify and manage the processes for accepting gifts that have the potential to raise concerns for the reputation of the University and to link the policy to the Statement of Academic Freedom (copy **attached**). These amendments have been made and the policy has the support of VCOM and SEG. The Gift Advisory Board will manage the process for accepting gifts and a copy of the terms of reference are also **attached** for reference. I therefore **recommend** that Senate approve the revised Gift Policy as **attached**.

The Donor Charter (**attached**) has been prepared to clearly articulate the University's responsibilities in relation to donations. The University is committed to upholding the respect and trust of our Alumni and Friends, and the Donor Charter assures our donors of the integrity and accountability of the University's development activities. The Donor Charter was prepared by the External Relations Portfolio after wide consultation and review of other universities' donor charters and I therefore **recommend** that Senate approve the University of Sydney Donor Charter as **attached**.

#### **Recommendation**

*That Senate resolve as recommended.*

#### 5.6.9 *Alumni Recognition*

The Alumni Council and the Heritage Advisory Group of the University of Sydney have advised that the first Alumni Recognition Board is to be put on display in the Quadrangle.

The board is designed to acknowledge publicly those alumni who, since the founding of the University, have reached the pinnacle of public and intellectual achievement. These are Sydney alumni who have become Governor-General, Prime Minister, Governor or Premier/Chief Minister. In the case of Nobel Laureates, we have also included members of staff as being worthy of this level of recognition.

This on-campus presence will ensure that visitors, students and staff are reminded of the history, contributions and significance of the University. It is common practice at the most prestigious universities around the world to undertake such recognition, and the University of Sydney is overdue in joining these ranks.

Following in-depth consultation and discussion during 2008, and approval by the Vice-Chancellor, it has been agreed that:

- the recognition board will be located in the Nicholson Museum vestibule, where the lighting will be upgraded to display the board to maximum advantage.
- both the design and position of the board will distinguish it from other tributes, such as the War Memorial in the Clock Tower. The Nicholson Museum vestibule has a great deal of student, alumni and visitor traffic, particularly when people come to attend events in the MacLaurin Hall and Great Hall. Its planned position on the staircase wall will, however, ensure it does not impinge on any traffic, while still maintaining optimum visibility.
- the concept of the board's design is to conform with the "contemporised tradition" that the Branding Project has identified as the way our constituents/stakeholders regard the University of Sydney. This is expressed by the use of contemporary glass – heavy-duty and non-breakable – through which Sydney's traditional sandstone is clearly visible. The new University Arms (once approved) will be used.
- the recognition board will be vertical in orientation with two or three display panels to allow for additions as more of our alumni join these prestigious ranks. Similar glass panels appear in the foyer of the Art Gallery of NSW.

This project comprises phase one in the development of a central and faculty-based Alumni and Donor Recognition Board project.

Visuals of the board design will be **tabled** at the meeting.

## 5.7 Human Resources

### 5.7.1 *Selection Committee for the Deanship, Faculty of Engineering and Information Technology*

The term of appointment of the current Dean of the Faculty of Engineering and Information Technology, Professor Greg Hancock, will conclude on 31 August 2009 and consequently the position will need to be advertised. The Provost and Deputy Vice-Chancellor, Professor Don Nutbeam, has consulted with the Faculty regarding the position.

The position will be advertised both internally and externally, in accordance with the procedures for the appointment of Deans, approved by Senate in May 1997.

I wish to **recommend** that the following selection committee be appointed by Senate.

#### ***Ex-officio***

Vice-Chancellor and Principal, Dr Michael Spence  
Chair of the Academic Board, Professor Bruce Sutton  
Provost and Deputy Vice-Chancellor, Professor Don Nutbeam

#### ***Members appointed by Senate***

Three members (plus reserve) nominated by the Faculty:

- Professor Hugh Durrant-Whyte
- Associate Professor Sanjay Chawla
- Associate Professor Fariba Dehghani

Reserve members:

- Professor Brian Haynes (Reserve)
- Professor Kim Rasmussen (Reserve)

External Member:

- Professor Mark Bush, former Dean of Engineering, Mathematics and Computer Science, UWA

**Recommendation**

*That Senate resolve as recommended.*

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**Senate Retreat – Draft Program**

Saturday 21 March 2009

Darlington Centre

|               |   |
|---------------|---|
| 10.00 – 11.00 | Budget and Financial Planning Presentation  |
| 11.00 – 11.30 | Morning Tea   |
| 11.30 – 1.00  | Budget Discussion   |
| 1.00 – 2.30   | Lunch and Guest Speaker   |
| 2.30 – 3.30   | Governance Presentation (Ms Cathy Rytmeister, Lecturer in Higher Education Development, Macquarie University. Ms Rytmeister will speak on the results of her PhD research on university governance) |
| 3.30 – 4.00   | Afternoon Tea   |
| 4.00 – 5.30   | Discussion of Governance Issues (as they affect the Senate)   |

Note

- (1) Senior officers will be present from 10.00 to 2.30 but not for the sessions on university governance.
- (2) Ms Rytmeister will be present from 1.00 to 3.30
- (3) Retreat ends at 5.30 (no dinner)
- (4) There will be a second retreat in July which focuses on strategic planning
- (5) Papers for the March retreat are to be circulated in advance



# Memo

Office of the Vice-Chancellor & Principal

Room: L3.10  
Main Quadrangle A14  
NSW 2006 AUSTRALIA

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**Tim Payne**

Director, Policy Analysis and Communication

To: Vice-Chancellor

From: Tim Payne

Re: Summary & Analysis of the Bradley  
Review of Higher Education for the Senate

Date: 23 January 2008

Tel: +61 2 9351 4750

Fax: +61 2 9114 0777

Email: t.payne@usyd.edu.au

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## Draft background brief for the Senate of the University of Sydney on the Bradley Review of Higher Education

### Purpose

This paper has been prepared to inform the Senate's consideration of the Bradley *Review of Australian Higher Education 2008* (the Report). It:

1. provides contextual background on the Review; **(p.1-2)**
2. summarises the key findings and recommendations of the Review's 200 page report; **(pp.2-7)**
3. provides analysis of the implications of the report for the University of Sydney and the Australian higher education sector more broadly; **(pp.7-12)** and
4. recommends how the University of Sydney should respond to the Report. **(pp.12-14S)**

### 1. Background

On 13 March 2008 the Deputy Prime Minister, Julia Gillard, announced that as part of the Federal Government's commitment to an 'education revolution', the higher education sector would be reviewed by a panel comprising Emeritus Professor Denise Bradley AC (Chair), Mr Peter Noonan, Dr Helen Nugent AO and Mr Bill Scales AO.<sup>1</sup> The panel was asked to report by the end of 2008.

Specifically, the review panel was asked to report on 'the future direction of the higher education sector, its fitness for purpose in meeting the needs of the Australian community and economy and the options for ongoing reform'.<sup>2</sup> Following the release of the Report on 17 December 2008, Minister Gillard committed the Government to responding to it in February or March 2009.

The Bradley Review was concerned primarily with the education function of Australian higher education providers. It complemented the Cutler *Review of the National Innovation System*. The report of that review was released on 9 September 2008 and included consideration of university research and

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<sup>1</sup> Background on panel members and the terms of reference for the review are included in **Appendix A**.

<sup>2</sup> See terms of reference **Appendix A**.

research training matters.<sup>3</sup> How the Government responds to both reports will determine the funding and regulatory settings under which the University will operate in the medium term.

## 2.1 Key findings

The extract below encapsulates the Bradley Review's key findings:

*Analysis of our current performance points to an urgent need for both structural reforms and significant additional investment. In 2020 Australia will not be where we aspire to be – in the top group of OECD countries in terms of participation and performance – unless we act, and act now. (Report, p.xxii)*

The Report's other key findings are that:

- the health of Australia's higher education sector is of critical importance to the nation's future as a productive, fair and democratic country;
- the sector has changed dramatically over the last 30 years. Numbers have increased significantly, there is greater diversity in students and their modes of access, and the public-private distinction between providers is now largely irrelevant;
- competitor countries are reforming and re-investing in their higher education, research and innovation systems, with Australia the only OECD country where the public contribution to higher education remained at the same level in 2005 as it had been in 1995;
- while total sector revenues have grown substantially over the last decade, Commonwealth funding per subsidised student in 2008 was about 10 per cent lower in real terms than it was in 1996;
- the supply of people with Australian undergraduate qualifications is projected to fall short of domestic demand from 2010 onwards;
- further increases in graduation rates will require substantial increases in participation in higher education by people from under-represented equity groups;
- the student income support system requires substantial reform and additional investment to facilitate the participation and success of students from low socio-economic backgrounds;
- thin markets for higher education in some parts of regional Australia, and projections of further population decline in key age groups in some areas, threaten the viability of some providers;
- there are clear signs that the quality of the Australian higher education experience is declining and that new quality assurance mechanisms are required;
- the education of international students has grown to be Australia's third largest export industry, but the nature of this market poses significant challenges for the long term viability of the industry; and
- universities lie at the heart of the national strategy for research and innovation, but there is abundant evidence that government funds for underlying infrastructure to support university research falls well short of its true costs.

## 2.2 Key recommendations

The Report makes 46 substantive recommendations and calls for a total additional Commonwealth investment of \$6.9 billion over four years in measures aimed at institutions, students and implementation. The Report concludes, however, by cautioning that:

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<sup>3</sup> <http://www.innovation.gov.au/innovationreview/Pages/home.aspx>.

*Because other countries have already moved to address participation and investment in tertiary education, as a means of assisting them to remain internationally competitive, the recommendations in this report, if fully implemented, are likely to do no more than maintain the relative international performance and position of the Australia higher education sector. (Report, p.xvi)*

All 46 recommendations are included in **Appendix B**.

### ***Policy objectives***

The panel's policy objectives appear to be to:

- improve the international standing of Australia's higher education system through increased public investment in both teaching and research activities;
- combine Australia's tertiary and university sectors (public and private) into one national system, with the Commonwealth assuming full responsibility for its regulation;
- dramatically increase participation in higher education, primarily by lifting enrolments of people from low socio-economic backgrounds;
- promote greater competition between institutions by allowing student choice to determine the level of public funding an institution will receive;
- secure the viability of provision of higher education in rural, remote and outer metropolitan areas;
- entrench the teaching and research nexus as a core requirement for all universities;
- maintain a one size fits all approach to institutional funding; and
- not increase either the direct or deferred costs of higher education for students and their families.

The Report's various recommendations fall into the following key groups of issues: aspirational performance targets; funding for core teaching activities and deregulation; student income support; funding for research and research training; governance structures and quality assurance.

### ***Aspirational performance targets***

**Recommendations 1 to 4** would see the Australian Government commit to achieving a number of national performance targets for the higher education system by 2020. These include:

- student learning outcomes comparable to the best in the OECD;
- progressive increases in public funding for higher education to position Australia in the top group of OECD countries in terms of total funding;
- a target of at least 40 per cent of 25 to 34 year olds having attained a qualification at bachelor level or above (currently 29 per cent);
- a target of 20 per cent of higher education enrolments at undergraduate level coming from low socio-economic status backgrounds (currently 15 per cent);
- research performance comparable to the best in the OECD; and
- investment in university research and knowledge diffusion that lifts Australia into the top group of OECD countries.

The setting of these goals, along with the policy principles set out in **recommendation 25**, underpin other more detailed recommendations contained in the Report:

### **Recommendation 25**

*That the higher education financing system be designed around the following principles to:*

- *provide students with increased opportunities to decide for themselves what and where they will study through an entitlement;*
- *maintain the existing income contingent loans schemes that overcome up-front barriers to study;*
- *allocate government funding through an approach that is:*
  - driven by student demand and so largely formula-based with fewer separate, small components of funding;*
  - fair, transparent and as simple as possible to understand and administer while retaining the integrity of the policy framework;*
- *reward providers for performance against agreed outcomes by containing a component which is based on achievement of targets; and*
- *ensure that Australia remains competitive in the provision of higher education compared with other countries by:*
  - providing adequate levels of funding for each of the core activities of teaching and research;*
  - supporting growth in higher education participation as part of achieving attainment targets; and*
  - preserving the real value of the government's public investment in the sector over time. (Report, p.25)*

### **Funding for core teaching activities and deregulation**

The Report makes recommendations that, if adopted, would amount to an increased investment in the Australian higher education providers of \$5.2 billion over the four years 2009 to 2013 for their teaching and learning activities. The key teaching related recommendations are:

**Recommendation 26** which proposes an increase in overall funding for providers' teaching and learning activities of 10 per cent. **\$1.81 billion over the four years.**

**Recommendation 27** which proposes the introduction of a more generous method for indexing grants to institutions year on year. **\$1.1 billion over four years.**

**Recommendation 28** which would see the Australian Government commit to having the adequacy of base funding levels independently reviewed every three years.

**Recommendation 29** which proposes that the Australian government introduce a demand-driven entitlement system for domestic higher education students, in which accredited providers would be free to enrol as many undergraduate students as they wish in courses of their choice—subject to accreditation. Providers would receive government payments for each student enrolled, but not have the power to raise student fees above caps set by the Government. These arrangements would initially apply only to undergraduate courses in public universities. They would then be extended to postgraduate coursework courses and other providers (potentially private and vocational education and training institutions) once proposed new regulatory arrangements are in place. **\$1.13 billion over the four years** as a result of anticipated increases in participation.

**Recommendation 31** which proposes that funding of four per cent of the 10 per cent increase proposed by recommendation 26, be provided for social inclusion outreach activities, with loading paid to institutions according to the numbers of students from low

socio-economic backgrounds they enrol. **\$1.08 billion over four years from the \$1.81 billion under recommendation 26**

**Recommendation 32** which would see the Commonwealth withholding an additional 2.5 per cent of each provider's base teaching and learning funding, with these funds to be allocated on the basis of achievement of equity and quality performance targets negotiated annually between the Commonwealth and institutions. **\$680 million over four years from the \$1.81 billion under recommendation 26**

**Recommendation 35** which seeks to remove existing anomalies in the provision of undergraduate courses on a full fee paying basis by allowing all providers to offer such courses—so long as no students in the particular course are in receipt of public subsidies.

**Recommendation 36** which proposes an increase in the maximum student contribution for teaching and nursing courses and the introduction of an incentive to encourage graduates to pursue employment in areas of labour shortage. **\$180 million over four years.**

**Recommendation 38** which proposes increasing funding to \$400 million over four years to assist institutions with structural adjustment. **\$230 million over four years.**

**Recommendation 39** which calls for the establishment of a 'matching funds' program to stimulate philanthropy in the Australian higher education sector. **\$200 million over three years.**

**Recommendation 16** which proposes that funding be provided to continue the regional loading program to 2013. **\$120 million over two years.**

### *Student income support*

The Report proposes the first significant overhaul of the student income support system for a decade.

**Recommendation 5** proposes a raft of changes designed to increase payments to students from genuinely disadvantaged backgrounds. While the measures together are estimated to come with an additional cost to the Commonwealth of \$530 million over four years, this includes savings of an estimated \$1.67 billion as a result of the proposed tightening of eligibility requirements. Key proposed reforms include:

- increased parental and student income test thresholds;
- improved indexation of payments;
- more lenient taper rates (the rate by which payments reduce for every dollar of income over the threshold);
- expansion of eligibility to all Masters by coursework students; and
- reducing the age of independence from 25 to 22.

### *Funding for research and research training*

While matters of research and research training were beyond the review's terms of reference, the panel chose to discuss these issues and to make recommendations broadly supportive of key recommendations contained in the Cutler Review of the National Innovation System. The panel focused its comments on:

- funding for research infrastructure;
- increasing the stock of high-quality academic staff for the system;

- income support for research higher degree students; and
- reforming the Commonwealth Government's governance arrangements in relation to research funding in the higher education system.

The Report's key research-related recommendations include:

**Recommendation 8** which proposes increasing the grants under the Research Infrastructure Block Grants Scheme from about 20 cents to 50 cents in the dollar for each dollar provided through competitive grant schemes. **About \$300 million per year.**

**Recommendation 10** which proposes that the value of Australian Postgraduate Awards be increased from the current \$20,007 per year to \$25,000 and the standard duration of support be increased from three to four years. **Not costed.**

**Recommendation 13** which proposes that the Australian Government provide up to 1,000 tuition subsidy scholarships per year for international students. **\$120 million over four years.**<sup>4</sup>

The Report strongly reaffirms the teaching and research nexus. It proposes to significantly strengthen the accreditation and regulatory framework to entrench this as a formal requirement for the provision of higher degree by research training in narrow discipline areas.

#### *Governance structures and quality assurance*

The Report proposes a major overhaul of the regulatory and quality assurance framework under which higher education providers operate. Key proposals include:

**Recommendation 19** which calls on the Australian Government to adopt a framework for higher education accreditation, quality assurance and regulation featuring:

- a new Australian Qualifications Framework;
- strengthened requirements related to the teaching/research nexus;
- new quality assurance arrangements; and
- the creation of a independent national regulatory body responsible for regulating all types of tertiary education.

**Recommendation 20** which sets out the suggested powers of the proposed new regulatory body. These include:

- accrediting and re-accrediting all providers and their courses where the provider is not self-accrediting;
- conducting regular quality audits of higher education providers;
- providing advice on matters of quality, effectiveness and efficiency to government and institutions; and
- registering and auditing providers of courses to international students.

The Report states elsewhere (p.86) that the same body should be responsible for administering all funding programs related to teaching, learning and research within the higher education sector.

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<sup>4</sup> It should be noted, however, that Recommendation 14 calls for institutions to be required to use a proportion of their international student income to match the proposed tuition scholarships by providing financial assistance for international higher degree by research students.

**Recommendation 21** which would require all institutions to undergo a process of reaccreditation every ten years. The regulator would have the authority to impose conditions on reaccreditation or remove the provider's right to operate if necessary. This recommendation also proposes a continuation of AUQA style quality audits over a shorter cycle.

**Recommendation 22** which proposes more rigorous criteria for accrediting universities and other higher education providers, based around strengthening the link between teaching and research as a defining characteristic for university accreditation.

### 3. Analysis

#### *Key issues for the University*

In its submission to the Review the University raised the following key issues as needing to be addressed:

- a significant increase in the resources available for higher education in Australia;
- greater flexibility and capacity for universities to pursue differentiated missions of their choosing;
- less regulation, but clear accountability for the use of government funds;
- the development of system-wide mechanisms for the assessment of teaching and research performance;
- transparency in the relationship between the true costs of teaching and research and the allocation of the public funds that support of these activities;
- greater flexibility in the allocation of Commonwealth Supported Places, both between and within universities;
- Mechanisms to improve levels of participation in higher education by students from disadvantaged backgrounds. Specifically, the university stressed the perverse outcomes resulting from the treatment of university equity scholarships and bursaries as income under the social security means test;
- progressive deregulation of the sector – though not through ‘vouchers’;
- measures to encourage philanthropy;
- simplified regulation;
- clear and efficient mechanisms for the auditing of institutional performance;
- a reduction in the number of schemes from which universities obtain funding – particularly those that are application-based; and
- the need for the creation of a ‘buffer body’ independent from Government to provide to provide coherent policy advice, oversee funding allocations and remove decision-making about higher education from the political sphere.

#### *What would the proposed reforms deliver?*

The Report delivers to some degree on many of the University's key concerns about current policy and funding arrangements. If its recommendations were adopted in full, additional funding for teaching and research activities (over and above the forward estimates) of around \$700 million in 2009-10, rising to around \$2.5 billion in 2012-13, would become available to the sector. Improved indexation arrangements would slow future declines in the value of grants over time, and the adequacy of funding would be subjected to review triennially by a body independent from Government. Institutions would have greater flexibility over their course offerings—with the Commonwealth no longer controlling the allocation of undergraduate places, and public universities again allowed to offer undergraduate courses on a full fee paying basis under certain conditions.

System-wide mechanisms would be in place to regularly assess the quality of institutions' teaching and research activities, and to assess the nation's progress towards the achievement of performance targets based OECD benchmarks. The gap between funding allocated for competitive research grants and the full costs of research would be closed in many disciplines and institutions. Programs would be in place to make higher degree by research training in Australian institutions a more attractive option for high quality domestic and international students. Research training should only be supported by public funds in institutions (and disciplines within institutions) that are active in research and have appropriately qualified staff. Substantial effort and resources will have been dedicated to increase the participation in higher education by students from low socio-economic backgrounds.

Through the introduction of a demand-driven student-entitlement system of institutional financing, a further significant step will have been taken towards deregulation. The Report itself acknowledges that a logical step following the bedding down of a student-driven system could be full price discretion for institutions. A matching funds scheme, based on successful international models, would be in place to encourage philanthropy. A national body independent of Government would be in place, tasked with accrediting, regulating and auditing the quality of all tertiary education institutions, with distributing funds for both teaching and research, and for advising the Government on matters relating to the sector.

### *Issues for consideration*

#### *Quality*

With the funding increases the Report recommends and in the absence of some price-flexibility for domestic undergraduate places, it is difficult to see how the massive expansion in domestic enrolments the Report proposes can be achieved alongside the desired improvements in quality. The Report raises concerns about risks to quality in some institutional settings and proposes new mechanism to assure minimum standards. It appears, however, to be more concerned with how to increase the total number of domestic students pursuing tertiary-level education, than with how to finance and regulate institutions in a way that provides maximum incentives for quality improvement and diversification.

#### *International education*

The provision of education services to students from outside Australia now represents the nation's third largest export industry—behind only coal and iron ore. Not only has the economy come to rely on educational services as a major export earner, but many institutions have become dependent upon income from this market. International students choose to study in Australia for a variety of complex reasons. In the long term, however, the sustainability of this market will depend upon perceptions about the quality of the educational services provided. If the overall quality of Australian tertiary qualifications falls relative to options available in competitor countries, Australia's attractiveness as a destination for international students may be at risk.

#### *Likely impacts of student demand-driven funding*

While the introduction of a student demand-driven financing system would relax Government controls over the allocation of places to institutions (and to disciplines within institutions), it is unlikely, in isolation, to impact significantly on the operations of institutions that already experience strong demand. Institutions can currently enrol five per cent above their allocation of Commonwealth places and receive full funding for these. Infrastructure and capacity constraints, combined with the fact that Commonwealth payments and student contributions are together still unlikely to cover the actual costs of course delivery in some disciplines, are likely to deter institutions from substantially increasing domestic enrolments in these fields.

A price-capped student demand-driven financing model could, however, act as an incentive for institutions to enrol larger numbers of students in high demand, low cost courses—or, perversely, to prefer international full fee students over domestic students in both low and higher cost courses. A price cap continues the reliance on the view that the quality of courses provided by all institutions is the same, and will limit the capacity of institutions to differentiate themselves through quality improvements that come at a cost. Further, it is not clear how disciplines which, while relatively unattractive to students, yet critical to the nation's future, would fare under the proposed reforms. It is also possible that under the proposed reforms institutions could offer courses exclusively to international and domestic students on a full fee paying basis, alongside and with different entry standards to similar courses for domestic students.

While institutions with courses in strong demand will have the option of growing enrolments if they wish, the real impact of a shift to student-driven financing is likely to be experienced by those institutions that do not have high demand for their courses. There will be further pressure on these to reduce entry standards, particularly if overall participation rates are to be increased in line with the targets recommended by the Report. The Report proposes a prohibition on fee increases for students, but no mention is made of reductions in fees. For some institutions amalgamations and rationalisation of offerings may be pursued, while others may choose a growth path, finding ways to reduce their marginal costs. In such cases, the quality of the educational provision and the student experience may be at further risk. To address this risk the Report proposes a strengthened national approach to accreditation and quality assurance. While public funding would initially only follow students to accredited public universities, over time the range of institutions that could receive funding in response to student choice would be expanded. A likely outcome would be a continued expansion of the number of public and private providers offering specialised training, particularly in profitable fields. Such providers could flourish, unhindered by the overhead costs of a comprehensive research university.

### *Equity of access*

Less than 10 per cent of students at the University of Sydney are currently drawn from low socio-economic status backgrounds (measured by postcodes). In addition to setting a target for participation of students from low socio-economic backgrounds of 20 per cent by 2020, the Review proposes a move away from the much criticised postcode method of measuring economic status, to one based on the individual circumstances of each student. The Report recommends \$1.76 billion in funding over four years, tied in some way to low SES enrolments and institutional progress in enrolling students from such backgrounds. It is unlikely to be a straightforward task for the University to increase its low SES enrolments while maintaining entry standards.

While the University and the sector as a whole have consistently called for university and private equity-based scholarships to be exempted as income for the purposes of assessing a student's eligibility for income support, the Report makes no recommendation to this effect. The proposed lifting of the student income threshold and the reduction in the taper rate will go some way to addressing this problem. However, the anomaly will remain—that scholarships with the same purpose will be treated differently under the income test depending on whether they are paid by the Commonwealth or another body.

The proposal to cap course fees may serve the purpose of limiting costs for all students. It will, however, restrict the capacity of institutions to use fee income to increase their offerings of the kinds of equity-based scholarships that are a feature of the United States' higher education system. With ample evidence before it that upfront living expenses remain a major deterrent to access, it is not clear why the Report did not look more closely at the option of expanding HECS to cover some or all of students' living expenses.

### *Funding full costs*

While the Report recognises the principle of public funding covering the full costs of research and research training as fundamental to the quality and sustainability of these activities, the same principle is not seen as relevant for teaching and other activities such as knowledge transfer. For these activities, the panel is comfortable with any shortfall continuing to be met through cross-subsidisation. It recommends further examination of teaching costs but sees no need for a separate line of funding to encourage knowledge transfer if its funding reforms are adopted.

### ***Research***

The Report is broadly supportive of the direction of the Cutler Review's recommendations for the future of university research and research training. It concerns itself primarily with seeking to entrench the teaching and research nexus as a fundamental requirement for all universities in the disciplines in which they offer courses, and in particular where they provide higher degree by research training. While more stringent accreditation requirements are proposed to assure quality, the proposal appears likely to promote a continuing uniformity in the university sector.

### ***Regulatory and administrative requirements***

It is not clear from the Report that institutions will be subjected to less regulation. For example, **Recommendation 32** would tie an additional 2.5% of an institution's block funding to the achievement of institutional equity and performance targets negotiated annually with the Government. While a number of the smaller funding schemes that have characterised the recent policy framework would be discontinued, the Review proposes the maintenance of many of them, and the establishment of various new relatively small schemes designed to achieve specific objectives that align with the Government's policy priorities. Most of these would be formula-based. Some major schemes, however, including the Education Investment Fund, would remain application-based—with the high compliance costs and uncertainty associated with such an approach. While a shift to student demand-driven financing may simplify that part of the funding process, some of the Report's recommendations could be used by Government to increase its control over the strategic direction and operational priorities of universities. It is difficult to see how the initiatives proposed to increase performance monitoring of individual institutions and the system as a whole will serve to reduce administrative and reporting requirements.

Applied in one way, **Recommendations 21 to 23**, which propose higher accreditation and quality assurance standards and a removal of the self-accrediting status for all institutions, could lift the minimum standards required by providers. Applied another way, they could serve to dampen quality across the sector by limiting the capacity institutions to determine their own quality standards and how achievement of them will be measured. The administrative burden of the proposal for all providers to undergo re-accreditation on a rolling cycle every ten years cannot be known in the absence of detail about what the requirements would be. It is difficult to see, however, how the removal of the existing self-accrediting status arrangements for universities, could result in anything other than a reduction in institutional autonomy.

### ***Compacts***

While the Government has repeatedly committed itself to implementing a system of mission-based compacts with Australia's universities, compacts receive just two direct references in the Report. Little guidance is provided about how the panel thinks these should work, if at all. Compacts appear to be viewed simply as the mechanism by which the Commonwealth would enter into funding agreements with institutions:

#### ***Effective and efficient investment***

*Improving funding arrangements for higher education institutions as they relate to teaching responsibilities, taking into account public and private benefits and*

*contributions to inform the development of funding compacts between the Australian Government and institutions. (Report, p.205)*

If its various proposals are adopted the panel sees no need for negotiated compacts more broadly defined:

*In the panel's view, these broad governance and regulatory arrangements are more than sufficient to ensure that the public interest in the quality and performance of the sector is protected. If this framework is accepted, there will not be a need for very detailed agreements between government and higher education providers or periodic assessment of institutional performance outside this framework. (Report, p.174).*

The Report proposes that institutions would only enter into negotiations with the Government to agree on performance targets, the satisfaction of which would result in a 2.5% funding bonus. The list of possible performance targets proposed (p.160) are squarely focused on measures of equity of access, the student experience and learning outcomes. Compacts have been conceived much more broadly than this, with application, for example, in the fields of research, knowledge transfer, community engagement, the preservation of disciplines of national significance, or as mechanisms for structural reform within or between institutions. They were conceived as a means by which to depart from the 'one size fits all' approach to Australian higher education policy. The Report's blueprint would serve to entrench this approach even further, with unrestricted growth and/or course rationalisation the only different option on the table.

Unless institutions are empowered to determine the measures against which their performances are assessed, the proposed package of reforms risk further discouraging diversity by reducing the capacity of institutions to determine their own missions, goals and priorities.

### ***Infrastructure***

While the Report recognises the need for additional support for research infrastructure, it concludes that the Education Investment Fund, combined with the additional base funding increases it recommends, should be sufficient to meet the sector's future teaching and learning infrastructure needs:

*The panel has concluded, after consultation with the chair of the Education Investment Fund and examination of current and proposed guidelines, that the fund should be sufficient to meet major infrastructure needs of the sector over the coming decade, provided that the capital in the fund is not drawn down at a rapid rate, i.e. over a period shorter than 20 years.*

*The panel believes that there is no compelling case for a fund to support routine maintenance within universities. Examination of the deferred maintenance needs of the universities as reported over time to the Department of Education, Employment and Workplace Relations leads to the conclusion that individual universities have made management decisions about where to direct their resources. Some have clearly failed to set aside an appropriate level of funds to address routine maintenance while others have done this. (Report, p.172)*

This finding needs to be tested before being relied upon by Government. The Report proposes a massive increase in student numbers between 2010 and 2020. The Education Investment Fund capital has been reduced due to the financial downturn. Its scope has been broadened far beyond the university sector. The first funding round was greatly oversubscribed despite strict application limits. Some campuses are already stretched to capacity and much of the sector's stock of infrastructure has reached, or is reaching the end of its functional life.

### ***Rejection of international investment trends***

Notably absent in the report are recommendations that would have Australia seek to ensure that at least some of its universities are competitive with the best in the world. While there is a specific recommendation for the Government to ‘*initiate a process with key stakeholders to determine the needs of outer metropolitan and regional areas for higher education and the best ways to respond to those needs*’, there is no corresponding recommendation relating to the role of larger research-intensive universities in the national education and innovation systems. At a time when competitor nations are focusing available resources to ensure their leading research universities remain competitive with the best in the world, the Review’s proposed reform package rejects such approaches.<sup>5</sup> Its priorities are expanding participation, improving equity of access and student choice through the maintenance of a one-size-fits-all model of institutional financing—supplemented by specific measures to assist institutions likely to be adversely affected by the deregulatory proposals.

## **4. Responding to the Bradley and Cutler reviews?**

The last substantial independent review of the Australian higher education sector took place in 1998. Like the Bradley Review, a core recommendation of the West Review was putting student choice at the centre of the funding model. While the Government of the day was philosophically attracted to the West Review’s deregulatory recommendations, it resulted in little substantial reform, largely as a result of opposition from some institutions, student and staff groups and a lack of bipartisan support at the political level.

Ten years on, with its budget position already projected to be in deficit, the Government, which while in Opposition opposed deregulation in 1998, has before it a report which recommends a similar reform as the best way of securing the future of Australia’s university sector.

The Bradley and Cutler reviews make recommendations that would require the Government to go further into deficit in the short term to implement in full. While the Government went to the 2007 election promising an ‘education revolution’, with additional investment in higher education as an important component of its plans, it now faces calls from all directions on its tight budget position.

In this context, the basic challenge for the higher education sector remains convincing the Government that investment in higher education should be given priority over additional investment in childcare, pre-school, schools, vocational education and training and various other areas of expenditure. The task is to convince the Government and the wider community that investing in higher education needs to be at the centre of the nation’s efforts to combat recessionary forces and see Australia emerge in a stronger position.

Like the West Review before it, the Bradley Review makes a strong and detailed case about the importance of higher education to the nation’s future. However, the vision it articulates and the measures it recommends depend entirely on funding support from the Commonwealth, and the continuation of a one-size-fits-all approach to the financing and regulation of Australian universities.

The reforms recommended by the Bradley Review are aimed squarely at benefiting the Australian higher education system as a whole through incremental increases in funding, mostly targeted around achieving improved participation in higher education by people from low socio-economic backgrounds.

While the reforms may provide some welcome additional funding and flexibility for institutions, there is little in them that would benefit the University of Sydney to any greater extent than other institutions. If adopted, however, key recommendations of the Cutler Review around full research

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<sup>5</sup> Group of Eight, *The international tendency to concentrate*, November 2008, [http://www.go8.edu.au/index.php?option=com\\_content&task=view&id=200&Itemid=164](http://www.go8.edu.au/index.php?option=com_content&task=view&id=200&Itemid=164)

costs, research concentration and research training would be likely to benefit research-intensive institutions more than other universities.

Given the cost, breadth and depth of the reforms proposed by both the Bradley and Cutler Reviews, it may be unrealistic to expect that the Government can deliver them in full. Some of the proposals are at odds with stated Government policy. One such example is the proposal to allow all providers to offer full fee places to domestic undergraduate students under certain circumstances.

In this context, there would be value in the University determining which of the proposed reforms are most vital, in communicating these to the Government, and enlisting support from as many quarters as possible to assist in securing their passage.

Of the 72 recommendations in the Cutler Review of the National Innovation System, implementation of the following would be most beneficial to the University and Australia's research effort as whole:

***Recommendation 6.1***

*Adopt the principle of fully funding the cost of university research activities and implement through adjustments in funding to block and competitive grant schemes, without compromising grant success rates. Lessons from overseas and current government investigations should provide evidence for the full cost of university research and allow rapid transition to a full-cost funding model.*

***Recommendation 6.2***

*Base the distribution of research block funding to universities on success in winning national competitive grants and on evidence of excellence in research, such as the research quality rankings to be produced by the Excellence in Research for Australia initiative.*

***Recommendation 6.5***

*To build concentrations of excellence, encourage collaboration and achieve better dissemination of knowledge, introduce additional funding support for university and other research institutions to partner with each other and with other research organisations (national and international). Discussions about additional levels of support should occur during the projected round of compact negotiations.*

***Recommendation 6.7***

*Australia should enhance its capacity to engage internationally by opening up current innovation granting programs to international partners and participants.*

***Recommendation 6.9***

*Funds currently distributed under the Research Training Scheme and the Australian Postgraduate Award (APA) scheme should be allocated to institutions on the basis of demonstrated excellence in research based on the research quality rankings that will be produced by the Excellence in Research for Australia Initiative.*

***Recommendation 6.10***

*The research quality rankings from the Excellence in Research Australia Initiative should be made publicly available to promote matching of the best research groups with the best doctoral students.*

Of the 46 recommendations contained in the Report of the Bradley Review, it is considered that the following would be most beneficial to the University and the Australian higher education system as a whole:

**Recommendation 8** which proposes increasing the grants under the Research Infrastructure Block Grants Scheme from about 20 cents to 50 cents in the dollar for each dollar provided through competitive grant schemes. **About \$300 million per year.**

**Recommendation 10** which proposes that the value of Australian Postgraduate Awards be increased from the current \$20,007 per year to \$25,000 and increase the standard duration of support from three to four years. **Not costed.**

**Recommendation 13** which proposes that the Australian Government provide up to 1,000 tuition subsidy scholarships per year for international students. **\$120 million over four years.**

**Recommendation 26** which proposes an increase in overall funding for providers' teaching and learning activities of 10 per cent. **\$1.81 billion over the four years.**

**Recommendation 27** which proposes the introduction of a more generous method for indexing grants to institutions year on year. **\$1.1 billion over four years.**

**Recommendation 28** which would see the Australian Government commit to having the adequacy of base funding levels independently reviewed every three years.

**Recommendation 29** which proposes that the Australian government introduce a demand-driven entitlement system for domestic higher education students. **\$1.13 billion over the four years.**

**Recommendation 31** which proposes that funding of four per cent of total annual teaching and learning grants to institutions annually be provided for social inclusion outreach activities, with loading paid to institutions enrolling students from low socio-economic backgrounds. **\$1.08 billion over four years from the \$1.81 billion under recommendation 26**

**Recommendation 32** which would see the Commonwealth withholding an additional 2.5 per cent of each provider's base teaching and learning funding, with these funds to be allocated on the basis of achievement of equity and quality performance targets negotiated annually. **\$680 million over four years from the \$1.81 billion under recommendation 26**

**Recommendation 35** which seeks to remove existing anomalies in the provision of undergraduate courses on a full fee paying basis, by allowing all providers to offer such courses so long as no students in the particular course are in receipt of public subsidies.

**Recommendation 36** which proposes an increase in the maximum student contribution for teaching and nursing courses and the introduction of an incentive to encourage graduates to pursue employment in areas of labour shortage. **\$180 million over four years.**

**Recommendation 39** which calls for the establishment of 'matching funds' program to stimulate philanthropy in the Australian higher education sector. **\$200 million over three years.**

It is recommended that the Senate endorse a course of action by the University to support and enlist stakeholder support for implementation of the key Bradley Review recommendations set out above.

## Appendix A

### Bradley Review panel members and terms of reference

| Panel members                        |   |
|--------------------------------------|---|
| Emeritus Professor Denise Bradley AC | The former Vice-Chancellor and President of the University of South Australia (1997–2007).  |
| Mr Peter Noonan                      | Director of Peter Noonan Consulting   |
| Dr Helen Nugent AO                   | Non-Executive Director of Macquarie Group, Origin Energy and Freehills. Chairman of Funds SA and Swiss Re Life & Health (Australia).  |
| Mr Bill Scales AO                    | Chancellor of Swinburne University of Technology, Chairman of the Port of Melbourne Corporation and Australian Safety Compensation Council, and Board Member of the Australian Nuclear Science and Technology Organisation. |

### Terms of reference

The Review of Australian Higher Education will examine and report to the Hon Julia Gillard MP, Deputy Prime Minister and Minister for Education, Employment, Workplace Relations and Social Inclusion, on the future direction of the higher education sector, its fitness for purpose in meeting the needs of the Australian community and economy and the options for ongoing reform.

It will build on the Rudd Government's key higher education initiatives in progress and the Government's overall economic and social policy settings.

It will be led by an expert panel drawing from the tertiary education sector and wider industry. The Review Panel is to be chaired by Emeritus Professor Denise Bradley AC. It will provide its report on priority action by the end of October 2008, and final report by the end of the year.

In particular, the Review Panel will examine the current state of the Australian higher education system against international best practice and assess whether the education system is capable of:

- contributing to the innovation and productivity gains required for long term economic development and growth; and
- ensuring that there is a broad-based tertiary education system producing professionals for both national and local labour market needs.

The Review Panel will advise Government on possible key objectives for higher education in Australia, starting with the themes below, and how these could be achieved through reform of the sector and changes to regulation and funding arrangements.

#### ***Diverse, high performing institutions with a global focus***

Developing a diverse, globally focused and competitive higher education sector with quality, responsive institutions following clear, distinctive missions to provide higher education opportunities to students throughout Australia.

#### ***Productivity and participation***

Enhancing the role of the higher education sector in contributing to national productivity, increased participation in the labour market and responding to the needs of industry. This includes the responsiveness of the sector in altering the course mix in response to student and employer demand and an understanding of trends in the economy, demography and the labour markets served by higher education.

***Effective and efficient investment***

Improving funding arrangements for higher education institutions as they relate to teaching responsibilities, taking into account public and private benefits and contributions to inform the development of funding compacts between the Australian Government and institutions.

***Underpinning social inclusion through access and opportunity***

Supporting and widening access to higher education, including participation by students from a wide range of backgrounds.

***Enhanced quality and high standards***

Implementing arrangements to ensure that quality higher education is provided by public and private providers and that this is widely understood and recognised by clients of the higher education sector.

***A broad tertiary education and training sector***

Establishing the place of higher education in the broader tertiary education sector, especially in building an integrated relationship with vocational education and training.

***Policy linkages***

The review will collaborate with and take account of the work of the Review of the National Innovation System and Skills Australia. It will also consult with state and territory tertiary education authorities.

## Appendix B

### Bradley Review recommendations

#### Recommendation 1

That the Australian Government adopt the vision, strategic goals and principles for the higher education system set out in this report. (*Chapter 1*)

#### Recommendation 2

That the Australian Government set a national target of at least 40 per cent of 25- to 34-year-olds having attained a qualification at bachelor level or above by 2020. (*Chapter 3.1*)

#### Recommendation 3

That the Australian Government commission work on the measurement of the socio-economic status of students in higher education with a view to moving from the current postcode methodology to one based on the individual circumstances of each student. (*Chapter 3.2*)

#### Recommendation 4

That the Australian Government set a national target that, by 2020, 20 per cent of higher education enrolments at undergraduate level are people from low socio-economic status backgrounds. (*Chapter 3.2*)

#### Recommendation 5

That the Australian Government introduce the following package of reforms to the student income support system. (*Chapter 3.3*) **reform**

- Increase threshold for Parental Income Test to \$42,559, consistent with the value used for the Family Tax Benefit.
- Change the indexation rate to be consistent with the Family Tax Benefit index, a combination of CPI and Male Total Average Weekly Earnings (MTAWE).
- Change the taper rate for reduction in benefits for each child in the family on income support benefits to 20 per cent.
- Apply the new taper rate only once as is the case for the Family Tax Benefit rather than for every child in the family receiving benefits.
- Increase the personal income threshold for Youth Allowance and Austudy to \$400 per fortnight.
- Change the indexation of the personal income threshold from zero to a wage basis (for example, Male Total Average Weekly Earnings).
- Reduce the age of independence for Austudy from 25 to 22 years.
- Remove the workforce participation criteria for independence of:
  - (a) working part-time for at least 15 hours per week for at least 2 years; and
  - (b) earning a specified amount in an 18-month period since leaving school.
- Introduce 'grandfathering' arrangements for existing students who have already satisfied these criteria for independence. **reform**
- Extend eligibility for benefits to students enrolled in all masters by coursework programs.
- Continue and enhance the Commonwealth Scholarships program by providing benefits to all eligible students on Austudy or Youth Allowance for education costs and accommodation costs (for those who need to leave home) and by transferring responsibility for the payment of benefits to Centrelink.

#### Recommendation 6

That the Australian Government undertake a regular process of triennial review of the

income support system to assess the overall effectiveness of the support payments in reducing financial barriers to participation of students in need. (*Chapter 3.3*)

**Recommendation 7**

That the Australian Government require all accredited higher education providers to administer the Graduate Destination Survey, Course Experience Questionnaire and the Australasian Survey of Student Engagement from 2009 and report annually on the findings. (*Chapter 3.4*)

**Recommendation 8**

That the Australian Government increase the total funding allocation for the Research Infrastructure Block Grants program by about \$300 million per year. This represents an increase from about 20 cents to 50 cents in the dollar for each dollar provided through competitive grants. (*Chapter 3.5*)

**Recommendation 9**

That the Australian Government commission research into future demand for, and supply of, people with higher degree by research qualifications and that it increase the number of Research Training Scheme places on the basis of the findings of the research. (*Chapter 3.5*)

**Recommendation 10**

That the Australian Government increase the value of Australian Postgraduate Awards to \$25,000 per year and increase the length of support to four years, as recommended by the National Innovation Review, to provide greater incentives for high-achieving graduates to consider a research career. (*Chapter 3.5*)

**Recommendation 11**

That the regulatory and other functions of Australian Education International be separated, with the regulatory functions becoming the responsibility of an independent national regulatory body. (*Chapter 3.6*)

**Recommendation 12**

That the industry development responsibilities of Australian Education International be revised and be undertaken by an independent agency which is accountable to Commonwealth and state and territory governments and education providers. (*Chapter 3.6*)

**Recommendation 13**

That the Australian Government provide up to 1,000 tuition subsidy scholarships per year for international students in higher degree by research programs targeted to areas of skills shortage. The scholarships would give the recipients the benefit of being enrolled on the same basis as domestic students. (*Chapter 3.6*)

**Recommendation 14**

That higher education providers use a proportion of their international student income to match the Australian Government tuition scholarships by providing financial assistance for living expenses for international students in higher degrees by research. (*Chapter 3.6*)

**Recommendation 15**

That the Australian Government liaise with states and territories to ensure consistent policies for school-fee waivers for the dependants of international research students in government-subsidised places and examine its visa arrangements to improve the conditions for spouse work visas. (*Chapter 3.6*)

### **Recommendation 16**

That, after further consideration of current problems with regional provision, the Australian Government provide an additional \$80 million per year from 2012 in funding for sustainable higher education provision in regional areas to replace the existing regional loading. This should include funding to develop innovative local solutions through a range of flexible and collaborative delivery arrangements in partnership with other providers such as TAFE. (*Chapter 3.7*)

### **Recommendation 17**

That the Australian Government commission a study to examine the feasibility of a new national university for regional areas and, if the study indicates that a new national regional university is feasible, the Australian Government provide appropriate funding for its establishment and operation. (*Chapter 3.7*)

### **Recommendation 18**

That the Australian Government initiate a process with key stakeholders to determine the needs of outer metropolitan and regional areas for higher education and the best ways to respond to those needs. (*Chapter 3.7*)

### **Recommendation 19**

That the Australian Government adopt a framework for higher education accreditation, quality assurance and regulation featuring:  
accreditation of all providers based on their capacity to deliver on core requirements including:

- an Australian Qualifications Framework with enhanced architecture and updated and more coherent descriptors of learning outcomes;
- strengthened requirements for universities to carry out research in the fields in which they teach so that they can contribute fully to the knowledge economy and produce graduates who embody the distinctive value of teaching that is informed by research;
- new quality assurance arrangements involving the development of standards and implementation of a transparent process for assuring the quality of learning outcomes across all providers of higher education; and
- an independent national regulatory body responsible for regulating all types of tertiary education. In the higher education sector it would:
  - accredit new providers including new universities;
  - periodically reaccredit all providers including the existing universities on a cycle of up to 10 years depending on an assessment of risk;
  - carry out quality audits of all providers focused on the institution's academic standards and the processes for setting, monitoring and maintaining them. This would include auditing the adoption of outcomes and standards-based arrangements for assuring the quality of higher education;
  - register and audit providers for the purpose of legislation protecting overseas students studying in Australia and assuring the quality of their education;
  - provide advice to government on higher education issues referred to it or on its own initiative; and
  - supervise price capping arrangements in courses offered only on a full-fee basis where public subsidies do not apply. (*Chapter 4.1*)

### **Recommendation 20**

That the Australian Government establish by 2010, after consultation with the states and territories, a national regulatory body to be responsible for:

- accrediting and reaccrediting all providers of higher education and accrediting their courses where the provider is not authorised to do so;
- conducting regular quality audits of higher education providers;

- providing advice on quality, effectiveness and efficiency; and
- registering and auditing providers for the purposes of the *Education Services for Overseas Students (ESOS) Act 2000*. (Chapter 4.1)

### **Recommendation 21**

That the Australian Government, after consultation with the states and territories, revise the processes for higher education accreditation and audit to provide for:

- periodic reaccreditation of all higher education providers on a cycle of up to 10 years by a national regulatory body with the authority to impose conditions on reaccreditation, to require follow-up action or to remove a provider's right to operate if necessary; and
- a shorter-cycle quality audit focused on their academic standards and processes for setting, monitoring and maintaining them with the results to be publicly released and a process for follow-up on action required. (Chapter 4.1)

### **Recommendation 22**

That the Australian Government, after consultation with the states and territories, develop more rigorous criteria for accrediting universities and other higher education providers based around strengthening the link between teaching and research as a defining characteristic of university accreditation and reaccreditation. In particular, universities should be required to:

- deliver higher education qualifications including research higher degrees in at least three broad fields of education initially and a larger number over time;
- undertake sufficient research in at least three broad fields initially and over time in all broad fields in which coursework degrees are offered; and
- undertake sufficient research in all narrow fields in which research higher degrees are offered. (Chapter 4.1)

### **Recommendation 23**

That the Australian Government commission and appropriately fund work on the development of new quality assurance arrangements for higher education as part of the new framework set out in Recommendation 19. This would involve:

a set of indicators and instruments to directly assess and compare learning outcomes; and a set of formal statements of academic standards by discipline along with processes for applying those standards. (Chapter 4.1)

### **Recommendation 24**

That the Australian Government, in consultation with the states and territories, review the Australian Qualifications Framework to improve and clarify its structure and qualifications descriptors. Ongoing responsibility for a revised qualifications framework should rest with the national regulatory body. (Chapter 4.1)

### **Recommendation 25**

That the higher education financing system be designed around the following principles to:

- provide students with increased opportunities to decide for themselves what and where they will study through an entitlement;
- maintain the existing income contingent loans schemes that overcome up-front barriers to study;
- allocate government funding through an approach that is:
  - driven by student demand and so largely formula-based with fewer separate, small components of funding;
  - fair, transparent and as simple as possible to understand and administer while retaining the integrity of the policy framework;
  - reward providers for performance against agreed outcomes by containing a component which is based on achievement of targets; and

- ensure that Australia remains competitive in the provision of higher education compared with other countries by:
  - providing adequate levels of funding for each of the core activities of teaching and research; supporting growth in higher education participation as part of achieving attainment targets; and preserving the real value of the government's public investment in the sector over time. (*Chapter 4.2*)

#### **Recommendation 26**

That the Australian Government increase the base funding for teaching and learning in higher education by 10 per cent from 2010. (*Chapter 4.2*)

#### **Recommendation 27**

That the Australian Government maintain the future value of increased base funding for higher education by an indexation formula that is based on 90 per cent of the Labour Price Index (Professional) plus the Consumer Price Index with weightings of 75 per cent and 25 per cent respectively. (*Chapter 4.2*)

#### **Recommendation 28**

That the Australian Government commission an independent triennial review of the base funding levels for learning and teaching in higher education to ensure that funding levels remain internationally competitive and appropriate for the sector. (*Chapter 4.2*)

#### **Recommendation 29**

That the Australian Government introduce a demand-driven entitlement system for domestic higher education students, in which recognised providers are free to enrol as many eligible students as they wish in eligible higher education courses and receive corresponding government subsidies for those students. The arrangements would:

- apply initially to undergraduate courses but then be extended to postgraduate coursework level courses subject to further work on the balance of public and private benefits at that level of study;
- apply initially only to public universities (Table A providers under the *Higher Education Support Act 2003*), but would be extended to other approved providers when new regulatory arrangements are in place;
- set no time or dollar limit on the value of the entitlement;
- allow eligible providers to set their own entry standards, and determine which, and how many, students to enrol;
- allow providers to change the mix of student load by discipline cluster in response to demand; and
- allow the government to exclude a course of study from the demand-driven system if it wished to regulate student or graduate numbers.

#### **Recommendation 30**

That the Australian Government regularly review the effectiveness of measures to improve higher education access and outcomes for Indigenous people in consultation with the Indigenous Higher Education Advisory Council. (*Chapter 4.2*)

#### **Recommendation 31**

That the Australian Government increase the funding for the access and participation of under-represented groups of students to a level equivalent to 4 per cent of the total grants for teaching. This would be allocated through a new program for outreach activities and a loading paid to institutions enrolling students from low socio-economic backgrounds. Funding for the Disability Support Program would be increased to \$20 million per year. (*Chapter 4.2*)

### **Recommendation 32**

That the Australian Government quarantine 2.5 per cent of the total government funding for teaching and learning for each provider to be allocated on the basis of achievement against a set of institutional performance targets which would be negotiated annually. (*Chapter 4.2*)

### **Recommendation 33**

That the Australian Government commission work on options for achieving a more rational and consistent sharing of costs between students and across discipline clusters in the context of triennial reviews of base funding for learning and teaching. (*Chapter 4.2*)

### **Recommendation 34**

That the Australian Government implement an approach to tuition fees in which maximum student contribution amounts (price caps) apply for any domestic undergraduate or coursework postgraduate students for whom the provider receives a public subsidy for their course. (*Chapter 4.2*)

### **Recommendation 35**

That the Australian Government implement an approach to tuition fees for domestic undergraduate students in which all providers are able to offer courses on a full-fee basis where public subsidies are not received for any students in that particular course. (*Chapter 4.2*)

### **Recommendation 36**

That the Australian Government:

increase the maximum student contribution amount for nursing and education units of study for students commencing from 2010 to the band 1 rate; and

- encourage people to enrol and work in nursing and teaching by reducing HELP debts for graduates who work in those professions by \$1,500 per annum for each of five years, at the same time as their HELP repayment requirements are forgiven to an equivalent amount. (*Chapter 4.2*)

### **Recommendation 37**

That the Australian Government:

- increase the loan fee for FEE-HELP for fee-paying undergraduate students to 25 per cent; and
- remove the loan fee on OS-HELP loans to encourage more Australian students to undertake part of their studies overseas. (*Chapter 4.2*)

### **Recommendation 38**

That the Australian Government establish a new Structural Adjustment Fund amounting to about \$400 million in funding over a four-year period from 2009-10 to assist the sector to adapt to the reforms recommended in this report. (*Chapter 4.2*)

### **Recommendation 39**

That the Australian Government provide funds to match new philanthropic donations received in the sector as a means of stimulating an additional revenue stream from this source with the cost capped per institution, and in total at \$200 million over three years. (*Chapter 4.2*)

### **Recommendation 40**

That Australian Government legislation and guidelines contain clear and objective criteria for determining access to different types of funding and assistance for higher education.

These criteria should:

- reflect the public nature of the purposes for which funding is provided;
- ensure that funds for learning and teaching are directed only to institutions with

the capacity to deliver courses of the requisite standard; and

- ensure that funds for research and research training are directed only to those higher education institutions which are accredited and have appropriately qualified and suitable researchers and the capability to achieve an acceptable return on public investment. (*Chapter 4.2*)

#### **Recommendation 41**

That the Australian Government provide funds of \$130 million over four years towards the costs of implementing these reforms. (*Chapter 4.2*)

#### **Recommendation 42**

That the Australian Government develop and implement an accountability framework for the new higher education funding system that is consistent with the broader funding, governance and regulatory framework. In particular it should:

place primary accountability for performance with the provider's governing body;

- provide for accountability that is simple, clear and transparent where funding follows student demand;
- reflect negotiated targets in relation to performance-based funding; and
- ensure that accountability for other specific-purpose funding occurs under transparent guidelines and is administered through contracts in relation to each program.

(*Chapter 4.2*)

#### **Recommendation 43**

That the Australian Government negotiate with the states and territories to expand the national regulatory and quality assurance agency (Recommendation 20) to cover the entire tertiary sector (including vocational education and training and higher education) and that the Australian Government assume full responsibility for the regulation of tertiary education and training in Australia by 2010. (*Chapter 4.3*)

#### **Recommendation 44**

That the Australian Government negotiate with the states and territories to introduce a tertiary entitlement funding model across higher education and vocational education and training (VET) commencing with the upper levels of VET (diplomas and advanced diplomas) and progressing to the other levels as soon as practicable. (*Chapter 4.3*)

#### **Recommendation 45**

That the Australian Government negotiate with the states and territories to extend income contingent loans to students enrolled in VET diplomas and advanced diplomas. (*Chapter 4.3*)

#### **Recommendation 46**

That the Australian Government and the governments of the states and territories agree to:

- establish a single ministerial council with responsibility for all tertiary education and training;
- improve the scope and coordination of labour market intelligence so that it covers the whole tertiary sector and supports a more responsive and dynamic role for both vocational education and training and higher education; and
- expand the purpose and role of the National Centre for Vocational Education Research so that it covers the whole tertiary sector. (*Chapter 4.3*)



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**To:** SEG  
**Subject:** Re-organisation of the responsibilities of and services provided by the Registrar  
**Date:** 19<sup>th</sup> January 2009

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### Scope of the Registrar's role

In recent times the Registrar's line management responsibility has comprised

- The Secretariat, also known as the Executive Governance group
- Archives and Records Management Services (ARMS)
- Student Affairs, being the administrative support services for the consideration of student appeals, the administration of 'students at risk' and the investigation and ruling on cases of academic misconduct.
- FOI and Privacy which are currently managed by the Manager of ARMS with advice, as appropriate, from OGC.

The Registrar also has a number of statutory roles, derived from the University's Act and Senate and Academic Board resolutions. Because of its history, the Registrar role is unique, and indeed anomalous, in this respect, compared with other senior administrative positions in the University.

### Changed circumstances

During 2008 a number of events occurred that changed the circumstances of this area:

- The occupant of the position of Director, Corporate Services, the immediate supervisor of the first three of the groups above, proceeded on long service leave and leave without pay for the entire year
- The Registrar, Dr William Adams, who had assumed a more active role in Student Affairs upon the Director's departure, retired as Registrar in mid-year, and was replaced only by Acting Registrars who had other substantive roles
- Late in the year, Dr Adams was appointed to a new position of (part-time) Secretary to the Senate, a role which also formally entails being Secretary to the Academic Board
- More recently, a new, consolidated Education Portfolio headed by DVC Professor Derrick Armstrong has been formed, involving the realignment of a number of working groups, including all those mentioned above, to enhance the performance of the total service. This has in turn prompted the review of optimal reporting relationships in the Portfolio.

### The proposed new arrangements

As a result of and to accommodate all these factors, a number of new arrangements are proposed:

1. Many of the statutory roles of the Registrar relate to matters of student administration, certification of progress and of graduand status. Some of these

involve a formal direct accountability to the Vice-Chancellor. However, these are matters for which the Director, Student Administration and Support (SAS) is accountable to the DVC (Education). In order to resolve this contradiction, it is proposed to appoint the DVC (Education) as the Registrar, allowing that person to then delegate suitable functions to the Director, SAS, but remain accountable for them, consistent with good management practice. To reflect this, it would be appropriate to add the title Deputy Registrar to that of Director, SAS.

2. The role of Director of Corporate Services has been significantly reduced by the involvement of the Secretary to Senate in key aspects of Secretariat business (including Senate, Elections and Academic Board), and with the removal also of the entire Student Affairs function, has a less than full complement of duties. It is, therefore, intended that the remainder of this role's function, oversight of the operational aspects of the Secretariat, be transferred to the position of Manager, ARMS who will report to the Director SAS & Deputy Registrar. Alternative duties will be offered to the occupant of the position of Director of Corporate Services.
3. The Student Affairs function should be relocated to the Student Administration and Support Division, where it will be managed by a Head Student Affairs enabling a more effective management of student appeals and student misconduct matters. The Students At Risk Program involves close liaison with the various student support services as well as with the Faculties. It is emphasized that what is being transferred is the administrative support for these processes, bringing that support under the supervision of the Deputy Registrar. The decision making roles regarding these processes remain unchanged and independent.
4. The Secretary to Senate wishes to delegate the Academic Board secretarial role to the Manager, ARMS who, with operational oversight of the Secretariat, would seem the best placed person to fill this role.



# The University of Sydney

## Gift Policy

**Approved by:** Senate on 16 May 2008  
**Date of effect:** 16 May 2008

### 1. Principles

The purpose of this Policy is to provide general principles and guidelines in relation to Gift acceptance and administration.

For the purposes of this Policy, a Gift means any grant or transfer of property to the University where there is

- an intention to give (which is evidenced either in writing or through another act);
- a transfer of all right, title and interest in the property to the University.

If there is consideration by the University by way of money or any other material benefit or advantage given to the donor from the University, then this grant or transfer does not constitute a Gift.

For the purposes of this Policy a Gift includes contributions for endowments, bequests (a Gift of real or personal property by will) and all other donations.

The key principles that govern Gift acceptance and administration are:

- acceptance of a Gift should be in harmony with the **Charter of Academic Freedom adopted by the Senate of the University and the** strategic objectives of the University and should preserve or enhance the reputation of the University;
- ongoing Gift administration should be in accordance with University policies and procedures and should be transparent;
- wishes of the donor, expressed in an instrument of gift, are paramount in determining how the University will manage the Gift;
- the investment and capital management framework applied to Gifts should provide for ongoing benefits to the University over the longer term.

**This Gift Policy is supported by comprehensive Operational Guidelines.**

### 2. Coverage

This Policy applies to all staff and entities which form part of the University (including all Foundations, Centres, and Controlled Entities).

### 3. Gift Advisory Board (GAB)

Responsibility for the overall governance of Gift administration, including **advice on acceptance of gifts and the** consideration of higher spending requests will rest with an internal management committee to be known as the Gift Advisory Board. GAB is constituted by, and reports to, the **Deputy Vice-Chancellor (External Relations)**. **University staff who become aware of a potential gift that may raise concerns with regard to the key principles listed above are encouraged to refer the matter to GAB for its consideration at an early stage, and GAB is authorised to require a proposed gift to be referred to it for consideration if it considers the gift may raise any such concerns.**

### 4. Governance and Compliance

*Responsibilities of Recipient Area*

Individual University Organisational Units ultimately have a responsibility to ensure that:

- staff with responsibility for Gifts are aware of those Gifts within their area and are aware of and abide by this Policy;

- all information relating to the terms and conditions of a Gift are made available to the relevant staff; and
- Gifts are utilized in accordance with the terms and conditions of the instrument of gift or will by which they were given.

#### *Acceptance and administration of Gifts*

Acceptance of Gifts should be undertaken in accordance with the Delegation of Authority – Administrative Functions.

To ensure that the University can utilise a Gift and meet any requirements that acceptance may impose upon it, it is the responsibility of the Development Officer within the Office of Philanthropy & Development to provide sufficient information for the responsible delegate to make a decision to accept or reject in a timely manner. In making a decision the responsible delegate must adhere to the key principles set out in this Policy.

#### *Financial Control*

Financial stewardship of Gifts is vested in Investment & Capital Management.

#### *Legal Oversight*

Ultimate legal oversight of Gifts is vested with the Office of General Counsel.

#### *Audits*

The Audit and Risk Management Office will undertake specific audit checks including compliance with this Policy.

#### *Donation/Donation Enquiries*

All donations/donation enquiries should be directed to the Office of Philanthropy & Development to ensure that proper communication with the Donor occurs and that appropriate internal record keeping is put in place and maintained. Where a donor wishes to have direct contact with the recipient body, the Office of Philanthropy & Development should be involved in coordinating such activity.

### **5. Formal Acceptance Process for Gifts and Documentation Required**

In order for Gifts to be accepted by the University, Gifts must be accompanied by documentation evidencing the intention on the part of the donor to transfer the Gift to the University.

### **6. Tax Issues**

Under no circumstances should advice on tax matters be offered to the benefactor. Benefactor should be encouraged to seek independent tax advice.

### **7. Stewardship to the donor and other stakeholders**

Stewardship of donors and potential donors is vital in the process of donor cultivation. This is to be achieved by:

- suitable and timely acknowledgement of all Gifts received;
- appropriate recognition of donors;
- ongoing stewardship to ensure that the potential for major Gifts is maintained.

### **8. Contact**

Unit: Office of the Deputy Vice-Chancellor (External Relations)  
 Phone: 9036 9504  
 Fax: 9036 9522  
 Email: [ajscoats@usyd.edu.au](mailto:ajscoats@usyd.edu.au)



# The University of Sydney

## Charter of Academic Freedom

**Approved by:** Senate on 5 May 2008  
**Date of effect:** 6 May 2008

The University of Sydney declares its commitment to free enquiry as necessary to the conduct of a democratic society and to the quest for intellectual, moral and material advance in the human condition.

The University of Sydney affirms its institutional right and responsibility, and the rights and responsibilities of each of its individual scholars, to pursue knowledge for its own sake, wherever the pursuit might lead. The University further supports the responsible transmission of that knowledge so gained, openly within the academy and into the community at large, in conformity with the law and the policies and obligations of the University.

The University of Sydney, consistent with the principles enunciated in its mission and policies, undertakes to promote and support:

- the free, and responsible pursuit of knowledge through research in accordance with the highest ethical, professional and legal standards
- the dissemination of the outcomes of research, in teaching, as publications and creative works, and in media discourse
- principled and informed discussion of all aspects of knowledge and culture

This Charter of Academic Freedom is endorsed by the Senate and Academic Board of The University of Sydney.



# The University of Sydney

## GIFT ADVISORY BOARD

### TERMS OF REFERENCE

#### **Establishment of the Gift Advisory Board**

The Gift Advisory Board (**GAB**) is established by the Deputy Vice-Chancellor (External Relations) pursuant to the Gift Policy dated 16 May 2008. The Gift Policy is intended to cover the administration of bequests, donations and other endowments.

GAB will be the internal management committee responsible for the overall administration of Gifts in accordance with the Gift Policy. A Gift includes contributions for endowments, bequests (a Gift of real or personal property by will) and all other donations.

The GAB will have the authority to request that it be referred any potential Gift that may in its opinion raise concerns, particularly in regard to the key principles that govern Gift acceptance, including the preservation of the reputation of the University and the need to be compatible with the Charter of Academic Freedom.

GAB will include representatives of each of the Office of Development and Philanthropy, Office of General Counsel (**OGC**), Investment and Capital Management (**ICM**), a Foundation and a Faculty, as well as a nominee Chair of the Academic Board, a nominee of the Alumni Council, an External Representative from the Donor Community and a Fellow of Senate, the latter two being appointed by the Vice-Chancellor.

GAB will report and make recommendations to the Deputy Vice-Chancellor (External Relations) and through him/her to the Vice-Chancellor (**VC**).

#### **Responsibilities of the GAB**

- To monitor overall Gift administration in accordance with the Gift Policy, the relevant Will or Instrument of Gift, and the Delegations of Authority.
- Consider any potential gift that may raise concerns with regard to the key principles of the Gift Policy or request that a proposed Gift be referred for consideration if the GAB considers the gift may raise any such concerns.
- Oversee the determination of the categorisation of a Gift or endowment as either a Capital Preserved Trust, Protected Bequest, or a Non-Capital Preserved Bequest.
- Determine whether a Non-Capital Preserved Bequest should be financially controlled by ICM (and in accordance with the 5 per cent spending rule) taking into account the terms of the Will or other Instrument of Gift, the amount of the Bequest or Gift and such other information as may be relevant.

- Oversee the expenditure of funds in accordance with the Gift Policy and the Delegations of Authority.
- Assess and approve the business case applications for higher spending requests as contemplated under the Gift Policy.
- Review annual spending levels and levels of unspent income.
- Review the Annual Compliance Report to be prepared and submitted by ICM in consultation with External Relations and in accordance with the Gift Policy.
- Review cases of ‘unusable’ bequests as contemplated under the Gift Policy and determine an appropriate course of action.
- Review the terms of the Gift Policy on an annual basis (or at other times where required), assess any proposed amendments to the Gift Policy, and provide recommendations to the Vice-Chancellor where required.
- Obtain specific legal advice from OGC where required.

## **Membership of GAB**

### **Chair**

Deputy Vice-Chancellor, External Relations (Chair)

Chair, Academic Board *or nominee*

Fellow of Senate

Alumni Council Representative

Member of the Donor Community

Faculty Representative

Director, Development

Director, Advancement Services

Director, Investment and Capital Management

Finance Director, Treasury & Investments

Research Office Representative

Scholarships Office Representative

OGC Representative

Foundation Representative

### **Secretarial Support**

To be provided by Office of the Deputy Vice-Chancellor (External Relations)

### **Quorum**

At any meeting of the Committee, any five members shall form a quorum.

### **Reporting**

Minutes of GAB meetings will be provided to the Vice-Chancellor.

### **Meetings**

The meetings will be held on a quarterly basis.

Papers will be circulated to Committee members as least one week prior to the scheduled meeting date.

The Secretary will collate and circulate meeting minutes, papers and agenda.



## The University of Sydney's Donor Charter

The University of Sydney has a long and distinguished history of support from benefactors who share our belief in the importance of excellence in research and teaching. Our future success increasingly depends on the generosity of alumni and friends to help us achieve our goals, and we are committed to developing a relationship of mutual trust and respect with all our donors.

### The University of Sydney's commitments

#### **To use gifts in accordance with the intentions of the donor**

The University will ensure that all gifts are consistent with the letter and spirit of the law and are used in accordance with our donors' wishes. As the University's academic objectives may change in the future, we will wherever possible consult with benefactors who have made designated donations about other ways their gift may be used. Undesignated donations will be used to support the University's academic priorities.

#### **To pursue truth and excellence in research and education**

The University reserves the right to decline gifts where acceptance would compromise our fundamental principles, including that of academic freedom.

#### **To acknowledge all donations**

All donors will receive an official University of Sydney receipt, and appropriate acknowledgement, recognition and publicity.

#### **To respect the privacy of donors**

The University will respect the privacy of all donors.

The University will provide anonymity for donors who request it.

Donor information will be used by the University to maintain contact with donors and to keep donors up-to-date with information about the University, its services, events and achievements. It may be passed to groups affiliated with the University, such as alumni organisations and foundations.

Donors' names may be published in the annual honour roll.

#### **To be transparent and informative**

Representatives of the University will at all times identify themselves as such when they contact current or potential donors.

Once a donation has been made, the University will provide benefactors with regular reports about the way gifts have contributed to our success. It will also make available on request the University's most recently published financial statements.

When a donor has supported a particular academic position or provided financial assistance to students, the University will undertake wherever possible to keep them informed about the award or appointment, but they do not have the right to influence its outcome.

#### **Enquiries**

The University of Sydney welcomes enquires regarding this charter or any related issues. Please contact our Donor Relations Manager on phone: 9351 5648 or e-mail: [cbrown@usyd.edu.au](mailto:cbrown@usyd.edu.au).