

Bob Smith, Deputy Chancellor, Southern Cross University Overheads Network 2002 conference "Options for Higher Education Reform"

HIGHER EDUCATION CONFERENCE: SUMMARY POINTS

SUMMARY OF MAIN POINTS IN RESPONSE BY MEREDITH EDWARDS ON UNIVERSITY GOVERNANCE ISSUES AND THE NELSON REPORT

Focus of Response:

- One management and workplace relations issue: performance assessment
- Area requiring more clarity: trustees versus representative issue
- Other key governance issues
- Suggestion for a next step

Management and Workplace relations

- See reference p.30, para 143 to “lax practices of monitoring staff attendance” and reference to better performance monitoring.
 - former is an input measure but best to think in terms of academic outputs or outcomes
 - claims of excessive workloads on staff on the whole, best tested by a more systematic approach to performance assessment so work priorities can be more clearly determined
 - this is needed so universities are more accountable to the public for what they produce and for greater clarity about the nature of their productivity

Trustees versus Representatives

- Issue needs further debate and clarification, including consulting students and staff
- need for diverse viewpoints to be expressed and for key stakeholders to have a say on key policy issues but question is how to do this so institutional interests rather than sectional interests prevail
- Is it feasible not to have students and staff on university governing boards and can the tensions be lived with?
 - eg. ANU under the CAC act and so students and staff would be compelled to act as trustees but I understand students and staff given the opportunity prior to voting to express the views of their sectors.

- Of relevance to note, that at a time when some universities are considering removing students and staff as members of governing boards:
 - the private sector is becoming more inclusive of stakeholders and setting up more participatory structures, eg. institutional investors such as superannuation funds wanting more say over broad policy directions.
 - Ministerial Murray Darling Basin Board is showing a similar tendency with the main Community Advisory Committee represented on the Board.
- Nevertheless, there is some merit in Bob Smith's "zero-based governance approach"

Other key governance Issues:

- Extent to which external members are really "independent"
 - eg. ministerial appointees and to whom they are responsible
- Determining the right skill set in relation to strategic objectives and main functions of the governing body
 - possible for governing body to determine that set and let the minister and/or parliament know before those members are selected
- Respective commonwealth/state roles and responsibilities:
 - how does dual accountability work?
 - Who is the shareholder/owner?
 - How much autonomy versus accountability should there be?
- Board performance – how to measure for the board as a whole and for individual members
- Clarity of roles and responsibilities of members, the chancellor and the vice chancellor
- Training of governing body members
- Relationship of governing body to foundations and business entities

Suggestion for Next step

- Not enough information about what works: governing bodies are a "black box"
 - what they spend time on, eg how much on strategic issues? On own performance and that of the university?
 - how they behave: with each other and university staff
- Therefore need a few case studies of different governing regimes to map what actually happens as part of this review
 - to establish some better practice examples
 to share that evidence with the broader university sector.

‘The tides of trusteeship carry boards in the wrong direction:

**from strategy toward operations,
from long-term challenges towards immediate concerns,
from collective action towards individual initiatives.**

In order to add significant value and afford the institution a competitive advantage, boards must constantly swim against the currents.’

Richard P Chait, Thomas P Holland and Barbara E Taylor, Improving the Performance of Governing Boards (Washington DC: ACE, 1996, page 1).

An American Definition Of Governance

**‘A COLLECTIVE EFFORT, THROUGH SMOOTH AND SUITABLE
PROCESSES, TO TAKE ACTIONS THAT ADVANCE A SHARED PURPOSE
CONSISTENT WITH THE INSTITUTION’S MISSION’**

(Richard P Chait, Thomas P Holland and Barbara E Taylor, Improving the Performance of Governing Boards (Washington DC: ACE, 1996, page 1)

**HAVING MEMBERSHIP FROM OUTSIDE THE UNIVERSITY GIVES CREDENCE
TO THE DECISIONS OF THE COUNCIL AND HELPS SATISFY THE PUBLIC
THAT DECISIONS MADE BY THE GOVERNING BODY ARE APPROPRIATE AND
REASONABLE. THIS IS IMPORTANT FOR ACCOUNTABILITY TO THE WIDER
COMMUNITY AND HAS BEEN PARTICULARLY EFFECTIVE WHEN ISSUES
ATTRACTING PUBLIC ATTENTION HAVE BEEN RESOLVED BY THE
GOVERNING BODY**

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HAVING WIDE PARTICIPATION ON THE GOVERNING BODY

ALSO FACILITATES COMMUNICATION OF DECISIONS

THROUGHOUT THE UNIVERSITY COMMUNITY

HAVING STAFF AND STUDENTS ON THE GOVERNING BODY

PROVIDES A CHECK ON MATERIAL

PRESENTED TO THE GOVERNING BODY

**GOVERNING BODIES TEND TO INCLUDE A RANGE OF STAKEHOLDER
GROUPS FROM WITHIN AND OUTSIDE THE UNIVERSITY. DECISIONS
ARE LIKELY TO BE BASED ON THE POINTS OF VIEW OF STAKEHOLDER
GROUPS. THIS REFLECTS THE COLLEGIAL TRADITION OF
UNIVERSITIES**

TYPICAL AUSTRALIAN GOVERNING BODY

MEMBERS *EX OFFICIO*

**VICE-CHANCELLOR
CHAIR, ACADEMIC BOARD
OTHERS (STUDENTS, RELIGIOUS LEADERS, GOVT DEPT HEADS, ETC)**

APPOINTED MEMBERS

**APPOINTED BY THE APPROPRIATE MINISTER
COOPTED BY THE GOVERNING BODY ITSELF**

ELECTED MEMBERS

**STAFF
STUDENTS
HOUSE OF PARLIAMENT
CONVOCATION
ALUMNI/GRADUATES**