Review of the National Governance Protocols: Submission from the University of Newcastle

The University of Newcastle is pleased to provide input into the review of the National Governance Protocols (NGPs) which is being undertaken by the Joint Higher Education Committee of MCEETYA. This submission reflects issues discussed at a recent meeting of the University Council and subsequent consultation with Council members.

In general, the University of Newcastle’s Council supports the views expressed at the joint meeting of the University Chancellors and Vice-Chancellors held in Canberra on 26 June 2007. Notwithstanding this support, the Council would like to emphasise the following key aspects in relation to the Review of the National Governance Protocols Discussion Paper – May 2007.

Part A Impact of the National Governance Protocols

- It was generally thought that the introduction of the NGPs has promoted the importance of good governance practices in universities however for the University of Newcastle, many governance improvements were already being implemented at the time of their introduction. The NGPs provided additional momentum and reinforcement for these changes to occur.

- It was acknowledged that the NGPs had assisted the Council to effectively address the required skills mix of Council members, particularly in relation to financial and commercial experience, and to streamline nomination processes for Convocation members, through appointment rather than election. The increased attention to risk management and the activities of controlled entities was also considered beneficial.

- In terms of organisational sustainability, improved performance and enhancement to the institution’s reputation, it is difficult to accurately measure and assess the impact of the NGPs.

Part B Scope for Enhancement of the Protocols

- There was a strong view that the NGPs should reflect broad governance principles and that any future revisions must not lead to over-regulation or micro management of universities. It was also highlighted that prescriptive requirements would stifle diversity in the sector rather than encourage it.

- In relation to size of the Council, it was generally agreed that the size was not as critical as the quality and skills of the members. The current University of Newcastle Council size of 19 is functional and allows for an appropriate skills balance as well as the distribution of committee responsibilities across members. The Council would like to see more research or evidence on how size affects board performance.

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• In relation to staff and student members, there was a diversity of views amongst Council members.

For many Councillors, the inclusion of staff and student members was seen as integral to ensuring that the perspectives of these key stakeholders were considered by the Council in decision-making processes. Participation of staff and student members was considered important in promoting ownership of strategic decisions amongst these groups.

It was recognised that representational and consultative models should not be mutually exclusive and that there may be benefits in also establishing advisory groups to interact more directly with Council.

• It was suggested that the provisions of the current protocols in relation to terms of office were appropriate as Councils must have the flexibility to balance the need for continuity versus refreshing skills. Some Councillors also suggested that the one year term of office for students posed some difficulties as it was not long enough for student members to make a major contribution.

In summary, it is important to emphasise that the current National Governance Protocols provide an appropriate level of guidance to universities regarding minimum standards of governance and that flexibility must be retained. Governing bodies must be able to operate and set the strategic direction with reference to the specific needs and circumstances of the institution. There is real concern that further regulation through the Protocols would stifle diversity and encourage governing bodies to "tick the box" for compliance rather than engage in continuous improvement in governance practices.

We appreciate the opportunity to provide this submission for the review of the National Governance Protocols.

Yours sincerely

[Signatures]

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