

2009

THE UNIVERSITY OF MELBOURNE
COUNCIL MEETING NO. 8

A meeting of the Council was held in the Council Chamber, level 1, Old Quadrangle on Monday 20 July 2009 at 4.00pm.

Present

Members

The Chancellor (Hon. A Chernov) (in the Chair)
The Deputy Chancellor (Ms R Storelli)
The Deputy Chancellor (Hon. Justice S Crennan)
The Vice-Chancellor (Professor G Davis)
The President of Academic Board (Professor G Stevens)
Ms E Alexander, Ms O Bishop, Professor G Bowes, Mr M Coyle, Professor P Dawkins,
Dr M Doig, Mr R Johanson, Ms T Jonas, Associate Professor M Joshi, Dr V Mansour,
Mr M Myer, Mr T Peake, Ms E Ritchie and Hon. D White

Others Attending

The Acting Provost (Professor S Elliott)
The Deputy Vice-Chancellor (Global Relations) (Professor J Dewar)
The Deputy President of Academic Board (Professor R Slocombe)
The Pro-Vice-Chancellor (Global Relations) (Professor Warren Bebbington)
The President of Convocation (Ms L Boston)
The Senior Vice-Principal (Mr I Marshman)
The Vice-Principal and Head of University Services (Ms E Baré)
The Vice-Principal and Academic Registrar (Ms G Luck)
The Vice-Principal (Human Resources) (Mr N Waugh)
The Dean of the Faculty of Economics and Commerce (Professor M Abernethy)

The University Secretary (Ms J White)
Dr J Constable (Office of the Vice-Chancellor)
Ms E Fazio (Office of the Vice-Chancellor)
The Manager, Corporate Affairs (Ms C Buckridge)

BUSINESS

I FORMAL MATTERS

1.1 Apologies and Leave of Absence Requests [Item A.01]

Council granted leave of absence for Judge Lawson and noted that leave of absence for Mr Turnbull had been granted for this meeting.

1.2 Welcome

The Chancellor welcomed the Honourable Justice Susan Crennan to her first meeting as Deputy Chancellor and Professor Susan Elliott as Acting Provost. The Chancellor also welcomed the Dean of the Faculty of Economics and Commerce who was attending to take part in discussions on the Key Issue (minute 6.1 below refers).

2 MINUTES OF PREVIOUS MEETINGS AND FOLLOW UP ACTION SHEET [Item A.1(a) and A.1(b)]

2.1 The Minutes of Council Meeting No. 7/2009 held on 22 June 2009 were confirmed.

2.2 The Action Sheet from Meeting No. 7/2009 was received.

3 DECLARATIONS OF INTEREST [Item A.2(a)]

No written declarations were received. However, Mr Tony Peake declared a possible commercial interest since he is a partner in a firm that is a corporate member of the Melbourne Business School and plays other roles at the University.

4 STARRING OF ADDITIONAL ITEMS [Item A.2(b)]

Additional items B.1.2, B.1.3, B.2.2, B.2.3, B.2.5, B.2.6, B.2.7, B.3.3, B.3.6, C.2, C.3 were starred for discussion.

5 MOTION TO ADOPT OR RECEIVE “UNSTARRED ITEMS OF BUSINESS” [Item A.2(c)]

It was agreed that the unstarred items of business be adopted where containing recommendations and received where containing reports.

6 KEY ISSUES FOR DISCUSSION [Item A.3]

6.1 Merger of the Faculty of Economics and Commerce with the Melbourne Business School

Council received the following documents [Item B.1.1] and [Item B.2.(b)]:

- The Report to Council of the Due Diligence Committee of 30 June 2009
- Co-ordination and Management Agreement (CMA) between the University of Melbourne and the Melbourne Business School Ltd (*final draft 16 July 2009*)
- Memorandum and Articles of Association of Melbourne Business School Limited (MBSL) (A Company Limited by Guarantee) (*discussion draft 16 Jul 2009*)
- Draft Regulation 5.1.R4
- Transition Letter to the Company Secretary of the Melbourne Business School Ltd (*Draft 12 July 2009*)
- Financial Overview for MBSL Board (*15 July 2009*)
- Commercial Case Document for Joint Steering Committee (*1 June 2009*)

- Summary of Relevant Aspects of MBS Merger Documentation
- Briefing Note on the Merger (Supplementary Report of the Vice-Chancellor)

The Chancellor introduced the proposed merger for consideration, referring to the documentation before Council, and foreshadowed the following Motion based on the recommendation of the Due Diligence Committee:

*“Subject to the Board of the Melbourne Business School authorising the execution of the Co-ordination and Management Agreement (CMA) on its behalf, Council **authorises** the Vice-Chancellor to sign the CMA on behalf of the University, subject to such appropriate drafting modifications, including any amendment relating to the transfer of surplus funds from Melbourne Executive Education to MBS for Faculty purposes, as may be settled by him in consultation with the Chancellor and Senior Vice-Principal.”*

Council noted that the CMA was subject to a number of conditions precedent. The Chancellor noted that, when the CMA comes into operation, it will create one Faculty consisting of three intertwined Academic Divisions, each with its own Dean who will report to the Executive Dean. Subject to being managed by a corporate entity, the new Faculty will essentially operate as other faculties and subject to like governance obligations to the University.

After summarising the proposals before Council, the Chancellor paid tribute to the negotiating team, in particular the former Provost (Professor Peter McPhee), the Senior Vice-Principal (Mr Ian Marshman) and the Dean of the Faculty of Economics and Commerce (Professor Maggie Abernethy), for their extensive commitment to the successful conclusion of negotiations over the past ten months.

The Vice-Chancellor briefly outlined the history of the Melbourne Business School since its establishment in the early 1960s. He noted that the merger was a historic development for the University and was a logical progression for both the Business School and the Faculty. Whilst not free of risk, there would be great advantage in merging the two enterprises for the reasons set out in part 3 of the CMA. Professor Davis commended the papers to Council.

The Chancellor then invited the Dean of the Faculty of Economics and Commerce to address Council on the matter. Professor Abernethy advised that she was strongly in support of the merger. She considered that it would result in a world class faculty of Business and Economics that would be unsurpassed in Australia in terms of its academic standards, student demand for places and research profile. Professor Abernethy cautioned that the governance model was an unusual one and might pose a risk. However, the Faculty Board retained the right to consider all matters concerning staffing and academic structures prior to consideration by the Company Board.

Council was advised that the appointment of an Executive Dean would be subject to the standard University selection processes and subject to MBSL Board approval.

The Chancellor invited the Senior Vice-Principal to give an overview as to how the merged entity will operate in practice. Mr Marshman noted that the new Faculty will, to all intents and purposes, perform in a similar manner to other Faculties in the University. All staff would be employees of the University and academic matters would continue to be subject to the authority of the Academic Board, with students remaining University of Melbourne students. The Faculty will be required to submit business plans in accord with normal University practice and will continue to operate within the University budget model.

Discussion of the proposal then followed and several members spoke in strong support of it. Then moved the foreshadowed motion which was passed **unanimously** by Council.

7 CHANCELLOR'S REPORT [Item B.1]

7.1 Due Diligence Committee Report on MBS/FEC Integration

This matter was dealt with above (see minute 6.1).

7.2 Establishment of an *ad hoc* Council Committee to consider the formation of an Alumni Council

Council reviewed a written recommendation as outlined in Appendix C of the report. In accordance with the recommendation, the Council **resolved**:

- (a) to establish a committee to consider whether an Alumni Council should be constituted to facilitate the contributions of all alumni to the University, and if so, what form the Alumni Council should take; and
- (b) that the membership of the Committee be as set out in the Appendix.

7.3 Eastern Precinct

Council received a report (Appendix D), concerning the opening of the Eastern Precinct and **noted** that a viewing of the Precinct by members was proposed for 3.00pm on Monday 14 September 2009.

7.4 Proposed University of Melbourne Act

Council noted that consultations with the University had almost reached their conclusion and that a University of Melbourne Bill would be introduced in the State Parliament in the latter part of September 2009. It was intended to replace the *Melbourne University Act* (1958), with effect from 1 January 2010.

8 VICE-CHANCELLOR'S REPORT [Item B.2]

Council received and noted the Vice-Chancellor's Report.

8.1 Institutional Change

The Vice-Chancellor reflected on the scale of institutional change that was underway within the University, not least as exemplified by the proposed merger with the Melbourne Business School. He referred to the size of the University in terms of its annual revenues, its employment of over 7,300 staff, its leading position with respect to international student enrolments and the significant contribution it makes to the Victorian economy.

Professor Davis informed Council that, with the oversight of Finance Committee, it had been necessary to review the University budget for 2010 and 2011, taking into account, amongst other matters, a number of negative factors that operated to curtail its income. Council was reminded that, in this context, a period of budgetary constraint had been foreshadowed in 2008. On the advice of Finance Committee, budget forecasts were amended to provide for a reduction in the cost base of 7.5% in 2010 and around 10% in 2011.

Council was also informed that all staff would be advised later in July that the University intends to introduce an "Economic Response Program" to meet these challenges and that full consultation would occur with staff and their representatives. Council members will be provided with further information at that time.

8.2 Membership of the Board of the Melbourne Institute for Indigenous Partnerships

Council **noted** the appointment of ten members drawn from the wider community as well as from the University, to the Foundation Board of the Institute. The Vice-Chancellor invited Council members to attend a forum on indigenous affairs to be held on campus towards the end of August 2009. Invitations will be circulated by the University Secretary.

8.3 Gruber Prize for Cosmology

The Vice-Chancellor informed Council that he was proud to report that Professor Jeremy Mould, of the School of Physics, and his international colleagues had been awarded the prestigious Gruber Prize for Cosmology valued at US\$500,000.

8.4 Federal Health Minister's Awards for Excellence in Health and Medical Research

The Vice-Chancellor advised that this award recognises outstanding achievement and potential for future achievement. Council was pleased to note that Professor Melissa Wake of the Centre for Community and Child Health at the Royal Children's Hospital had been awarded \$50,000 for her work on practical clinical strategies for maternal and child health nurses.

8.5 "Teach for Australia"

The Vice-Chancellor noted that the selection of the Melbourne Graduate School of Education to develop and run an innovative program based on similar programs in the UK and the United States, was a mark of outstanding national recognition and a milestone achievement for the School.

8.6 Pro Vice-Chancellor Appointments

Following Council approval to establish additional Pro-Vice-Chancellor positions in the Research domain in accordance with Statute 2.5.5(2), Council **noted** that the Vice-Chancellor has approved, on its behalf, the following appointments to commence on 3 August 2009:

- Professor Liz Sonenberg as Pro-Vice-Chancellor (Research Collaboration)
- Professor James McCluskey as Pro-Vice-Chancellor (Research Partnerships)

8.7 Compliance Report

Council received and noted the July Compliance Report.

8.8 Trusts Administration

Council received a report on a review of Trusts administration for the year ended 31 December 2008, undertaken by the Office of the Vice-Principal and General Counsel, and noted its contents.

8.9 Centres and Institutes for Research and Research Training

Council **noted** that the Vice-Chancellor had approved, on its behalf, the following:

8.9.1 Continuation of -

- the *Centre for Study of Higher Education*, and the *Centre for Equity and Innovation in Early Childhood*, both within the Melbourne School of Graduate Education;
- the *Centre for Spatial Data Infrastructures and Land Administration* within Melbourne School of Engineering; and
- the *Bushfire CRC* within the Melbourne School of Land & Environment.

8.9.2 Disestablishment of –

- the *Centre for Organisational Learning and Leadership* within the Melbourne School of Graduate Education.

9 VICE-CHANCELLOR'S REPORT – SUPPLEMENTARY [Item B.2(b)]

9.1 MBS/FEC Merger

This matter was dealt with above (see minute 6.1).

10 PROVOST'S REPORT [Item B.3]

Council received and noted the Provost's Report to Council, presented by the Acting Provost.

10.1 VCAM Taskforce

Council **noted** that the Vice-Chancellor has convened a taskforce to provide co-ordinated assistance to the Faculty of the VCA and Music (VCAM), as it proceeds with the change management process following the establishment of the Faculty in April.

10.2 Australian Learning and Teaching Council (ALTC) Citations

Professor Elliott invited Council to note the University's exceptional performance in the 2009 Australian Learning and Teaching Council (ALTC) Citations, in which nine academic and professional staff were recognised for their outstanding contributions to the quality of student learning. The University received the greatest number of awards in this round, along with Griffith University.

10.3 Amended Charge for the provision of Certification to the Victorian Supreme Court Board of Examiners

Council **noted** the background to a new requirement of all law graduates wishing to apply for admission to practice to supply certification with regard to their academic conduct. Further to a query concerning the keeping of student records and the level of reporting thereof, the Academic Registrar agreed to review student record processes to ensure that they comply with standards of reasonable reporting and privacy and to advise the member of Council who sought this information.

11 SENIOR VICE-PRINCIPAL'S REPORT [ITEM B.4]

Council received the Senior Vice-Principal's Report to Council.

11.1 Student System Project

Council **noted** that the University and the vendor had reached agreement on a Joint Project Implementation Plan, with a 'go-live' date in June 2010.

11.2 Major Projects

Council **noted** a progress report on Major Projects is underway at the University.

11.3 Responsible Division Management (RDM)

Council **noted** a progress report on the implementation of RDM across the University.

12 FINANCE COMMITTEE [Item C.1]

Council received the report of the Finance Committee Meeting 4/2009 held on 19 June 2009.

12.1 Purchase of 100 Leicester Street and 141 Barry Street, Carlton

Council **approved** funding from Reserves to purchase the above properties.

12.2 Financial Statements

Council **noted** the statements of the University's financial position as at 31 May 2009.

13 ACADEMIC BOARD – SPECIAL REPORT [ITEM C.2]

Council received and noted the special report of the Academic Board.

13.1 Award of Honorary Degrees of Doctor of Laws (*honoris causa*)

Council **approved** the awarding of three Honorary Degrees of Doctor of *Laws (honoris causa)* to the three persons whose citations were tabled.

14 AUDIT AND RISK COMMITTEE [ITEM C.3]

The Chair of the Committee advised Council that he highly commended a report received by the Committee at its meeting on 15 July for consideration at the next meeting of Council, when a report from that meeting would also be available.

15 BUILDINGS AND ESTATES COMMITTEE [C.4]

No meeting held.

16 COUNCIL NOMINATIONS AND GOVERNANCE COMMITTEE [C.5]

No meeting held.

17 HONOURS COMMITTEE [C.6]

No meeting held.

18 REMUNERATION AND EMPLOYMENT CONDITIONS COMMITTEE [C.7]

No meeting held.

19 LEGISLATION AND TRUSTS COMMITTEE [ITEM C.8]

No meeting held.

20 COMMITTEE OF CONVOCATION [ITEM C.9]

Council received the report of the Committee of Convocation Meeting 3/2009 held on 1 July 2009.

21 MELBOURNE THEATRE COMPANY BOARD OF MANAGEMENT [ITEM D.1(a)]

Council received a report of the Melbourne Theatre Company Board of Management Meeting 5/2009 held on 19 June 2009.

22 THE IAN POTTER MUSEUM OF ART BOARD [ITEM D.1(b)]

Council received a report of the Ian Potter Museum of Art Board Meeting 3/2009 held on 2 June 2009.

23 SUMMARY OF REPORTS OF MATTERS DEALT WITH BY THE VICE-CHANCELLOR ON BEHALF OF COUNCIL [Items D2]

23.1 Approval of Changes to Regulations under Authority of Statute [D.2(a)]

No report.

23.2 Sealed Documents and Other Matters Report (Confidential) [D.2(b)]

Council received a summary of reports of sealed documents and other matters approved on behalf of Council by the Vice-Chancellor, as set out in Item D2(b).

23.3 Appointments Report [Item D.2(c)]

23.3.1 Appointment to the Board of MU Publishing Limited

Council **noted** that the Vice-Chancellor had approved, on behalf of Council, the appointment of the Professor Bob Officer to the Board of MU Publishing Limited in accordance with clause 33.1(a) of the company's constitution for a three year term commencing 30 June 2009.

The meeting closed at 6.00pm.