Introduction and General Comments

The University of Southern Queensland (USQ) recognises that the National Governance Protocols, introduced in 2004, were intended to address concerns about governance as identified in the Federal Government papers “Higher Education at the Crossroads” and “Meeting the Challenges: the Governance and Management of Universities”. The University believes that many of the issues raised in these papers were similar to those identified in the Hoare Report of 1995, which prompted a review of the University’s governance practices and committee structures at that time.

USQ has been deemed compliant with the Protocols each year since their introduction. We believe that in most respects, USQ was “delivering” on the standards set out in the Protocols, before they were actually introduced. However, the Protocols have helped formalise many of our governance practices, and have been the catalyst for review and refinement of a number of policies and procedures, particularly with respect to risk management and strategic planning.

We would be concerned to see any additional reporting requirements introduced to satisfy the Protocols. Given the already rigorous reporting requirements in place at both Federal and State Government levels, any further reporting would be of little value.

1. Contribution of the National Governance Protocols to Good Governance

1.1. How have the existing protocols impacted or influenced good governance?

As indicated above, USQ believes that in most respects, we were already satisfying the requirements of the Protocols before they were formally introduced. Since the introduction of the Protocols, the size of Council has been reduced from 22 members to 14. Consequently, greater effort has gone into ensuring skills-based appointments to Council, with members possessing an appropriate mix of qualifications and experience. The depth of experience and skills now present on Council has enabled the governing body to focus on strategic direction and quality of output, not only with respect to issues critical to the University, but in response to issues relevant to the sector more generally.

The Protocols have also strengthened the links between the governing body and management in terms of the University’s strategic planning processes, and highlighted the importance of risk management and business continuity planning processes. As a consequence, the USQ Council has reviewed its Committee and communication
processes to work more effectively with the Vice-Chancellor and the University’s senior executive team in managing these matters.

1.2 Has the requirement to comply with the existing Protocols had any negative or unintended consequences?
While the reduction in the size of membership of Council has resulted in a number of benefits, as outlined at 1.1 above, it has also resulted in a fewer number of external members for Council to draw on with respect to Committee work.

The Protocols have also resulted in a substantial reporting requirement. It would be undesirable to see any further reporting requirements introduced, given the already significant, sometimes overlapping, reporting regimes at Federal and State Government levels.

The Protocols have alerted us to the different elements of –
   (i) governance; and
   (ii) the relationship between Council and the senior leadership team.

1.3 Are there other factors and influences that impact on governance practices which ought to be addressed in the Protocols?
No. Indeed, we would pose the question – “are we now focusing too much on governance?” Are there not other, more current issues of critical importance to the sector which we ought to be addressing?

1.4 How have the existing Protocols been instrumental in guiding and shaping institutions’ own effective governance structure and relationships?
In as much as we believe USQ was largely compliant before the Protocols were introduced, the Protocols have been useful to the extent that they have raised members’ level of awareness of their responsibilities, and refined our induction, performance review, and professional development processes.

1.5 How have the existing Protocols addressed the concerns about university governance raised in the “Higher Education at the Crossroads” and the “Meeting the Challenges: the Governance and Management of Universities” papers?
The papers identified certain shortcomings with respect to governance practices within the sector. As most institutions have been deemed compliant with the Protocols, it would seem that the Protocols have achieved what was intended.

1.6 How have the Protocols contributed to the overall sustainability of individual higher education providers?
It would be difficult to attribute sustainability of individual institutions to the Protocols alone. However, given that the Protocols have enhanced governance practices, particularly with respect to strategic planning and risk management, then the Protocols have most likely helped improve and safeguard the framework within which institutional planning takes place.
1.7 How have the Protocols contributed to improving the performance of individual higher education providers?
Strategic planning processes have been enhanced, with greater communication now occurring between management and the governing body on the University’s long-term vision and direction. The achievement of quality outcomes drives our strategic planning initiatives.

1.8 Has compliance with the existing Protocols enhanced the reputation of individual higher education providers?
We are not aware of any evidence to suggest this.

1.9 Have individual institutions developed their own governance practices and procedures sufficiently to satisfy the spirit of the Protocols?
We believe so. USQ is committed to not only satisfying the Protocols, but to ensuring that governance “best practice” is ongoing.

1.10 Do the Protocols need to be improved? How could this be achieved?
From USQ’s perspective, no. However, we would suggest that it would be useful to all institutions if DEST were to compile a reference book of exemplars of best practice on the Protocols.

2. The Role and Composition of the Governing Body
2.1 Are the existing Protocols adequate for defining the role, responsibilities and activities of governing bodies and the duties and obligations of individual members?
The Protocols deal with these matters quite comprehensively. To be any more prescriptive would be a hindrance, rather than a help, and be contrary to the notion of “diversity” within the sector.

2.2 Is the maximum size of governing bodies appropriate? What would be an ideal size?
As stated in our response to question 1.1, since the introduction of the Protocols, USQ’s governing body has been reduced from 22 members to 14. Regardless of its size, our Council has always operated efficiently and cooperatively. What the reduction in members has produced is a Council with a more appropriate blend and mix of skills, expertise and experience, particularly in respect of appointed members. The diminution in the number of members has not resulted in a diminution of motivation or commitment.

While it is useful that the Protocols provide for a minimum-maximum range of members, we believe it would be even more helpful if such a provision was allowed for in the University’s enabling legislation which, presently, does not provide for any flexibility in the number of members and the methods/means of appointment. To provide flexibility along these lines would recognise the diversity of institutions, and be an acknowledgement of the different and changing needs of institutions both in terms of the regions in which they are located, and the priorities of individual institutions.
2.3 Is the maximum term of appointment for board members appropriate? What would be a reasonable maximum term?
Although the 12 year limit is stated in the USQ Act, we nevertheless believe that corporate/institutional history is of great value and importance, and the contribution of long-serving members of Council in this regard should not be under-estimated.

For USQ, with campuses located in rural regions (the Darling Downs, Fraser Coast, and Moreton District), it is not always possible to find appointees with the desired experience and competencies to serve on the governing body. Therefore, the capacity to enable appropriately qualified members to serve beyond 12 years would be encouraged.

It may be possible, for example, to provide for a maximum term of 12 years service, with the right of re-appointment after a 2 year period.

2.4 Is there a need for the Protocols to provide additional requirements or guidance on the skill mix required for an effective governing body?
No. Again, any further “prescription” within the Protocols would be obstructive.

2.5 Should representatives of staff and students be included in consultative, rather than governing, bodies?
We believe it is important that 2 of the University’s major stakeholder groups, ie. staff and students, have membership on Council. Learning, teaching and research present as the core activities of the University and, as such, are major consumers of resources, as well as major revenue streams, for the University. The Council would find it difficult to be adequately informed if these core areas did not qualify for membership on Council. For this reason, it is important to us that the Chair, Academic Board, also has a role on Council.

We note that Protocols 2(g) and 3 recognise and affirm the role of the Academic Board as a standing committee of the governing body, bearing in mind its responsibilities for learning, teaching, scholarship, research, formulation and monitoring of academic policy, and monitoring of academic activities of Faculties and Departments.

The inclusion of staff and student representation on the governing body enables debate from people with present or recent experience in many of the University’s core areas of activity and business. Such people might not otherwise be readily available in small communities such as those in which USQ has a presence. Further, given that there is no direct line of accountability to key stakeholders, then it is important to have stakeholder recognition around the Council table.

2.6 Is the role of a Secretary important to a governing body? Should the role be separated from that of the senior university administration?
Yes. The Secretary to Council plays a key role in ensuring open and effective communication and information sharing between the Chancellor and members of Council, and the Vice-Chancellor and the senior executive team.
We are further considering the relative merits of this role as an alternative to the Company Secretary model. However, we note that it could be divisive and counter-productive to separate the role of Secretary to Council from other senior administrators/managers of the University.

2.7 Should the Protocols recognise the role, responsibility and powers of a Secretary? What should they be?
No. A position description should not be prescribed by the Protocols. The requirements of the role will be entirely dependent on the needs of individual institutions.

2.8 Should the Protocols cover the relationships between the governing body and key management roles in the institution?
No. Such detail would not be helpful. The University Act and sub-ordinate legislation pursuant to it, together with the Statement of Responsibilities for Members of Council, adequately address issues concerning the relationship between the University’s senior executive and the Council.

2.9 Should the Protocols contain explicit guidance on the devolution of management responsibilities to the Vice-Chancellor/CEO?
No. This must be something that evolves as a result of experience and bearing in mind the expectations of both the Vice-Chancellor and the Council. It should also be open to negotiation and review, subject to the changing needs of the institution.

3. Leadership
3.1 Do the Protocols need to be improved to encourage a stronger role for governing bodies in guiding institutions in a more diverse higher education sector? If so, how could this be achieved?
No. As indicated in the last paragraph of our response to question 1.2, we believe that, if the Protocols were to be any more prescriptive, they would be inclined to blur the lines of responsibility between governance and management. The role of Council is to provide leadership and long-term direction, and to support the Vice-Chancellor and the senior executive team on strategic initiatives. Further, any additional detail in the Protocols would detract from opportunities for diversity.

4. Accountability
4.1 Do the exiting Protocols provide sufficient guidelines for the accountability of the institution through the oversight of performance by the governing body?
Yes. Protocol 4 is clear in its expectations in this regard.

4.2 Do the Protocols need to be enhanced to provide for improved accountability?
No. See comment above regarding Protocol 4.

4.3 Do the existing Protocols provide sufficient guidelines for the fiduciary responsibilities of members of the governing body?
Yes. The expectations of Protocols 2, 9, 10 and 11 are clear in this regard.
4.4 Should the Protocols include any additional provisions relating to the accountability of members?
No. Surely it would be impossible to legislate for every type of behaviour/misdemeanor

4.5 Would the Protocols be improved with the provision of additional guidelines and requirements on the role of the governing body in risk management?
We would assume that, like USQ, most institutions already have an Audit and Risk Committee (or similar) reporting directly to the governing body. We further assume that such committees would be comprised of suitability qualified members, appointed on the basis of the skills requirements encapsulated in the Protocols; and with terms of reference which reflect the requirements of external authorities such as (in USQ’s case) the Queensland Audit Office, Queensland Treasury, and the Institute of Internal Auditors, and which satisfy legislative requirements prescribed by, for example, the Financial Administration and Audit Act 1977 and the Financial Management Standard 1997.

We do not believe that additional guidelines would necessarily be of benefit in this regard, as the requirements of external agencies and legislative provisions will, in many instances, vary from state to state.

4.7 Should an audit committee be required to have an independent Chair?
It is unclear as to whether the term “independent” refers to a person who is not a member of the Council and is co-opted to the Committee to serve as Chair, or whether the term simply refers to an appointed member of the Council who is not a member of the staff or student community of the University. We are therefore assuming the latter, bearing in mind that at USQ, the Chair of our Audit and Risk Committee is an appointed member of Council who is not a member of the staff/student community.

We believe that, as the Committee is a standing committee of the Council, it is important for the Chair to come from within the existing membership of Council, in order to ensure effective and timely reporting of issues to the governing body. In addition, it is our view that a Chair appointed from within the governing body will have the advantage of being familiar with the range of scholarly and business activities of the institution, including associated risks and business continuity strategies.

4.8 Should the Protocols be expanded to cover the relationships between the governing body and sub-committees within the institution?
No. Committee frameworks and administrative processes for supporting committee activities will vary from institution to institution. To mandate these matters would be complex and administratively cumbersome.

Protocol 4 intimates that in reviewing performance of the governing body, the performance of its standing committees should also be reviewed. USQ does undertake such reviews regularly.
4.9 Would the inclusion of additional provisions and requirements improve overall accountability?
We do not believe any additions are required.

4.10 Would the inclusion of additional provisions and requirements such as these provide greater guidance for institutions on the role and operation of the governing body?
No. The matters listed are essentially management matters, and should not be mandated in the Protocols.

4.11 Are there any provisions that the Protocols should contain in relation to the governing body and its individual members in matters concerning accountability?
No. These matters are already adequately covered by the Protocols and the University Act.

5. Continuous Improvement
5.1 Do the existing Protocols encourage continuous improvement of governance arrangements?
Yes. The performance review processes articulated in Protocol 4 enable this.

5.2 Should the Protocols include further guidance for governing bodies on the regular review of their own performance, such as reporting the outcome?
No. We do not believe that “public” reporting of outcomes would add value to the process.

5.3 Would the inclusion of additional provisions and requirements improve the protocols?
No. However, as indicated in our response to question 1.10, we believe that a reference manual containing exemplars of “best practice” would be helpful.

6. Improving the Form and Clarity of the National Governance Protocols
6.1 Are there useful clarifications that could be made to any of the existing Protocols or the overall presentation of the Protocols?
Based on USQ’s direct experience with the Protocols, no.

7. Other Issues
7.1 Are there any other matters within the terms of reference or relating to the Protocols generally that have not already been mentioned on which you would like to comment?
We have no further comments on the Protocols.