Summary of May 2013 Address

Guest Speaker: Steven Schwartz — “Spending Two and a Half Million Dollars Every Day.”

Born in New York in 1946, Steven’s career included Vice Chancellorships of Murdoch University in WA, Brunel University in UK, and Macquarie University here in Sydney from where he retired last year. Having now perused his references on the net, your scribe can appreciate the difficulties John Thom must have had in preparing a concise introduction.

Commencing his academic career at Northern Illinois University, he next became a full time researcher in psychiatry at University of Texas. In 1978 he came to Australia as Senior Lecturer in clinical psychology at University of WA in Perth. In 1980 he transferred to University of Queensland firstly as Reader then Professor of Psychology, also serving as visiting professor at Stanford US in 1983 and Harvard US in 1987. His appointment as Head of Psychology at Queensland University followed by election for 2 terms as President of the Academic Board proved a key point in his career, giving him a keen interest in administration and resulting in him returning to University of WA as Executive Dean in School of Medicine and Dentistry. Although there was some scepticism among the medical establishment at this non-medical doctor appointment, this was eventually overcome, and his management skills resulted in his appointment in 1996 as Vice Chancellor at Murdoch University WA.

This appointment, followed in 2002 by Brunel University in the UK and in 2006 by Macquarie University, provided a platform for his strong and controversial endeavours in university reform. His quoted desire is to imbue wisdom and for universities to become more research focused. However citing his priest from his school days “Remember Steve, no margin, no mission”, he recognized that while profit is not the mission, the huge costs involved in the infrastructure and administration of universities required new ways of funding to be explored. These included profitable investment in property ventures, obtaining a credit rating and issuing bonds and generally putting the operation on a proper business footing. On cost control side, this also included outsourcing non-core operations and increased decentralization of responsibility and accountability.

His term at Macquarie involved overseeing $650 million of construction including a library, hospital, medical school, sports centre, lecture theatres and laboratories.

As can be imagined, these seats of learning, particularly in the UK with a history going back hundreds of years and an expectation of life time employment, also with a strong socialist element in both the administration and student body, proved not to be entirely welcoming to these changes. His push for more research active staff resulting in teacher redundancies and his move for closer ties with the business community proved very controversial. Macquarie, on the other hand, had the benefit of being a relatively new university, with stated aims at creation including being at the cutting edge. His stated aim was to refocus universities around peaks of research which would mean moving from teaching subjects teachers wanted to teach to subjects students wanted to learn, ensuring institutional success rather than ensuring morale. At the time of his
retirement, 85 new research staff including a group of post graduate medical researchers had been appointed, hundreds of millions of new development funding had been secured and the University rating world-wide had been improved. Last year Macquarie expenditure ran at $2.5 million per day or approx. $900 million per annum.

Commenting on the bond issue, Steven confirmed that they did apply for a credit rating and did achieve one similar to banks with the issue over-subscribed by $100 million. Macquarie has building assets of some $1.5 billion and share etc. investments of $450 million. They have some 400,000 sq. metres of approvals in train. The opening of the railway station had further improved the attraction of this Ryde area for technical/research businesses suitable for interaction with the university. Tenants include world-wide HQ of Cochlear Ltd. University accommodation includes legal, insurance, IT, art gallery, library, hospital, food outlets, and all kinds of sports, (and they do teaching and research as well!). Whilst government provides only 25% of revenue (the remaining 75% from students, patents and investments) it imposes 100% regulation and accompanying red tape. With premises vacant for approx. 26 weeks of the year, capital usage is not very efficient.

Question time threw up not only good questions but also interesting responses. Derrick Docherty’s vote of thanks drew warm acclamation, and whilst space here is somewhat limited, Steven’s web site is very interesting for those who wish to pursue information in more detail.