This two day symposium on university costs and compacts is a joint initiative of The Australian National University (ANU) and The University of Melbourne. It is supported by the Group of Eight and the ANU Research and Innovation Policy Project.

It is designed to advance the course of public policy regarding higher education and university research by bringing together university leaders and senior policy makers to learn from international experiences and consider new options to fit Australia’s circumstances.

We hope that the format of the symposium, which allows for a lot of open discussion, will provide opportunities for the exchange of ideas.

We thank all our guest speakers for their time and expertise, especially those who have travelled from other countries to visit Australia’s national capital in the middle of winter!

Welcome. We trust you will find the experience worthwhile.
Universities contribute to national innovation through their teaching, research and outreach services. The effectiveness of their contributions depends on the resources the universities obtain and how well they manage those resources to build strongly performing capabilities.

To increase the capacity of universities to contribute to innovation it is necessary to address shortcomings in the business model for funding the teaching of local students and the business model for funding research. In both cases, costs exceed revenues. Additionally, universities make losses overall from their community service activities. Under these conditions, universities continue to function through surpluses generated from international student fee income, donations from third parties, the rundown of capital assets, and reductions in service quality.

The problem is most acute for research-intensive universities. The Go8 universities win some 70% of nationally competitive research funding. Competitive research grants are funded on average for only 70% of the direct project costs. Universities receive block funding towards indirect costs through the Research Infrastructure Block Grants Scheme. This scheme provides all universities, irrespective of their different cost structures, with only some 21.6 cents per dollar of competitive grants.

Australian universities cannot sustain quality in teaching, research or community service if the full actual costs of activities are not met. For universities to participate at the frontiers of world knowledge it is necessary that the actual costs of research are known and funded. Similarly, universities need to be properly funded to undertake effective knowledge exchange with industry and the general community.

Recognising the full costs of university activities—the direct costs and the indirect costs of administrative and capital overheads—enables better internal resource allocation, transparency of cross-subsidies, improved asset management and sustainable performance quality. The net result is better value for money for the community.

Several countries have arrangements in place for recognising and funding research overhead costs. Some also have dedicated funding streams to encourage university–industry and university–community collaborations. In developing an appropriate model for Australia we should draw upon the experience of others, notably England, New Zealand and the United States.

Key questions:

• How are true costs best known?
• What are the pros and cons of different ways of identifying costs for the university sector?
• What are the expectations of government in return for funding the true costs of university activities?
• How can universities gain increased flexibility and reduced administrative and reporting burdens?
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<td>8.30–9.00</td>
<td>Registration, tea and coffee</td>
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<tr>
<td>9.30–9.50</td>
<td>Session 1: Australia’s circumstances and challenges</td>
<td><strong>Hutch Ranck</strong>, Managing Director, DuPont Australia &amp; New Zealand</td>
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<td>9.50–10.10</td>
<td>Australia’s economic competitiveness</td>
<td><strong>Jessie Borthwick</strong>, Head of Division, Science &amp; Research, Department of Innovation, Industry, Science &amp; Research</td>
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<td>10.10–10.30</td>
<td>Universities and innovation</td>
<td><strong>Terry Cutler</strong>, Chair, Review of the National Innovation System</td>
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<td>10.30–10.45</td>
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<td>11.15–11.45</td>
<td>Session 2: Funding university research in England and New Zealand</td>
<td><strong>Steve Egan</strong>, Director (Finance &amp; Corporate Resources) &amp; Deputy Chief Executive, Higher Education Funding Council for England</td>
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<td>11.45–12.15</td>
<td>Funding the full economic costs of research</td>
<td><strong>Ian Creagh</strong>, Head of Administration &amp; College Secretary, King’s College London</td>
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<tr>
<td>12.15–12.45</td>
<td>Managing full economic costs in the university environment</td>
<td><strong>Stuart McCutcheon</strong>, Vice-Chancellor, The University of Auckland</td>
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<td>12.45–1.00</td>
<td>Open discussion</td>
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<td>2.00–2.30</td>
<td>Session 3: Funding university research in the United States</td>
<td><strong>Tony DeCrappeo</strong>, President, Council on Governmental Relations</td>
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<td>2.30–3.00</td>
<td>Funding the indirect costs of research</td>
<td><strong>Weldon Ihrig</strong>, former Executive Vice-President, The University of Washington</td>
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<td>3.00–3.30</td>
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<td>3.45–4.15</td>
<td>Overview of recent patterns in the United States</td>
<td><strong>Jane Wellman</strong>, Executive Director, Delta Project on Postsecondary Costs, Productivity &amp; Accountability</td>
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<td>4.15–4.45</td>
<td>Changing state steering mechanisms to enhance postsecondary performance: governance, regulation, market, and the role of philanthropy and non-governmental organisations in the United States</td>
<td><strong>Dennis Jones</strong>, President, National Center for Higher Education Management Systems</td>
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<td>4.45–5.15</td>
<td>From inputs to outputs: the experience with funding compacts and alternative negotiated frameworks for higher education</td>
<td><strong>Travis Reindl</strong>, Program Director, Making Opportunity Affordable, Lumina Foundation for Education, Jobs for the Future Project</td>
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<td>5.15–5.45</td>
<td>Open discussion</td>
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## AGENDA: TUESDAY 15 JULY

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<td>Introduction</td>
<td><strong>Ian Chubb</strong>, Vice-Chancellor &amp; President, The Australian National University</td>
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<td><strong>Session 4: Expectations of returns on investment in university research</strong></td>
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<td>European thinking on the expected returns from investment in university research</td>
<td><strong>Mark Matthews</strong>, Executive Director, Forum for European–Australian Science &amp; Technology cooperation</td>
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<td>Expectations of returns on investment in university research</td>
<td><strong>David Pearl</strong>, Principal Advisor, Social Policy, Commonwealth Treasury Department</td>
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<td>9.50–10.10</td>
<td>The public benefits of health and medical research</td>
<td><strong>Clive Morris</strong>, Chief Knowledge Development Officer, National Health &amp; Medical Research Council</td>
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<td>Communicating the benefits of publicly funded research</td>
<td><strong>Margaret Sheil</strong>, Chief Executive, Australian Research Council</td>
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<td><strong>Session 5: Universities and innovation</strong></td>
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<td>The Higher Education Innovation Fund in England</td>
<td><strong>Steve Egan</strong>, Director (Finance &amp; Corporate Resources) &amp; Deputy Chief Executive, Higher Education Funding Council for England</td>
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<td>12.00–12.30</td>
<td>Roles of universities in the English innovation system</td>
<td><strong>Ian Creagh</strong>, Head of Administration &amp; College Secretary, King’s College London</td>
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<td><strong>Session 6: Improving the community impact of universities</strong></td>
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<td>2.00–2.30</td>
<td>Defining public goals for college and university performance</td>
<td><strong>Dennis Jones</strong>, President, National Center for Higher Education Management Systems</td>
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<td>2.30–2.45</td>
<td>Enhancing the university’s role as public civic space</td>
<td><strong>Travis Reindl</strong>, Program Director, Making Opportunity Affordable, Lumina Foundation for Education, Jobs for the Future Project</td>
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<td>2.45–3.00</td>
<td>University–community partnerships for a public agenda for higher education: shifting alliances and new coalitions</td>
<td><strong>Jane Wellman</strong>, Executive Director, Delta Project on Postsecondary Costs, Productivity &amp; Accountability</td>
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<td>3.00–3.15</td>
<td>Expanded expectations for university service to communities</td>
<td><strong>Weldon Ihrig</strong>, former Executive Vice-President, The University of Washington</td>
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<td>Where to next? Open discussion</td>
<td>Chaired by <strong>Ian Chubb</strong>, Vice-Chancellor &amp; President, The Australian National University</td>
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**Chaired by Ian Chubb**, Vice-Chancellor & President, The Australian National University
Ms Jessie Borthwick  
*Head of Division, Science and Research*  
Department of Innovation, Industry, Science and Research

Jessie Borthwick is the Head of Division, Science and Research in the Department of Innovation, Industry, Science and Research. She was earlier Group Manager, Science, in the Department of Education, Science and Training. In this role she was responsible for a range of major science programs and policy areas including international science, cooperative research centres, the Office of the Chief Scientist, nuclear waste management, science awareness programs and relationships with key stakeholders including portfolio science agencies.

She joined the Department in 2002 as Group Manager, Strategic Analysis and Evaluation, having worked earlier as Deputy Director at the National Centre for Vocational Education Research.

She has held senior policy positions in state and federal government agencies in education and research related areas for over 20 years and holds a Bachelor of Arts (Asian Studies) from The Australian National University.

Senator the Hon Kim Carr  
*Minister for Innovation, Industry, Science & Research*  
Senator for Victoria

Senator Kim Carr was educated at New South Wales and Victorian state schools and at The University of Melbourne, where he completed a B.A. (Hons), M.A. and Dip. Ed.

He was elected to the Senate in 1993 and to Labor’s front bench in 1996, serving first as a parliamentary secretary (1996 to 2001), and then as a shadow minister (2001 to 2007). His first shadow portfolio was science and research (2001 to 2004), which was soon joined by industry and innovation (2003 to 2004). After gaining valuable experience in several other portfolios, he returned to his original responsibilities in 2006.

Following Labor’s election victory last November, he was sworn in as Minister for Innovation, Industry, Science and Research on 3 December 2007.

Professor Ian Chubb AC  
*Vice-Chancellor and President*  
The Australian National University

Professor Ian Chubb was appointed Vice-Chancellor of The Australian National University in 2001, having previously been Vice-Chancellor of Flinders University for six years.

He was the Senior Deputy Vice-Chancellor at Monash University from 1993 to 1995, for part of that time simultaneously holding the position of Foundation Dean of the Faculty of Business and Economics. From 1986 to 1990, Professor Chubb was Deputy Vice-Chancellor of The University of Wollongong.

Between 1990 and 1993, he was Chair of the Higher Education Council, and concurrently Deputy Chair of the National Board of Employment, Education and Training. He also served as Interim Chair, then Deputy Chair, of the National Committee for Quality in Higher Education from 1993 to 1994.
Mr Ian Creagh  
*Head of Administration and College Secretary*  
*King’s College London*  
Ian Creagh has worked in higher education management in the United Kingdom and Australia since the early 1990s, most recently as the chief administrative officer of various universities. He is currently the Head of Administration and College Secretary at King’s College London.

Prior to taking up his role at King’s, he was University Secretary at City University London and before that, Executive Director of Student and Staff Services at The University of Adelaide.

Before moving to Adelaide, Ian held a variety of senior managerial roles in the Australian Public Service managing higher education and student assistance policy and programs in a variety of domains including open learning and higher education research. His last public service role was as Secretary to the West Review of Higher Education Policy and Financing.

Dr Terry Cutler AO  
*Chair*  
*Review of the National Innovation System*  
Dr Terry Cutler is the Chair of the expert panel conducting a review of the national innovation system on behalf of the Australian Government. He has had extensive engagement with public policy and served on a number of government boards and advisory bodies.

He has held numerous advisory and decision-making positions with Australian government agencies, including roles as Chairman of: the Information Policy Advisory Council; the Industry Research and Development Board; the Australia Council; and the Australasian Cooperative Research Centre for Interaction Design. He is a Fellow of the Australian Institute of Management and the Institute of Public Administration, and a member of the Institute of Company Directors, the Market Research Society of Australia, and the Australian Society of Authors.

He was appointed to the Commonwealth Scientific and Industrial Research Organisation Board in 2002.

Mr Tony DeCrappeo  
*President*  
*Council on Governmental Relations*  
Tony DeCrappeo is currently President of the Council on Governmental Relations (COGR), an association of 175 research universities and their affiliated medical centres and research institutes. Prior to being appointed President, he was Vice-President for Business Operations and Director, Cost Studies and Policy, providing staff support to the Board of Directors and committees with particular attention to research costing, financial and audit issues. He also worked on the impact on research of new policies and regulations on export controls, biosecurity, and select agents.

He was Director of the Office of Grants and Contracts at New Mexico State University from 1992 to 1995. From 1981 to 1992, he worked for the Pennsylvania State University, first as Senior Auditor, then as Associate Director in the Office of Sponsored Programs.
Mr Steve Egan  
*Director (Finance and Corporate Resources) and Deputy Chief Executive*  
*Higher Education Funding Council for England*

Steve Egan is Deputy Chief Executive at the Higher Education Funding Council for England (HEFCE). He was appointed as Director of Finance and Corporate Resources in 1996.

He has a wide range of responsibilities including advising the Government on the financial needs of the higher education sector, and promoting improvements in the leadership, governance and management of universities and colleges. He has been actively involved in improving human resource management, estates management, risk management, governance, costing and pricing. He also has a leading role in promoting sustainable development, equality, and diversity, and in ensuring that the £7 billion of public money routed through HEFCE is properly accounted for and well spent. He is a keen advocate of better regulation and has overseen significant reductions in the accountability burden imposed on the higher education sector.

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Mr Weldon Ihrig  
*Former Executive Vice-President*  
*The University of Washington*

From 1996 until his retirement in 2008, Weldon Ihrig was Executive Vice-President of The University of Washington (UW). As Executive Vice-President he was the chief business and financial officer for UW, responsible for the management of all financial, administrative and facilities services of the university. This included management of the Metropolitan Tract (10 acres of downtown Seattle real estate), as well as community relations.

Prior to his appointment at UW he spent much of his career at The Ohio State University where he was named Vice-President of Finance in 1980. In 1990 he joined the Oregon University System as Vice-Chancellor of Finance and Administration. He has been a member of the Board of Directors and Secretary of the Board of the National Association of College and University Business Officers.

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Mr Dennis Jones  
*President*  
*National Center for Higher Education Management Systems*

A staff member of the National Center for Higher Education Management Systems (NCHEMS) since 1969, Dennis Jones is widely recognised for his work in areas such as: developing “public agendas” to guide state higher education policymaking; financing, budgeting, and resource allocation methodologies for use at both state and institutional levels; linking higher education with states’ workforce and economic development needs; and developing and using information to inform policymaking.

He has written monographs and articles on these topics, has presented his work at regional, national, and international conferences and has consulted with hundreds of institutions and state higher education agencies on management issues of all kinds. Prior to joining NCHEMS, he served as an administrator (in business and in institutional planning) at Rensselaer Polytechnic Institute.
Dr Mark Matthews  
Executive Director  
Forum for European–Australian Science and Technology cooperation

Dr Mark Matthews is the Executive Director of the Forum for European–Australian Science and Technology cooperation which is jointly funded by the European Commission and the Australian Government and hosted by the ANU on behalf of the entire Australian research and innovation community. His major qualifications include a B.A. (Hons) in Geography, an MSc. in Science, Technology and Industrialisation and a Doctorate (D.Phil) in Science and Technology Policy, all from The University of Sussex, United Kingdom. His academic career spanned the universities of Sussex (Research Fellow, Science Policy Research Unit), Bath (Research Fellow, School of Management) and Warwick (Senior Fellow, Warwick Manufacturing Group, Department of Engineering). He also has over ten years subsequent experience in the private sector as a public policy and management consultant. He has a particular interest in the management of uncertainty and risk in public policy—particularly with regard to research and innovation matters.

Professor Stuart McCutcheon  
Vice-Chancellor  
The University of Auckland

Prior to his appointment as Vice-Chancellor in 2005, Professor Stuart McCutcheon served for four years as Vice-Chancellor of Victoria University of Wellington. He was appointed Deputy Vice-Chancellor of Massey University in 1999, after having served as Assistant Vice-Chancellor (Research) from 1994 and Head of the Department of Animal Science from 1990. He has served a number of government agencies in an advisory capacity and was a Director or Board Member of: the New Zealand Dairy Research Institute; the Wellington Regional Economic Development Trust; the Wellington College of Education; and the Malaghan Institute of Medical Research. He is a former Chair and Deputy Chair of the New Zealand Vice-Chancellors’ Committee and is a Trustee of The University of Auckland Foundation and the UK and USA Friends of The University of Auckland.

Dr Clive Morris  
Chief Knowledge Development Officer  
National Health and Medical Research Council

As the National Health and Medical Research Council’s (NHMRC) Chief Knowledge Development Officer, Dr Clive Morris assists the CEO in leading the Knowledge and Development Division. In his seven years at the NHMRC he has led a number of different areas of the organisation, including the development of guidelines for research involving humans; clinical practice and public health guidelines and advice; and development & implementation of new legislation on human cloning and related matters. More recently he led the corporate area of the organisation through the establishment of the NHMRC as an independent organisation under new governance arrangements. Prior to joining the NHMRC he worked for other Commonwealth agencies including the Therapeutic Goods Administration overseeing the assessment of new biological medicines and the development of tests for safety and quality; and for Food Standards Australia and New Zealand. Before joining the public service he was an active biomedical researcher, working in cancer research in the United Kingdom and at The University of New South Wales.
Mr Travis Reindl

Program Director
Making Opportunity Affordable, Lumina Foundation for Education, Jobs for the Future Project

Travis Reindl leads Making Opportunity Affordable, a major national initiative focused on increasing productivity in American higher education. The initiative’s goal is to stimulate policy change that leads to more college graduates for the dollars invested by students, families and taxpayers.

He was on the staff of the American Association of State Colleges and Universities from 1997 to 2006 where he served as director of state policy analysis and assistant to the President. He led the tracking and analysis of state higher education policy.

He also advocated for the association’s members on federal issues in tax policy and institutional accountability, and he served as the project director for Making Place Matter, an initiative to strengthen regional stewardship efforts at state colleges and universities.

Mr Hutch Ranck

Managing Director
DuPont Australia and New Zealand Limited

Hutch Ranck was appointed Managing Director of DuPont Australia and New Zealand in 1999. In addition to this role, he is also Group Managing Director for DuPont operations in ASEAN.

He joined DuPont (Australia) in 1979 and has held leadership positions in Finance, Chemicals, Pharmaceuticals and recently in Agriculture Products. In 1985 he was transferred to EI DuPont in Wilmington, Delaware as Global Marketing Manager for the Titanium Dioxide Business. In 1987 he was transferred to DuPont (Asia Pacific) in Hong Kong where he was appointed Director for the Titanium Dioxide Business for Asia Pacific. In 1993 he returned to DuPont (Australia) as a Director of DuPont Australia and New Zealand.

He is Chair of the BCA Education, Skills and Innovation Task Force. He is a Director of the Australian Bush Heritage Foundation.

Mr David Pearl

Principal Advisor, Social Policy
Commonwealth Treasury Department

David Pearl is Principal Advisor, Social Policy with the Commonwealth Treasury Department. Together with other senior Treasury officials, he is leading Treasury’s contribution to the Council of Australian Governments’ education reform agenda.

Between 2005 and 2008, he led Treasury’s International Economy Division. Earlier in the decade, he was Principal Advisor, Education Policy in the then New South Wales Cabinet Office. In 2004, he worked as a senior advisor to then Opposition Spokesperson on Foreign Affairs and International Security, Mr Kevin Rudd MP. He has also served on Australia’s Permanent Delegation to the OECD.

He has a Master’s Degree in Public Administration from Harvard University and an Honours Degree in Economics from The University of Sydney.
Professor Margaret Sheil
*Chief Executive Officer*
Australian Research Council

Professor Margaret Sheil took up the position of Australian Research Council (ARC) Chief Executive Officer in 2007. Before joining the ARC, she was Deputy Vice-Chancellor (Research) at The University of Wollongong.

She is a former President of the Australian and New Zealand Society for Mass Spectrometry and Australian representative to the International Mass Spectrometry Foundation and was an Editor of Rapid Communications in Mass Spectrometry in 2006 and 2007.

She is a Fellow of the Royal Australian Chemical Institute and a member of the National Collaborative Research Infrastructure Strategy, Cooperative Research Centres Committee and The Prime Minister’s Science, Engineering and Innovation Council. She was Chair of the Australian Vice-Chancellors’ Committee Deputy/Pro Vice-Chancellors’ (Research) Group in 2006.

Ms Jane Wellman
*Executive Director*
Delta Project on Postsecondary Education Costs, Productivity and Accountability

Jane Wellman is the Executive Director of the Delta Project on Postsecondary Costs, Productivity and Accountability, a non-profit organisation in Washington, DC. She is widely recognised for her work in public policy and higher education, with expertise in state fiscal policy; cost analysis; state and federal regulation of higher education; and accountability metrics.

Prior to beginning the Delta Project in 2007, she served as a Senior Associate with the Institute for Higher Education Policy in Washington, DC, was Vice-President for Government Relations with the National Association of Independent Colleges and Universities, Deputy Director of the California Postsecondary Education Commission, and staff director of the California Ways and Means Committee. She obtained her Master of Arts and Bachelor of Arts degrees from The University of California, Berkeley.