

30 January 2017

The Hon. John Olsen AO
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Dear John,

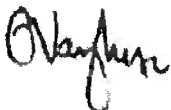
We refer to correspondence of September 2016 by which you engaged us to prepare an evaluation report of funding provided to the AAA for the financial support of the US Studies Centre at the University of Sydney and for the establishment of a United States studies centre in Western Australia. The evaluation was a requirement of the Funding Agreement of 29 June 2012 between the American Australian Association and the Commonwealth of Australia.

We attach an electronic copy of the evaluation report to this letter, and would be happy to forward a hard copy of the report to you if that would be useful. We are available to discuss any aspect of the report either by phone or by email.


We would like to thank you for offering us this opportunity to engage with you, and with the two Centres. We have received excellent cooperation from all involved, and have found the process of gathering information and discussing views professionally rewarding.

We trust that the evaluation report will be useful to you and to the Centres as they set their directions for their future work. We would like to underline our view, expressed in the report, that the work of the Centres is particularly valuable in current circumstances, and deserves to be supported.

Yours sincerely,



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Evaluation Report

**The United States Studies Centre (USSC) at the
University of Sydney, and the**

**The Perth USAsia Centre (USAC) at the University of
Western Australia**

Prepared by

**Mr Peter Varghese AO, Chancellor of the University of
Queensland and former Secretary of the Department of
Foreign Affairs and Trade (DFAT), and**

**Mr David A Ritchie, former senior officer of DFAT and
former Ambassador to France**

30 January 2017

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USSC and USAC Evaluation (January 2017)

1. Principal Findings and Recommendations

United States Studies Centre, University of Sydney (USSC)

1. After a period where its focus drifted, the USSC is returning to a clearer view of its purpose and value add.
2. The key objectives of the Centre should be authoritative analysis of the depth and breadth of Australia-US relations, disseminating an appreciation of the importance to Australia's national interests of the US alliance, high-quality research, and teaching at both undergraduate and post-graduate levels.
3. There needs to be a clear understanding among all staff, and especially academic staff, that the first objective of the original agreement establishing the Centre - to deepen understanding of the United States and to strengthen the relationship between both countries – remains valid and should continue to guide the work of the Centre.
4. The principles of academic freedom which flow from being a university-based centre should not be seen as a barrier to credible advocacy. Nor should well-argued advocacy be confused with cheer-leading or barracking.
5. The teaching function of the Centre is important and should be extended further, in response to the proposed re-invigorated recruitment effort. Teaching quality is high, and students are complimentary of the teaching staff and practices at the Centre. The Centre should build further on its current efforts to work closely with faculties to deliver courses that examine the relationship with the United States in areas such as business, economics, and trade and investment. Opportunities in other areas such as law should be explored.
6. More joint appointments would expand the Centre's teaching and research reach and help break down the mistaken view that the Centre's teaching courses steal students from other faculties
7. The Centre has developed a strategy to market its courses internationally. This should be pursued vigorously, in view of the financial and policy benefits.
8. The Centre's research effort has been too bottom up. There are welcome signs that this is changing, with the preparation in September 2016 of a research strategy. The Centre should set clear research priorities that, in turn, should drive staff appointments. US

politics and the US economy, the security, economic, trade and investment relationship between Australia and the United States, and US foreign and strategic policy, especially in the Indo-Pacific region, should be high-order research priorities. Cultural studies should not be a primary focus but can contribute to an understanding of the United States, and may attract students to Centre courses.

9. Without a substantial and focused research output the Centre's credibility will be diminished. Also, targeted research is an essential input into sophisticated advocacy.

10. The links between the teaching and think-tank sides of the Centre need to be closer. Research undertaken by the teaching staff should be aligned with research in the think-tank program. Again, there are signs that this is changing. The proposal to introduce a course focusing on the think-tank's work is a welcome step in this direction.

Perth USAsia Centre (USAC), University of Western Australia

11. USAC has made a strong start and has quickly established itself as a key convener of events relating to Australia's interests in the Indo-Pacific region.

12. The effective leadership of USAC has been key to its success. This underlines the importance of medium term succession planning.

13. USAC needs to build its capacity for research and teaching, which is currently limited. This may mean giving less attention to convening events and more attention to building a stronger in-house research capability.

14. The current model governing the relationship between the two Centres remains appropriate, namely separate but complementary Centres with some overlapping board membership. As the research capacity of both Centres is strengthened, each Centre will need to ensure its research output is not duplicative but complements the work of the other Centre.

Funding

15. With the election of Mr. Trump and the uncertainty about US policies that it has engendered, the need for a United States Studies Centre has never been greater.

16. While the Centre has developed some good links with the private sector and has broadened its funding base through teaching and

commissioned research, it is unrealistic to expect the Centre to continue without substantial government funding.

17. Ideally, government funding should taper off and be replaced by private funding. But the Australian experience in this area is not encouraging and we do not recommend that another tranche of government funding be contingent on the Centres' securing private-sector funding.

18. We recommend that the government provide sufficient funding to enable the two Centres to continue operating over the four-year forward estimates period. A government representative should be appointed to the Boards of the two Centres. The funding in the third and fourth years should be subject to a satisfactory evaluation of the performance of both Centres at the end of the second year. This evaluation should be prepared independently and submitted to the Board of each Centre and to the Commonwealth funding agency. In addition, the Boards of both Centres should require a more rigorous annual internal evaluation of performance than is currently provided.

2. Review Task and Approach

1. Under an agreement of 29 June 2012, the Commonwealth provided funding of \$7.7 million to the American Australian Association (AAA), with \$4.4 million to be allocated to financial support for the United States Studies Centre at the University of Sydney and \$3.3 million for the establishment of a United States Studies Centre at the University of Western Australia (or another Western Australian university as appropriate). This agreement followed an agreement of 27 June 2006 in which the Commonwealth provided \$25 million to the AAA to establish a United States Studies Centre at a major Australian university, the University of Sydney being subsequently chosen as the host university for the USSC.

2. The 2012 agreement repeated the wording of the 2006 agreement in specifying that the objectives of the Centres were to:

- Deepen the appreciation and understanding of the United States' culture, political climate and government, and strengthen the relationship between both countries;
- Complement and provide leadership on current Australia/United States educational endeavours;
- Increase awareness of American politics and government;
- Promote collaborative research between institutions in Australia and the United States; and
- Operate as a think-tank for the Australian/United States relationship.

The agreement also noted that to achieve their objectives, the Centres may offer programs in areas such as:

- American history, politics, current affairs;
- Economics, finance, business, trade;
- Sociology; and/or
- Culture studies and literature.

3. The agreement required the AAA to commission an independent report to review and evaluate:

- i. The success of establishing the USSC in Western Australia;
- ii. The success in meeting the Centres' objectives as specified in their respective Business Plans;
- iii. The achievements of the Project in supporting the activities of the Centres and in supporting any other activities as allowed for under the agreement;
- iv. The achievement of the Project in securing third-party contributions and garnering any other ongoing funding or in-kind support from sources other than the Commonwealth; and
- v. The future capacity of the Project to deliver on the objectives outlined in the Funding Agreement.

4. The review has been commissioned by the AAA and undertaken by Mr Peter Varghese AO, Chancellor of the University of Queensland and former Secretary of the Department of Foreign Affairs and Trade (DFAT), and Mr David Ritchie, a former senior officer of DFAT whose positions included head of the Americas and Europe Division.

5. The approach to gathering information and views was to interview the Chairman and Chief Executive Officer of the AAA, the Chairmen and individual board members of the two Centres, the Chief Executive Officers and staff members of the two Centres, and a number of stakeholders for the two Centres. The reviewers discussed teaching at the USSC with a group of students, and discussed the review with the USSC Board at a board meeting on 2 December 2016. A list of people interviewed is at Appendix A.

6. A number of documents have been used to inform the review, notably the evaluation report undertaken by the Hon. John Brumby and Professor Peter Sheehan in 2012; the Review of the Postgraduate Programme of October 2015; the 'Final Reports' for both Sydney and Perth submitted under the terms of the 2006 agreement with the Commonwealth; the 2017 Strategic Overview and Operational Plan by USSC CEO Simon Jackman; the September 2016 USSC Research Strategy by Research Director James Brown; the USSC 2017 Draft Budget; the USSC Engagement and Student Strategy by Student Recruitment Manager Beau Magloire; the American Australian Association Annual Report for the year ended 30 June 2016; and various other documents.

3. Principal Findings of Previous Reviews

Brumby-Sheehan Evaluation Report of USSC, April 2012

1. This evaluation was a requirement of the 2006 agreement between the Commonwealth and the AAA. Principal findings were that:

- The Centre had established an excellent communication program and a powerful media presence;
- It had contributed significantly to the understanding and advancement within Australia of the US-Australia relationship;
- It had developed a sound position at the University of Sydney and built a strong undergraduate program, with some postgraduate programs;
- But it had not developed a strong in-house academic research capability able to lead research in Australia on key issues and to raise significant research funding through standard academic sources;
- It remained strongly Sydney based; and
- It had not achieved a financial base and an operating model to sustain its activities on an ongoing basis.

2. The report recommended:

- Economies in the funding directed to administration, communications and outreach, and redirection of funds elsewhere, particularly the development of stronger teaching and research capabilities;
- Establishment of a stronger in-house research capability at USSC and development of a clearer research strategy;
- An increased focus on earned research income from standard academic sources – Australian Research Council funding and the Higher Education Block Grant scheme;
- Structured management of the think tank program, where research had emerged on an opportunistic basis, and activities were disjointed;
- Further expansion and resourcing of the PhD program; and
- An increased focus on the US economy.

2015 Review of the USSC Postgraduate Program

3. This review was commissioned by the CEO against the background of declining enrolments (190 in 2009 to 80 in 2015) and a high level of staff turnover. The review team believed that the working model of postgraduate studies was unsustainable financially, and recommended:

- A rigorous analysis of the prospective market for US Studies;
- An updated mission and vision to give the program a clearer sense of its overriding purpose – this against the background of the

existence of multiple visions within the Centre as to the place and function of the postgraduate program;

- A rebranding of degree offerings and courses, coupled with a supporting marketing plan – possibly the development of two different Masters offerings, one designed for an academic audience and the other for a more professionally oriented audience; and
- A greater degree of integration of the postgraduate program with other parts of the Centre, particularly the think tank.

4. Other recommendations of note made in the body of the report were that the Centre should consider:

- Reaching out to other areas of the university to deliver units of study as part of other postgraduate programs;
- Short-course, non-award offerings to business and government;
- Recognising its national remit, partnerships with other Australian universities, perhaps to deliver courses into other programs around the country; and
- Joint programs with prestigious American universities.

4. Performance of USSC

Introduction

1. After ten years in operation, the USSC has established itself firmly at the University of Sydney, its functions covering teaching at undergraduate and postgraduate levels, research, and public outreach and communication. It has succeeded particularly well in the last of these functions, and reinforced its reputation for expertise and authoritative commentary on the US political system during and after the US Presidential election. It has brought considerable weight to the University of Sydney's concentration of expertise in American studies.

2. Current circumstances, particularly uncertainty about the direction of US policy across a broad range of areas that will affect Australia, underline the importance of a centre which draws together expertise on the United States and contributes clear analysis and informed views to public debate in Australia. In view of the central security and economic interests Australia has in the US relationship, it is equally important that the Centre continue to fulfil its mandate of strengthening the relationship with the United States as outlined in the 2006 funding agreement with the Commonwealth and repeated in the 2012 funding agreement.

3. Under the leadership of a new (since April 2016) CEO, the Centre is going through a process of change across a number of its activities. Research was previously disparate and opportunistic, driven by the availability of funds in specific areas of interest to funding organisations. A more strategic approach is being developed to ensure

research is focused on public-policy issues of relevance to the Australia-United States relationship. A re-invigorated recruitment strategy has been drawn up to reverse the decline in student numbers over recent years, and a part-time Director of Development is being appointed to increase the level of corporate support to the Centre.

4. 2017 will be an important year for the Centre. It will reveal whether greater corporate support is available, and whether student numbers begin to recover. The research strategy will be put to the test, and two new research projects will begin. The funding agreement with the University will be re-negotiated, and renewed funding from the Commonwealth sought.

5. The following considers each of three functions of the Centre – outreach and communication, research, and teaching – in turn.

Outreach and Communication

6. The Centre has continued the strong performance noted in the Brumby/Sheehan evaluation report four years ago. It is the pre-eminent organisation in Australia for analysis and commentary on US political processes, explaining how the United States works for the Australian public.

7. The Centre took full advantage of interest in Australia in the US Presidential election, and staff members were frequently called upon to contribute informed views to media analysis and discussion. By University of Sydney metrics, it had the highest media exposure of any university faculty or centre, appearing more than a thousand times in national and international media in one six-week period in the final quarter of calendar 2016.

8. Deepening appreciation and understanding of US politics is one of the central objectives of the two funding agreements with the Commonwealth. The Centre has fully met this objective through its contribution to national media coverage of the United States.

9. One aspect of outreach that deserves further comment is the effort the Centre puts into events. These are appreciated by students in giving access to important figures in the bilateral relationship, and by the University in its aim of reaching out to the Sydney public. The events are, however, largely Sydney-centric. Of the 24 events the Centre organised from September to November 2016, 23 were in Sydney and one in Canberra. This is one area where the Centre could increase its inter-state activity and go closer to reaching its goal of being a national centre (see below, Future Directions).

10. The Presidential election was an ideal opportunity for the Centre to cement its reputation as the primary non-government centre in

Australia for expertise on, and networks in, the United States. The task now is for the Centre to capitalise on that reputation in expanding its appeal to the corporate sector, in research projects, executive briefings, and in short-course professional offerings.

11. Another task for the Centre will be to re-direct senior staff resources from outreach – understandable and necessary as that was in late 2016 – more to research and to implementing the Centre’s strategic direction. Communication and outreach will nevertheless remain a central function of the Centre, and indeed is important in launching and disseminating the Centre’s research product.

Research

12. The Brumby/Sheehan report noted that the Centre had built several components of a research capability but that these components seemed somewhat disjointed and lacking in a clear research strategy (p19).

13. These components included a number of technical issues such as a soil carbon initiative, a sustainable future city program, a bioenergy and biofuels project, and a comparative groundwater law and policy program. As these programs and projects were running, the Centre launched the Alliance 21 project in 2012 which focused principally on Australia’s security relationship with the United States, but was also an umbrella for other activities in a variety of areas: trade and investment, education and innovation, emerging Asia, energy security, and natural resources and the environment. To this mix were added three new programs between 2012 and 2015: the Asia Research Network, a collaboration with Asian think tanks on public opinion polling; a project on emerging US security partnerships in Southeast Asia; and a series of activities on the US-China relationship.

14. Even as late as 2015, therefore, the Centre’s research activity appeared even more disjointed than outlined in the Brumby/Sheehan report three years earlier. Many of these programs resulted in activities such as dialogues, conferences, roundtables, and forums – for example, the mayor’s forum and US study tour organised under the Future Cities program in 2013, 2014, and 2015. Without diminishing the importance of information exchanges, the fact that program outcomes were event-based may explain, at least in part, why there was a perception from a number of interlocutors that the Centre’s output of original research publications had not been at the same level as its outreach activity. It received no research block grant funding until 2016. And in the 2017 Strategic Overview, the CEO stated that the Centre had not produced as much research as would be expected given its mission and its budget, and listed continued progress on elevating research as a priority for the Centre.

15. A combination of factors has recently been working towards a consolidation of research programs. The Dow Sustainability Program, which covered many of the technical areas mentioned above, ceased in December 2015. The Future Cities Collaborative will move from the Centre and become a separate entity, and the US-China Program ended in December 2016. A Research Director was appointed in early 2016 with a mandate to improve the impact and efficiency of the Centre's various public-policy research efforts. The Research Director has produced a USSC Research Strategy that sets out clearly the current status of research and future directions, assigning particular Centre personnel to particular topics.

16. The focus of research in the future will be

- American politics;
- Foreign policy, defined primarily as Australia's defence relationship with the United States, focused on future challenges and opportunities for the bilateral relationship, and including regional security challenges as a key area of focus;
- Economics, comprising two projects - the US innovation economy, a three year research project funded by the NSW government; and investment and trade between the United States and Australia, funded by American Chamber of Commerce; and
- American culture, which organises and recognises the research outputs of academic staff working in the humanities.

17. A structured research program is to be welcomed, even if it comes some years after it was recommended by Brumby and Sheehan.

18. The Centre has been successful in attracting funding for this research program. The Alliance 21 project, which entered its second phase in 2015, will receive \$3.5 million before it ends in June 2018 - \$1.6 million from the Department of Defence and \$1.9 from corporate and US Government funding (US\$300,000 for visiting fellows). The innovation project will attract NSW Government funding of \$2.5 million over the life of the project (end date in 2019). The trade and investment project will receive funding of \$273,000 in 2017 from the American Chamber of Commerce in Australia.

19. Two particular comments about the research strategy can be mentioned at this point, and will be further covered in the report section on Future Directions:

- First, the foreign policy strand covers regional security challenges. The question is whether this issue will receive the priority and allocation of resources that it deserves, and how it will be managed between USSC in Sydney and the USAsia Centre in Perth, the latter having regional expertise and a de facto remit to deal with regional issues;

- Second, the economics strand is defined sectorally, that is, in terms of two specific sectors – innovation, and investment and trade. This is understandable, given that funds have been provided for these particular projects, but it leaves open the question of a broader capability to analyse the US economy.

20. In terms of earned research income from standard academic sources, the Centre is beginning to show results, after some years of drought. There have been few Australian Research Council grants – yet another indication that research was not a Centre priority until recently. Developments in 2106 are more encouraging. The Centre received research block grants of \$357,000 (\$323,000 for projects and \$34,000 for publications) and expects to receive further grants of \$297,000 in 2017 (\$267,000 for projects and \$30,000 for publications).

21. The Centre has not developed a substantial doctoral program. Three doctorates have been supervised to completion, and one is currently being supervised. While implementing the new research strategy will be a priority for the Centre over the next two years, it should then turn attention to developing and publicising a doctoral program, and attracting doctoral candidates, as part of its mission of providing leadership on Australia-US educational endeavours, and to advance its position as a leading research institution.

Teaching

22. The Centre has established a substantial teaching reputation and course offering at both undergraduate and postgraduate levels. It administers a major in American Studies within the Faculty of Arts and Social Sciences, and teaches units available to students completing majors in other areas of study. At postgraduate level, it offers a Master of United States Studies jointly with the Faculty of Arts and Social Sciences. Additionally, it offers a Board of Studies-endorsed Higher School Certificate course, 'America: Prophecy, Power, Politics', and organises an annual 'Debate the Future of America' competition for schools in the Sydney region.

23. The Centre has been innovative and energetic in its teaching program. The initiatives in the secondary sector are directed, in part, at attracting students to the undergraduate courses – as well as stimulating interest in the United States among younger students. Internships and placement programs in Australia and the United States, and study-abroad programs in Los Angeles and Washington, are attractive components of the Centre's academic offerings.

24. The 2015 Review of the Postgraduate Program noted the 'highly dedicated and energetic academic staff'. The quality of teaching has been recognised by the presentation of the Vice Chancellor's Teaching

Award to the Centre's Associate Professor in American Politics, Brendon O'Connor. The student group with whom we spoke were highly complimentary of the sense of dynamism and innovation in the Centre, the accessibility of academic staff, the flexibility of course offerings, and the opportunity to attend think-tank events and benefit from presentations by invited speakers.

25. Nevertheless, as the table below shows, student numbers have been on a declining trend, after peaking in 2012.

Year	2009	2010	2011	2012	2013	2014	2015	2016
Undergraduate	75	439	769	1055	1072	870	906	752
Postgraduate	196	184	153	204	129	98	78	124
Total	271	623	922	1259	1201	968	984	876

It is difficult to pin down a reason for the pattern of a surge from a modest beginning to a peak in 2012 and 2013 and then a decline. This trend does not mirror broader numbers in the Arts and Social Sciences Faculty, that have varied little around an average of 10,300 students over the last six years (2011 – 10,321; 2012 – 10,555; 2013 – 10,627; 2014 – 10,380; 2015 – 10,289; 2016 – 10,325). The decline in postgraduate numbers may be explained by several factors noted in the 2015 Review of the Postgraduate Program: the possibility that there is a limited market for US Studies, and a more general decline in postgraduate numbers in area studies compared to postgraduate courses that provide a stronger disciplinary focus.

26. At these lower levels of enrolments, tuition revenue barely covers academic salaries. Further, declining student numbers undermine the extent to which the Centre can claim to be fulfilling two of the funding agreement's objectives through its academic program – to deepen the appreciation and understanding of the United States' culture, political climate and government, and to increase awareness of American politics and government.

27. Senior management of the Centre is developing a number of strategies to attempt to reverse the declining numbers, including:

- Using O (Orientation) Week to publicise how the Centre's 2017 teaching program will cover the Trump presidency;
- When enrolment numbers for 2017 are known, reviewing classes with the aim of reformatting or retiring less popular courses;
- Undertaking the necessary preparatory work in 2017 to enable classes to be taught into the Business School in 2018, in particular to take advantage of the CEO's expertise in statistics and data analysis and the expertise of the person hired to head the work on US innovation in the think tank;
- Developing courses to offer as units in a Master's program in Diplomatic and Strategic Studies;

- And developing offerings outside conventional courses, such as pre-departure classes for students travelling to the United States and executive briefings on the work being undertaken in the think tank (US innovation, and trade and investment).

28. The University's reorganisation of its undergraduate degree programs, to take effect in 2018, could also offer opportunities for the Centre. It will be well placed to capitalise on its experience with internships and study abroad programs, and to provide policy-focused research courses as fourth-year capstone experiences for students in the Faculty of Arts and Social Sciences.

29. Following the 2015 review of the postgraduate program, the Centre is creating three specialist streams – business, politics, and film and culture – with capstone placements in each stream and cross-listing with related units offered elsewhere in the University, mainly the Faculty of Arts and Social Sciences. It is interesting to note the enduring interest at postgraduate level in the subject US Foreign and National Security Policy – 16 enrolments in 2016, and an average of over 17 enrolments per annum over 8 years.¹

30. Importantly, a student recruitment manager has been engaged and a structured student recruitment strategy drawn up. The strategy aims to increase the number of students attending the University, rather than attract students already enrolled in other parts of the University. It focuses particularly on postgraduate students because of higher financial returns. (In 2016, postgraduate enrolments were 11.5% of the total, and generated 18.8% of the revenue received from student fees.) The strategy is also directed at the overseas market. It foreshadows a number of initiatives, including: contracts with online recruitment platforms to increase awareness of the Centre's programs; training international education agents on the Centre's product and working with agents to launch targeted advertising campaigns; and recruitment visits to International Baccalaureate schools overseas.

31. Apart from financial considerations, the focus on recruiting international students serves a broader policy interest. It will familiarise an important group of regional opinion formers with the nature of Australia's relationship with the United States, and serve to dispel some of the facile caricatures of that relationship disseminated in some countries.

¹ Similarly at the undergraduate level, apart from the pre-requisite subjects for a major, the foreign-policy subject 'US in the World' has been of enduring interest, with 109 enrolments in 2016 and an average of 170 each year over 8 years. These figures indicate a continuing strong interest in US strategic policy.

32. At both postgraduate and undergraduate levels, it will be important for the Centre to take stock after 2017 enrolments are known, and review both course offerings and, if necessary, academic staffing levels. The numbers will give an indication of whether a revival of interest is underway. It should be noted, however, that many of the initiatives mentioned above have a substantial lead-time, and will come to fruition only in 2018.

5. USSC: Future Directions

1. Explaining and Strengthening the Bilateral Relationship.

Australian public opinion could well go through a period of disenchantment with the United States. The Lowy 2016 poll showed 71% of those polled thought the Australia-US alliance very or fairly important, the lowest number since 2007. The poll, taken before the Presidential election, revealed that 45% of those polled thought Australia should distance itself from the United States if it elected a president like Donald Trump; only 51% thought Australia should stay close to the United States regardless of who was elected president. And in the USSC/USAC's own poll², published in June 2016, Australians were the least willing to express a preference for a continued strong relationship with the United States of all the countries in the survey (Australia, China (sic), Indonesia, Japan and South Korea).

2. Given these trends, the need for an independent and authoritative institution engaging strongly in public debate to point out the underlying and enduring importance to Australia's national interests of our relationship with the United States is as central now as it was when the USSC was first established. This should be a clear priority for the Centre across the range of its activities in what may turn out to be a period of some turbulence.

3. This priority goes to the first objective of the original funding agreement, repeated in the 2012 agreement, viz.: deepen the appreciation of the United States' culture, political climate and government, and strengthen the relationship between both countries. This is not to be confused with advocating for the United States; it is contributing to Australia's national interests by strengthening the bilateral relationship.

4. As the CEO states in his 2017 Strategic Overview, 'If the Centre is funded by government to a substantial degree, then surely the Centre ought to be of value to the nation, in a direct and tangible way.'

² The Asian Research Network: Survey on America's Role in the Asia-Pacific, p16.

5. **United States and the Indo-Pacific.** Following the election of Mr Trump, US strategic policy is entering a period of uncertainty. The US approach to China, to the region's points of tension (the Korean peninsula, for example), together with US expectations of its allies, are far from settled and are less predictable now than they have been for many decades. These issues are centrally important for Australia. It would be anomalous for a centre that specialises in United States studies not to have a sophisticated capability to analyse the nexus of issues bearing upon US regional policy. The survey of opinion in regional countries is an excellent contribution, but there will be strong demand for close analysis and public commentary over the coming years. USSC has substantial research resources and USAC has an Indo-Pacific focus; between them, they will need to ensure that this particular demand is well met.

6. **The US economy** remains the largest in the world, and the United States the largest source of foreign investment for Australia and our third largest trading partner. There is a strong case for USSC having available a capacity to analyse (and indeed teach) the US economy; the focus on American politics misses a dimension if it is not accompanied by coverage of the US economy. The integration of political and economic analysis is as important with the United States as it is with any other country. We note that an increased focus on the US economy was also a recommendation of the Brumby/Sheehan report. The undergraduate course offerings for 2017 include American Comedy and Humour, and Sex, Race and Rock in the USA – and these courses might well attract attention from some students – but there is no course on economics, and this at a time when we are still living through the consequences of a financial and economic upheaval, the epicentre of which was Wall Street.

7. We note that the American Studies major can be completed with cross-listed units from the departments of Art History and Film Studies, English, Gender and Cultural Studies, Government and International Relations, History, Philosophy and Music. Economics is nowhere to be seen. There is, however, one course on US Economic Policy and Regulation offered at postgraduate level.

8. The CEO notes in his 2017 strategic overview that the economic component of Australia's relationship with the United States ought to have a prominent place in the Centre's research, teaching and outreach – to which we would add that the US economy per se should also be a subject of focus. USSC's aim of teaching classes into the Business School in 2018 could well lead to greater connections with the economics/business area of the University and open avenues to meet this gap in USSC's course offerings.

9. We would repeat the recommendation of the Brumby/Sheehan report that there needs to be greater emphasis on the US economy. We support the CEO's suggestion (made in the slightly different context of the commercial relationship between Australia and the United States) that this emphasis on the US economy should be in all the Centre's functions - research, teaching and outreach.

10. **Integration of academic staff with the research element** has also been noted by the CEO as a priority for the Centre. As outlined above, the academic staff is highly regarded by students, and others, for its teaching performance. Various factors (lack of research income, CEO's evaluation) indicate that the academic staff has not generated a large output of policy-relevant research. The Centre will need to work at closer integration of its academic and research areas, including by aligning the research of its academic staff with the Centre's overall research goals. This may take some time to yield fruit, depending at least in part on future hires of academic staff who are able to both teach the courses offered by the Centre and to undertake research in areas of focus outlined in the Centre's research strategy.

11. Integration should also work in the other direction – that is, as well as academic staff undertaking relevant research, the work of the think tank should inform the Centre's course offerings. It is positive to note that there will be a new teaching unit focusing on Alliance 21 work, which should have the attraction for students of topicality and public prominence. The aim, as expressed in the Centre's Research Strategy, is for the think tank to 'contribute to, and borrow, intellectual and analytical strength from the Centre's teaching and academic research programs.'

12. The goal to which the Centre should work with present staff and future hires should be to have as many multi-skilled staff as possible, able to cover the three functions of the Centre – teaching, research relevant to the Centre's research strategy, and public outreach.

13. **Relations between USSC and the University** have developed over time, but an element of friction remains. The Centre has added substantially to the University's concentration of expertise on the United States, which one interlocutor told us was the strongest in Australia, and one of the strongest in the world outside the United States. As noted above, students are highly complimentary of USSC teaching staff who, we were told, were among the best in the University in terms of accessibility and flexibility; the Centre's reputation among students at the University is strong. And the Centre brings eminent speakers to the University and organises events that appeal to the University population and beyond. Yet anecdotally there is still a feeling in some quarters that the Centre 'steals' students and deprives other areas of the University, notably

the Faculty of Arts and Social Sciences, of revenue from student fees – despite the CEO’s contention that the fees accruing to the Centre barely cover teaching costs.

14. A number of initiatives to reach out to other areas of the University are underway. There will be a joint appointment of a professor with the Department of History; further joint appointments as possible will build stronger links with relevant areas of the University. The Centre is aiming to teach a course into the Business School, taking advantage of the person hired to lead the research project on the US innovation economy, and of the CEO’s area of expertise. Certainly at the senior levels of the University we found a positive and welcoming attitude to the Centre. It may be that areas of discontent that persist are more historically based, and will take time to subside. The CEO’s cooperative approach, and initiatives in reaching out to other areas of the University, will assist.

15. **The USSC is still Sydney-centric.** While much of the work of the Centre is effectively national – its national media appearances, for example – in other ways it does remain strongly Sydney-based. As noted above, in regard to events, of the 24 events the Centre organised in September to November 2016, 23 were in Sydney and 1 in Canberra. The Centre is considering a number of initiatives to increase its national reach – approaching corporates as part of its development (funding) effort, student recruitment events in interstate capitals, closer research partnerships with other universities, and partnering with the Perth USAsia Centre on interstate events. While the concentration of foreign and defence policy think tanks and expertise in universities might lead to a focus on the Sydney-Canberra axis, USSC does need to seek out opportunities to collaborate more widely, and to make its name and its products known in other state capitals. It needs to build a national constituency, as much for tapping in to funding possibilities as for partnering on academic work.

6. Performance of Perth USAsia Centre (USAC), University of Western Australia

1. The Perth USAsia Centre was founded in 2013 pursuant to the 2012 funding agreement with the Commonwealth that provided \$3.3 million for the purpose. The difference between that amount and USSC funding (\$25 million initially followed by \$4.4 million in 2012) underlines the difference in size of the two Centres. USAC has a core structure of ten positions compared to a staff of over 30 at the USSC. Even if the funding agreement outlined identical objectives and activities for the two Centres (see section 2 above), the scope of functions undertaken by USAC is necessarily much more limited than the work done at USSC.

2. To use USSC functions as a template – outreach and communication, research, and teaching – USAC has focused on the first of these. In terms of **teaching**, it arranged for an academic from USSC to deliver an intensive US Foreign Policy unit as part of the University of Western Australia’s (UWA) Masters of International Relations. It has also initiated an Indo-Pacific Executive Development Program for senior business executives and senior officials in Western Australia – a program that could provide an example for USSC, which is aiming to introduce a similar program in Sydney. And it promotes and organises the participation of UWA students in the study abroad programs launched by USSC – from which 180 UWA students have benefited to date.

3. Much of the USAC-branded **research** is collaborative work commissioned from Fellows of the Centre and others. In its first three years it has released a substantial number of reports across a broad range of Indo-Pacific issues, from exploring China’s ‘maritime consciousness’ to countering ISIS in Southeast Asia and an analysis of the changing architecture of the Asia-Pacific trading system. It is producing a growing number of shorter policy briefs and has launched an Indo-Pacific Insight Series of which the first volume, ‘An Age of Uncertainty: Balancing Australia’s Relations with the United States and Indonesia’ was written by the former Foreign Minister, Stephen Smith.

4. One piece of particular note is the work undertaken in cooperation with USSC to form the Asian Research Network with partners in regional countries, to conduct a survey for five consecutive years on views on the United States and its role in the region. The first of these surveys, with accompanying analysis, was published in June 2016, and provides a useful basis for assessing trends in public opinion towards the United States over the coming years, a period of uncertainty about US strategic policy, and possibly of significant change.

5. USAC’s particular strength is in **outreach**, communication, and contribution to public debate. Its stated vision is to become an influential institution recognised in Australia and across the Indo-Pacific as contributing to strategic thinking, policy development and strengthening relationships across the region. It received very strong commendation from all our interlocutors for its work in fostering debate in Perth on the region and on strategic issues more generally, and for its connections in, and outreach to, the Indo-Pacific region.

6. Among its achievements are:

- Since its establishment, collaboration with over 30 partners to host events in 11 cities in seven countries, with a collective audience of over 7,500

- Establishing a working group on Australian Indonesian Relations and hosting a visit by former Indonesian President, Dr Susilo Bambang Yudhoyono,
- Reflecting its reputation as a reliable event organiser, and its network of contacts in Asia, it has assumed the role of lead organiser for UWA's In The Zone initiative, including a conference in Jakarta on agriculture and food security, and follow-up events in Perth
- A circulation of 3000 subscribers for its newsletter.

7. While there is a US dimension to USAC's work – the study abroad program in the United States, the visit of a USSC academic to teach on US foreign policy at UWA – much of USAC's focus is on the Indo-Pacific region. Apart from events on the US Presidential election, it does not emphasise US domestic politics, economics, culture or society in its programming. The United States is seen more as a regional player than in terms of the bilateral Australia-US relationship or as an object of study in itself.

8. On the other hand, the Centre does undertake a number of bilateral initiatives with Asian countries – the Indonesian working group, assisting organise a Western Australian business summit with Singapore, hosting the China Matters conference to discuss Australia's relations with China, convening roundtables on energy security in the Indo-Pacific, for example. USAC takes advantage of its geographic position on the Indian Ocean, and the connections it has built in Asia, to further its reputation as specialising in the Indo-Pacific. Indeed its stated aim is to influence and shape the strategic discussion on issues within and concerning the Indo-Pacific region. It has certainly succeeded in this aim in Perth, and has made notable contributions to discussion of regional issues in Asian centres.

7. USAC: Future Directions

1. **Research and Teaching.** While personnel and financial limitations argue against precipitate expansion and diversification, USAC has now established a strong reputation in outreach, and could soon consider the feasibility of building a greater in-house research capability, and an academic program. Certainly the sense we had from one well placed interlocutor was that the Centre was ready to take the next step. This would require the Centre to redirect some of its energy and resources from events to these other activities. The CEO has already analysed the percentage of events where the Centre manages and/or delivers the content, as against events it organises for others – a welcome indication of an intent to target Centre resources more to events which further the Centre's own objectives, and thus over time freeing resources for other functions.

2. We have noted above (para 5.5) the importance of USSC and USAC between them ensuring that the requirement for authoritative research into US policy in the Indo-Pacific region is comprehensively covered. It may be, as one interlocutor suggested, that a strong research capability is a higher priority for USAC in the short term than teaching. And indeed the restructuring of the university faculties could take some time to bed down – but equally could open opportunities for course offerings. The teaching program could perhaps begin with courses as part of Bachelor or Master degrees in Arts. The Centre would need to undertake a market survey to determine likely demand, and the particular offerings that might attract interest. One possibility would be a course on Indo-Pacific strategic issues, drawing on the Centre’s established direction and the expertise of its personnel. While the Centre would aim to ensure that diversification into teaching was self-financing, that expansion could also provide the opportunity of hiring staff also able to undertake research.

3. **Succession Planning.** A great deal of the success of USAC is attributable to the fortuitous combination of a number of factors. In addition to the establishment funding from the Commonwealth, the generosity of the Western Australian Government and of the University of Western Australia should be noted, as should the availability of two former ministers, the Hon. Kim Beazley and the Hon. Stephen Smith, to serve on the Board, participate in outreach, and provide their own contacts, insights, and strategic direction. We mention in particular in the present context the energy, expertise and contacts of the Centre’s CEO, who has driven the day-to-day work of the Centre and is in large part responsible for the positive reputation it has established in Perth and elsewhere. While we understand that the CEO has no intention of departing in the near or mid-term future, the Centre’s substantial reliance on one person inevitably raises the question of succession planning. This is an issue the Board will need to give thought to at some point in the future, if and when the CEO wishes to move on.

8. Relationship Between USSC and USAC.

1. The question arises as to whether the existing model of two autonomous but complementary centres working under the same funding umbrella and towards similar objectives is the appropriate arrangement, or whether a more unitary model - one board advising two CEOs, a shared strategic direction, and functions allocated between the two - would not provide more coherence in output.

2. Existing coordination of work between USSC and USAC works well, having improved over the last year or so. In addition to work on joint projects (the survey of regional opinion, for example), and informal

consultations between the management and work teams of the two Centres, the mechanism of overlapping Board memberships provides for a degree of high-level coordination. Each Centre's CEO sits on the Board of the other Centre. We did not detect from any of our interlocutors any sense of tension, demarcation disputes, or disagreement over objectives between the Centres.

3. Moreover, the two Centres address substantially different audiences with their outreach, and, apart from Commonwealth funding, seek support from different funding sources. It is difficult to imagine, for example, that the Government of Western Australia, a generous donor to USAC, would provide the same, or indeed any, level of funding for a centre that was seen as subject to a guiding hand in Sydney. There is a strong sense in Perth that USAC's autonomy is an asset, that it enables the Centre to set its own agenda and advocate Western Australia's position as an Indian Ocean capital.

4. All interlocutors thought the current arrangement worked well and should be retained. We agree that there is no advantage to be gained from changing the present arrangement, and that the current model should continue. Each Centre remains well informed about what the other is doing. Nevertheless, on big research topics that straddle the expertise available in Perth and Sydney, such as US policy in the Indo-Pacific, there would be considerable advantage in working out a division of duties to ensure that research topics are covered in all their aspects.

9. Funding USSC and USAC

1. Initial Commonwealth funding was \$25 million in 2006 through an agreement with the American Australian Association (AAA) to establish USSC. Information about the drawdown of that funding, and other contributions to USSC is contained in the Brumby/Sheehan report of April 2012. We note here that the annual level of support to the Centre from Commonwealth funds was running at \$3.5 million over that initial period.

2. The Commonwealth entered into a further funding agreement with the AAA in June 2012, providing \$7.7 million, of which \$3.3 million was directed to establishing USAC. The agreement specified that the AAA was to attempt to secure matching funding of \$3.3 million from the Western Australian Government, Western Australian universities and other appropriate sources. This has been achieved with a grant of \$3 million from the Western Australian Government and support of \$200,000 per annum since 2013 from the UWA. Efforts to attract corporate support have yielded a contribution of \$1 million from Rio Tinto. See Appendix B for USAC sources of income from 2014.

3. USSC's major sources of revenue other than the Commonwealth are:

- The University, which currently provides an annual contribution of \$783,333 (9% of revenue);
- Student fees, although with 2016 student numbers, teaching costs are almost equal to income;
- And tied grants for projects, notably NSW Government funding for the US innovation economy project, American Chamber of Commerce funding for a project on investment and trade between Australia and the United States, and Department of Defence funding for the Alliance 21 stream of work.

Research income from standard academic sources has not been a major contributor to USSC finances until recently. It is only in 2016 with block grants totalling \$357,000 that research income has become available. An amount of \$297,000 is expected in 2017. See Appendix C for a statement of USSC sources of income from 2012 to 2016.

4. USSC's appointment of a Director of Development is a positive attempt to attract corporate and other funding. While USSC may request untied support, it is likely that any corporate funding will be tied to projects rather than available for core operating costs. One further initiative by USSC, which may yield small amounts in the near future but which holds potential for growth, is the proposal to reach out to alumni through events and appeals for donations. Pre-departure sessions for businesspeople planning to travel or live in the United States are a further example of USSC's search for new sources of funds³.

5. The USSC's drawdown of Commonwealth funds has continued at much the same level – \$3.3 million per annum - as in the period before the 2012 funding agreement. Commonwealth funding will provide 36% of the Centre's revenue in 2017. Given the variability of revenue from student fees and from tied project funding, Commonwealth funding represents vital financial ballast for the Centre.

6. At the current rate of drawdown, Commonwealth funds held by the AAA for USSC will amount to \$7.4 million at the end of 2017, and will be exhausted in mid-2020. For USAC, AAA will hold \$700,000 at the end of 2017, and Commonwealth funding will run out in 2018. A particular issue for USAC is that the substantial Western Australian Government funding is due to expire with the allocation due in July 2017, thus leaving the Centre with a large funding deficit from 2018.

³ This proposal goes some way to address an observation made in the 2015 Review of the Postgraduate Program (p16) that 'the Centre has thus far developed little in the way of non-award offerings that can be delivered as short courses (i.e. 1-5 days), for instance to business and government.'

Both Centres will re-negotiate their host agreements with the Universities where they are based in 2017 for the period 2018 to 2023. It is likely that the prospect of further Commonwealth funding will be an important factor for both universities and for the Western Australian Government in their own decisions about continuing support.

7. In their 2012 report on the USSC, Brumby and Sheehan noted, ‘in view of the extensive public benefit provided by USSC’s activities, there is a case for further direct support from the Australian Government through a new or extended funding agreement, to enable the core level of support of \$3.5 million per annum through AAA to be provided on a continuing basis’ (p5). We consider that this remains the case now, and indeed in some ways the public benefit, and benefit to government, is even more pronounced than in 2012.

8. Given the degree of uncertainty about the direction of US strategic policy, combined with the continuing importance of the United States as a security and economic partner, it is as important now as it has ever been for the government to have an institution outside government that conducts research addressing these and other issues, drawing on its own independent expertise, sources of information, and networks of contacts. An independent and authoritative source of analysis will enable government to triangulate the analysis it receives from its own sources – DFAT and ONA, for example.

9. At the same time, as we have noted above, there is likely to be a period of popular disenchantment in Australia with the United States. If government funding is to be continued, the objective of explaining the depth and breadth of our ties to the United States and strengthening the relationship, as outlined in the original funding agreement and repeated in the 2012 funding agreement, needs to be a guiding principle and top priority for the work of the two Centres.

10. It is not within the mandate of this evaluation to recommend an amount of Commonwealth funding. We would suggest, however, that it should be enough to provide the two centres with a degree of funding certainty in order for them to enter contracts and make other financial commitments for a period of four years. We would further recommend that there be a clear outline of expectations and a mid-term evaluation, i.e. after two years, of the Centres’ performance, as a condition of the payment of the second tranche of funding. This evaluation would reinforce the work of the CEOs and Boards in maintaining rigour and preventing loss of focus. A representative of the Commonwealth should be appointed to the Boards of the two Centres.

10. The American Australian Association (AAA)

1. The AAA is a non-profit organisation whose purpose is to promote friendship, cooperation and understanding between the peoples of the United States and Australia, and to strengthen relations between the United States and Australia through creating a better understanding of the two countries' cultures and societies. It has a counterpart in the United States, based in New York. The AAA has been the channel through which Commonwealth funding has been directed. The Western Australian Government has also used the AAA as its channel for funding USAC.

2. The AAA has organised business seminars, and social and cultural events that further the Australia-US bilateral relationship. Its flagship event in 2016, the 10th Anniversary and Benefit Dinner was jointly badged with the USSC. We understand that the 2017 dinner will be organised by USSC. The AAA has an office co-located with the USSC, which is now its postal address. Its board, comprising eminent businesspeople, is separate from the boards of USSC and USAC.

3. This funding arrangement – of channelling funds through an organisation which has its own board to two Centres which each has a board – can appear a heavy governance arrangement. Some of our interlocutors thought that confusion could arise with the corporate sector when different organisations – the AAA, which moreover has both an Australian and a US manifestation, and USSC/USAC – approach them for funding for the same ultimate purpose, that is, the USSC or USAC. The general opinion, however, was that this arrangement could be quickly explained, and that there were advantages in maintaining the AAA as an intermediary.

4. First, its connection with the AAA in the United States provides a separate set of contacts into US business and academic circles of which the USSC and USAC could make use. And if the AAA in the United States is successful in establishing a substantial Australian studies centre, or an Australia-Indo Pacific Studies Centre, in the United States, this would provide a counterpart centre with which USSC and USAC would be able to pursue contacts and undertake projects.

5. Second, the AAA provides a number of business contacts in Australia that the centres may be able to approach with funding propositions. Certainly the annual dinner, now to be organised by USSC, will give the centre profile among the business community and will lead to opportunities to seek support.

6. Third, the AAA provides a level of reassurance to government that the objectives underlying its support for the centres are being met. Under the funding agreement the AAA has a number of reporting and

other obligations to government in this regard – of which this report is one. It should also be noted that the AAA does not charge for its services as an intermediary; the full amount of government funding goes through to the two centres.

7. The AAA Annual Report, issued in October 2016 for the year ended 30 June 2016, outlines the extensive qualifications in business and government of the directors of the Association. The financial report audited by PricewaterhouseCoopers indicates that the Association has a sound financial position, with net assets of \$12,480,726 as of 30 June 2016. The financial risk management section of the report states that there is no significant interest rate risk or other price risk for the company (p23). From the material available to us, the AAA is a sound, financially viable organisation.

8. On balance, therefore, we consider that while channelling funding through the AAA provides an additional layer of governance, it is an arrangement which serves the useful purposes of bringing an independent layer of oversight to the Centres, provides a separate set of contacts of use to the Centres in their efforts to raise contributions, and generates reporting responsibilities to reassure government about the purposes to which its funding is being applied.

Appendix A: Stakeholders interviewed.

- Professor Simon Jackman, CEO USSC
- Dr David Smith, USSC Academic Director
- Adjunct Associate Professor James Brown, USSC Research Director
- Ms April Palmerlee, USSC Communications Director
- Mr Beau Magloire, USSC Student Recruitment Manager
- Ms Cindy Tang, USSC Finance Manager and Company Secretary
- Professor James Curran, Department of History, University of Sydney
- Student Group
 - Ms Amelia Trial, USSC mobility manager
 - Mr Beau Magloire, USSC recruitment manager
 - Ms Emily Serifovski
 - Ms Holly Newell
 - Ms Georgina Harrowell
 - Mr Joseph Edwards
 - Mr David Bretag
- Mr Mark Baillie, Chairman of the USSC Board of Directors
- The Hon John Olsen AO, Chairman, American Australian Association, Chairman of Perth USAsia Centre and member of USSC Board of Directors
- The Hon John Brumby, Member of the USSC Board of Directors, co-author of 2012 Evaluation Report
- Professor Stephen Garton, Member of the USSC Board of Directors, Provost and Deputy Vice-Chancellor of the University of Sydney
- Mr Dennis Richardson, AO, Member of the USSC Board of Directors, Secretary of the Department of Defence
- Dr Michele Bruniges, Secretary of the Commonwealth Department of Education and Training
- Mr Simon Smith, Secretary of the NSW Department of Industry, Skills and Regional Development
- Ms Lucy Turnbull, AO, Patron of the USSC
- Mr Niels Marquardt, CEO, American Chamber of Commerce in Australia
- Ms Maureen Dougherty, President Boeing Australia, New Zealand and South Pacific
- Mr Paul Kelly, Editor-at-Large, The Australian
- Mr John Berry, President American Australian Association (New York)
- USSC Board Meeting, with the following present
 - Mr Mark Baillie
 - Professor Stephen Garton
 - Professor Simon Jackman
 - Mr Simon Smith

- Ms Maria Atkinson AM
- Mr Kevin McCann AM
- Professor Gordon Flake (by phone)
- Ms Kristina Keneally (by phone)
- Mr David Anstice (by phone)
- Ms Deidre Willmott, CEO Chamber of Commerce and Industry of Western Australia
- Professor Gordon Flake, CEO, Perth USAsia Centre
- Professor Paul Johnson, Vice Chancellor, University of Western Australia
- Mr Peter Tinley AM, Western Australian Shadow Minister for Science; Trade; Asian Engagement; Lands; Gascoyne; Goldfields-Esperance
- The Hon. Professor Stephen Smith, Board Member, Perth USAsia Centre
- The Hon. Kim Beazley, AC, Board Member, Perth USAsia Centre
- The Hon. Dr Elizabeth Constable, UWA Vice-Chancellor's Fellow, Board Member of the Perth USAsia Centre
- Mr Willie Rowe, Chief of Staff, Office of the Premier of Western Australia
- Ms Andrea Gleason, Director, DFAT Western Australia

Appendix B: USAC Sources of Income (Australian dollars)

	2013 Actuals	2014 Actuals	2015 Actuals	2016 Sep R'Fcast	2017 Budget	2018 Budget	Consolidated
Income							
UWA Contribution	200,000	200,000	200,000	200,000	200,000	0	1,000,000
WA Govt Grant through AAA	600,000	600,000	600,000	600,000	600,000	0	3,000,000
Federal Govt Grant through AAA	400,000	400,000	400,000	400,000	300,000	0	1,900,000
Federal Govt funding held in reserve by AAA	0	0	0	0	300,000	700,000	1,000,000
AAA Underwriting Contribution	0	500,000	0	250,000	250,000	0	1,000,000
AAA Funding Support	0	0	0	0	0	400,000	400,000
RIO Tinto Corporate Partner	0	0	250,000	250,000	250,000	250,000	1,000,000
In The Zone Sponsorships/Registrations	0	0	0	295,253	250,000	300,000	845,253
Study Abroad	0	0	11,000	0	0	0	11,000
Interest	2,077	28,574	54,909	20,000	15,000	5,000	125,560
Other	0	0	15,250	12,000	0	0	27,250
Total Income	1,202,077	1,728,574	1,531,159	2,027,253	2,165,000	1,655,000	10,309,063

Appendix C: USSC Sources of Income (Australian dollars)

Year	2012	2013	2014	2015	2016 (forecast)	Consolidated amount
AAA	3,500,000	2,686,929	3,000,000	3,000,000	3,000,000	15,186,929
University of Sydney	1,033,332	1,395,024	783,333	783,333	783,333	4,778,355
Fee Income	2,588,735	2,766,872	2,869,479	3,117,550	2,986,862	14,329,498
Research Grants	2,698,291	1,903,451	2,660,531	1,638,811	4,014,533	12,915,617
Donations			16,244	101,648	96,429	214,321
Events	62,782	195,117	1,105,477	548,630	541,326	2,453,332
Sundry	38,355	245,058	264,882	177,610	110,850	836,755
Exchange Gain		154,057	64,320	108,647		327,024
Interest	117,294	91,896	127,512	106,718	50,000	493,420
Total revenue	10,038,789	9,438,404	10,891,778	9,582,947	11,583,333	51,535,251