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**“Surplus-icity,
Tenure
And
University Governance”**

By

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They say that the future isn't what it used to be and, what's more, it never was. Nostalgia isn't what it used to be either but it isn't nostalgia that has led me to conclude that there is something intrinsically wrong with the current system of university governance in Australia. This revelation did not simply come as a result of recent pressure from the government to expedite council decision making in universities, but from witnessing a steady decay of Australia's universities over the past two decades.

Some weeks ago I had a meeting at my *alma mater* and was asked by a relatively senior faculty member how I thought the place had improved in the 20 years since I had left. He was taken aback when I said that the place just looked 20 years older and shabbier. Indeed, it looked like the academic equivalent of a rental property – it had been used and abused by people who were just passing through, and who had no long term interest in what happened to it thereafter. It wasn't nostalgia that I held for the labs in which I used to work – for they had all been emptied and replaced with cheap carpets, partitions and generic brand PCs. It wasn't nostalgia for the dedicated undergraduate lab staff that I used to work with, for they too had gone and been replaced – the new technicians had a primary role in supporting research because there were few undergraduate laboratories left. The place simply looked unloved, uncared for and decayed. Ironically, on paper, the very same faculty looked outstanding – all KPIs exceeded; all internationally outstanding; all pigs fed and ready to fly.

Most of the institutional builders that had made the faculty what it was had left, and those that remained had long since lost any interest in institutional building. There were too many KPIs to be met to actually spend time in building the institution - research papers had to be written; there were surpluses to be achieved - the numbers all had to show that the place was international and growing, even if reality said that it wasn't – a façade of internationalism in a place that, for all intents and purposes, looked worn out and run down. Had this been the only faculty that I had encountered that

looked old, shabby and irrelevant, I wouldn't have been concerned but it was, on paper, supposedly one of the best faculties of its type in the country.

Just how did this all come about? In researching the book I am currently preparing on study and learning in the Australian university system, I came to conclude that it was the result of the intrinsically flawed systems of governance that were allowed to develop in Australian universities following the abolition of tenure. Never having been a supporter of tenure in the past, it came as a surprise to me, in doing my investigation, that university governance structures were fundamentally dependent upon tenure in order to maintain accountability, balance and integrity, and to create an environment for institutional builders rather than transient career climbers.

In examining the various Acts of Establishment for Australia's universities, it becomes evident that the role of vice chancellor, although generally defined only as one of "superintendent" has gradually been allowed to metamorphose into a role of CEO, and the role of the council has been allowed to metamorphose into that of a company board.

The problems with applying a board like structure to a university should be self evident. In a company, the core outcome of the organisation is very well defined – that is, to make money. Company board members are chosen based upon their expertise in making money – so, to a large extent, it doesn't matter whether the company makes toasters or software, the board members still actively contribute because they notionally have the expertise to call the CEO to account for his/her performance. In a company, board members also have a vested interest in the success of the organisation.

In a university, the core outcomes are learning and research and, yet, in examining the profiles of various council members around Australia, it becomes apparent that very few have any expertise in either university learning or research. How then can they hold their vice chancellor accountable for core outcomes?

Councils are structured according to a formula, defined in the Act of Establishment, and generally formed from individuals with a background in fiduciary/governance matters, rather than learning and research per se. In practice, therefore, many council members exercise their knowledge in good governance for the sake of good governance, rather than good governance for the sake of good core outcomes (learning and research), for which universities are funded in the first instance.

Interestingly (or extraordinarily), in some universities, particularly the smaller ones, it is possible to find entire councils where members have never studied at the university; have no emotional attachment to it; and have no financial or vested interest in whether the university prospers. Largely, with the exception of the academic staff representatives, such councils are unaffected by whether the university even continues to exist. The academic staff and student representatives are indeed the only people on council affected in any scholarly way by its machinations and, of these, only the academic staff representatives have professional expertise in learning and research.

University councils take advice from various academic boards and committees on matters relating to learning and research, but such advice is invariably the result of the consensus averaging of numerous opinions, rather than passionate argument from learned individuals in council. In other words, critical, operational information about core activity is fed back in a filtered form, by consensus average, but strategic inputs from the vice chancellor are accorded unfiltered first-hand hearing – hence the imbalance. There are limited real opportunities, from the operational level, for face to face challenges to a vice chancellor’s decision making or performance.

Given a lack of first-hand debate on operational issues, it is inevitable that councils then revert to decision making founded on simplistic performance parameters, in which the majority of members (ironically) have no professional expertise – hence the inevitable push towards surplus-icity – surplus budgets, surplus publication numbers; surplus student numbers, and so on. Leaving

aside parameters imposed by government, councils, by default, leave judgements regarding other important parameters to the vice chancellor. Without experience/insight into how these affect long term institutional standing, councils effectively empower a vice chancellor to cherry-pick performance parameters, despite the potential conflict of interest that can occur from selective omission or inclusion.

The only way such a system can function with accountability, balance and integrity is if the academic staff representatives on council are genuinely independent (i.e., tenured and unaffected by how strongly they argue on core issues of learning and research). In this way, the operational realities/shortcomings of strategy can be brought to light and debated – for example, “...yes, the university has a budget surplus but this was achieved by strangling individual faculties and cutting back on technical support which is invisible in the short term but will become a problem in the long term...”.

There are also reasons why operational staff need to be in a position to challenge a vice chancellor on strategy – for example, in smaller universities it may be operationally untenable to preserve various faculties without merging the entire university with a larger entity. Inevitably, because mergers can cost vice chancellors their jobs, these are not issues that can be canvassed in the current governance system. The outcome for Australia has been self evident – numerous, small universities that are unable to achieve critical mass in an international context.

We now see the underlying governance problem with removing tenure – the academics whose responsibility it is to challenge the vice chancellor and other council members are dependent upon both for their ongoing employment. Worse still, in some universities, non-staff council members are now paid for their participation and are de facto employees of the vice chancellor. The end result of this structure is more akin to a fiefdom operated by a vice chancellor, rather than a balanced system of governance with accountability for outcomes in learning and research. In such circumstances, it

is not surprising that Australia's universities are what they are today – the numbers look good; the surplus-icity looks good – the KPIs have been exceeded and everything appears to be increasing – underneath the numeric façade, we know that the reality is very, very different.

The key issue for universities is not whether councils are reduced in size but, rather, why they even continue to exist at all in their present form, when they are not in a position to genuinely call to account those for whom they have oversight. In a larger sense, what value is it to Australia to have councils that seek, as a matter of priority, budget surpluses in public service entities whose basic charter is to fully expend tax-payer funds to achieve learning and research outcomes? One could argue that these are issues of fundamental mismanagement that need to be addressed.

Simply restoring academic tenure will not unscramble the egg, but the government's call for streamlining provides an opportunity to rethink the entire notion of university governance from the perspective of restoring accountability and balance in core outcomes of learning and research. Councils which have, as a majority, members with significant professional expertise and passion in tertiary learning and research are more likely to create genuinely international universities, that encourage institutional building and real growth, rather than the KPI-based facadism that is a hallmark of the current university system.

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