

REPORT OF IN CAMERA PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 2

INQUIRY INTO THE GOVERNANCE OF NSW UNIVERSITIES

At Sydney on Friday, 3 April 2009

The Committee met at 9.00 a.m.

PRESENT

The Hon. R. Parker (Chair)

The Hon. C. Robertson (Deputy Chair)

The Hon. A. Catanzariti

The Hon. M. Ficarro

Dr John Kaye

CHAIR: Welcome to the inquiry into governance of the New South Wales universities. I have a number of procedural issues that I need to deal with.

I have already introduced myself, Robyn Parker. I am the chair of the General Purpose Standing Committee No. 2 and we have other Committee members here, as you see. They have disclosed an interest. Apart from the general interest, they have other interests that need to be disclosed. The Hon. Christine Robertson, Deputy Chair of the Committee, is a former member of the University of New England Council; the Hon. Tony Catanzariti is a current member of the Charles Sturt University Council and Dr John Kaye is a current member of the National Tertiary Education Union.

The Committee has resolved to hear your evidence in camera, with a view to considering publication of the transcript after the hearing. Our decision to publish all or some of the transcript will depend on the nature of the evidence today. There are a couple of things that I just wanted to raise about that. At the end of the hearing and prior to publication of, if that is the position we take, you will have an opportunity to give your views on what you would like to include or not include and you will be able to see a copy of the transcript before you give us your advice on that.

The second issue I wanted to raise was the legal representation of witnesses. The Committee has agreed to allow you to be accompanied by your legal adviser, Mr Temby QC. While you may seek advice from Mr Temby at any time, he should not intervene, to approach you for example to discourage you from responding to a question, nor should he speak directly to the Committee. This is a parliamentary proceeding, not a court of law, and evidence provided by you at this hearing cannot be impeached to a question in future court proceedings.

Evidence in camera by **JOHN MARCUS CASSIDY**, former Chancellor of the University of New England:

CHAIR: We offer the opportunity to all of our witnesses appearing before our inquiries to make an opening statement if they so wish.

Mr CASSIDY: I have been associated with the University of New England now for some seven years, two years as a member of council and five years as Chancellor. I am also very much involved in education per se as chairman of the New England Girls School. I am a major financial backer of that school and I have been involved with that school for some three years. So to me education is very important. In addition to that, I believe the University of New England is very important to both Armidale and the New England region. It is vitally important. It is the largest employer of people within that region by far.

I have had a background as chairman and chief executive of Abigroup, a major construction company, but not only a construction company, and was the major buy-out member of that company in 1988. That company had a spectacular rise and today is one of the top construction groups in Australia. I sold my controlling shareholding in January 2004 to a German firm, Bilfinger Berger, and that firm was needed because the turnover of the company grew from some \$120 million in 1988 to some \$1 billion when it was sold in 2004, and to do that needed major balance sheet support, which was only offered by a foreign company unfortunately.

My concern as Chancellor is the issue of governance and management at universities per se and that is why I have agreed today to give evidence to this Committee. I think some of the issues facing universities of Australia, and particularly a regional university like the University of New England, really do need to be addressed in a proper forum and I would hope that this Committee would be part of that forum. There are many issues which I think need to be addressed.

From my memory there are 38 universities in Australia. The University of New England is number 34 in terms of financial strength and number 38 as far as dependence on federal government funding and I believe that that is a very serious issue that needs to be addressed. That goes to the issues of management and governance right across that university.

CHAIR: In terms of the role delineation, your submission says that issues that are raised with the University of New England had nothing to do with the conflict between the the council and the Vice-Chancellor and I think you say that there is no restriction on the power and responsibility. You further talk about an appropriate governance model. I wonder if you could give us more information about what you think is a governance model that is workable. We have heard quite a lot about the corporatisation of universities and what is the right sort of model to have in terms of governance, and I think you say that a board of directors of 22 is unwieldy. Could you give some comments on those two points?

Mr CASSIDY: I think the maximum number of 22 is very unwieldy and I think the history, particularly the history of the University of New England, would that epitomise that. The financial situation has not significantly improved and the number of students, both external and internal, has dropped dramatically. For example, the number of students resident on campus has dropped some 50 per cent in the last ten years. These are very serious issues. I believe that the university body, the council, really does need to have a lot of expertise in order to address some of those financial issues, because a university is not only an educational institution but it must have some very strong business principles and to do that I think you do need a majority of people probably from external sources with that particular expertise.

CHAIR: You have given us some information about corporate boards and the number of members. In your time as Chancellor, and even since, have you seen a governance model within other universities that you think is more workable than the University of New England's current model?

Mr CASSIDY: No, I think in general all universities are probably grappling with that, whether they be Australian, United Kingdom or American universities. American universities, of course, are much more corporate models. They would probably be the better examples, but all

universities I think are struggling with the same issues. Those issues, for example, include: that it is governed by a New South Wales Act of Parliament; it is funded by the Commonwealth, six members are appointed by the Minister here in New South Wales. Those members need particular skills; elected members do not necessarily need any skills except to be on a roll. So I see there is a double standard in that and I believe that some of those representations can be handled in a different way with them being a member of a council.

CHAIR: What is the way in which we could represent their interests then?

Mr CASSIDY: Within the Act you have an academic board. It is a board which is elected from members of the academic body of the university. They are elected by vote and they have some very strong power within their own framework, committee framework. On that issue, I do not believe that that framework is broad enough. For example, there is no financial criteria regarding the academic framework of those committees. They can get themselves into an awful lot of trouble. I could refer back to the MIT plagiarism scandal at the University of New England, where some 205 students graduated with a Master's degree. It was the worst case of plagiarism in Australian history. To my knowledge there has been no disciplinary action taken so far in regard to that and that is probably two and a half years old. So there are real issues that need to be put into the terms of reference of some of these committees to make them more powerful in effect, not weaker.

Dr Kaye: I possibly misunderstood you. Were you saying that the academic board should have more power over the university's finances or did I misunderstand you?

Mr CASSIDY: In a way yes, but I think the courses that universities run need to have some business background to those courses. Several years ago the University of New England had an Ancient Greek course and I think they had three students in that course and they had something like seven or eight staff and it took them three years to abolish that. It was a huge loss-making affair. It was before my time. That is a good example where an academic board should be reviewing its own academic programs. That then has some financial effect on universities' budgets. That, I think, also gives the academics more power within their own committee structure.

CHAIR: We have heard different views in terms of the Vice-Chancellor's role, and some Vice-Chancellors consider themselves, and even have the title of, chief executive officer. Is that how you see the role of the Vice-Chancellor?

Mr CASSIDY: I think the previous federal government introduced the role of Vice-Chancellor and the chief executive officer and I guess that was the first step towards corporatising or putting more business sense into the university structure. I personally believe that the Vice-Chancellor should be the chief executive officer for the very reason that he takes on fiduciary duties as a member of that board, if you like, or council.

The Hon. TONY CATANZARITI: You stated that there were three students in the Ancient Greek course and there were about six or seven teachers and it took three years to abolish that course. Why would it take so long?

Mr CASSIDY: That probably touches on some of the issues of the elected members I suspect. Most staff of a university are very resistant to change for very obvious reasons. If you do not need six or seven or eight academics teaching three students in Ancient Greek, what do you do with them? You either retrain them or make them redundant. That is a real issue. The elected members tend to vote in a block at council and there is an issue of governance right there in my opinion.

The Hon. TONY CATANZARITI: You have touched on the number of members of council. Do you think there should be a certain number for all universities to have, say the number was 22 or 15 or whatever, that all the councils should have the same or do you think that there is not one that fits all?

Mr CASSIDY: I think there is not one that fits all. A university like the University of New England, which is in fairly dire financial straits as I see it, is very ripe for amalgamation with a university such as the Charles Sturt University. That has been talked about within the Commonwealth structure for several years. I think you need to have much stronger financial and business acumen in

there to try and strengthen the balance sheet of that university. With other universities I think there should be much more flexibility. Bond University, for example, which is a private university, has quite an enlarged board but those members contribute with their skills, and different particular skills, and they are sought out for those skills. The bigger universities, like Sydney, New South Wales and UTS I think may wish to have probably a different number of members on the board. If the University of New England was to grow, you may second other people onto that council with different skills. It is not an easy question though.

The Hon. TONY CATANZARITI: Do you think that politicians being appointed to councils is a good thing or do you think they should not be involved in it?

Mr CASSIDY: That is a good point because the Hon. Richard Torbay, Speaker of the House here, has been a member of the University of New England for some time. I have been very supportive of the Hon. Richard Torbay in that role because he is the local member. He has brought some very great benefits to the University of New England. I can look at his support for the New England Conservatorium of Music where we received recurrent funding for that institution. That was something that we pushed several years ago. The New England Conservatorium of Music today has something like about 3700 students and that is in the three year start-up. So you can do some very powerful things with people who have the right connections if you like. The political role becomes a bit clouded I believe when you have to look at your constituency who elect you and some of the issues of governance regarding some hard decisions you have to make say as Chancellor in this case. So there is a conflict there, but in general I think politicians, because they are very powerful people within the region, are eminently appointable.

CHAIR: You talk about capacity within the membership of a university council, and we have had quite a lot of discussion from witnesses and within submissions about capacity and suggestions that there should be some sort of induction at the very least and perhaps some universities suggesting they institute a company directors course as a training option for new directors. You talk about remuneration in your submission, that you feel that members of council should be remunerated for their role, as they would be on a board for a company. Would you like to make some comment on those two issues?

Mr CASSIDY: During my tenure as Chancellor we have always had induction courses for new directors or new council members. Several members did not attend, and that is their choice, but those courses were run similar to a directors induction course. They were very powerful. They were usually over at least half a day, generally with very good presenters in the process of inducting, making them aware of their fiduciary duties and so on. That did happen, I guess it still does, at the University of New England and I think that is essential, particularly for the elected members who may not have had experience in a board structure or operating within a board structure. What was the other thing?

CHAIR: Remuneration.

Mr CASSIDY: I worked on the university council for seven years. I have not taken any remuneration whatsoever, not even in travel expenses, and over a seven year period my round trip to the university at least once or twice a week was probably something like 180 kilometres. That is a pretty substantial amount at 50 cents a kilometre over seven years.

There is a model at Melbourne University for example. Victorian legislation is different than New South Wales legislation. The Chancellor at the University of Melbourne is an executive Chancellor. His role is clearly defined and he gets something like from memory about \$160,000 a year, but he is required to put at least three full days a week into that university and he is very much involved in the future directions of vision for the university. Anybody that is not a government employee or a member of the judiciary I believe is not paid but generally members of council are paid, and they are paid not a lot of money but it hones up your fiduciary duties as a director if you are receiving some remuneration. So to me that is quite an important structure.

The Hon. MARIE FICARRA: Mr Cassidy, in terms of skill sets you were talking about the composition of the council, but what would you advise, without being too prescriptive, that we seek in terms of an appropriate skill set to enhance the functioning of a university academically and

financially across the board? What sort of skill sets would you recommend?

Mr CASSIDY: At least two members of the University of New England have to have financial skills, some financial prudential experience. I think in this day and age, given the economic melt-down, that a university needs far more business and financial skills. It needs greater marketing skills. A regional university is faced with huge problems of marketing. It needs more commercial skills. I think just about every joint venture that the university has entered into in seven years has been a dismal failure, costing several millions of dollars in most cases, and I think that is a disaster and a waste of taxpayers' funds and I think you need to have people with those skill sets.

The Hon. MARIE FICARRA: In terms of falling numbers on campus, do you think that there are future directions for regional universities where that will be a future trend and we will see lots more people doing it remotely with the advances in technology nowadays, communications technology? Can you see that as an opening field and therefore less emphasis on borders and on campus students?

Mr CASSIDY: I think there is a trend to external students. I think one of the largest reasons for drop-offs in external students at the University of New England is there is no face-to-face teaching and a lot of the Asian students in particular want the face-to-face contact and if they do not get it, they do not go. To me that is a very simple issue to fix. You can do that with residential schools or some face-to-face contact. I think Australia is a great agricultural nation. There are a huge number of activities that the University of New England, like Charles Sturt University, can be very much involved in to attract students on campus. It can be a strength and a weakness. The teaching term, from memory the University of New England teaches something like 151 days a year. That is an issue that needs to be addressed. I think of the 151 days a year you will find that there are very few lectures on a Monday or Friday. Those issues need to be addressed.

I was recently at Bond University seeking some scholarships for the New England Girls School. The Vice-Chancellor there was Director of Health for the Queensland Government. I knew him from my previous construction life. He told me their numbers increased this year and it is a full fee paying university. There is a very powerful message I think there.

The Hon. MARIE FICARRA: My last question is in regard to the pros and cons of the proposed amalgamation with Charles Sturt University or the other regional university. What can you see there in the future?

Mr CASSIDY: I think if you have weak management and you have weak members on council, without division, it is inevitable that universities will amalgamate. I think there are probably too many universities in Australia. In my previous chief executive officer experience, if I was chief executive officer of that university, I would probably save about \$15 million a year in recurrent funding. That has been on record for a number of years. That is a lot of money times 38 throughout Australia. That is not the fact that universities should not get the money but they should put it into paying academics more money but get the cream. I do not necessarily think you have got to screw the academics on their salaries and conditions. I would rather pay them more money and get the better ones and that makes a more powerful university.

Dr Kaye: Mr Cassidy, I think I heard you say that you would take all the elected representatives off the boards of universities and just change the role or adjust the role of the academic board. Am I correct in saying that that was your prescription for universities?

Mr CASSIDY: Not necessarily. I think the chair of the academic board has currently under the Act a position on council automatically and I think it would be unwise for any university council not to have the full input from its chair of the academic board. It is a vital part of the--

Dr Kaye: So you would see the academic general staff's involvement in the governance of the university being restricted simply to the chair of the academic board?

Mr CASSIDY: I would, yes.

Dr Kaye: Would you be concerned that in that case you may have a board that did not really

reflect in any way the sentiments, the feelings, the understandings, the experience of those who are at the coal face of the university?

Mr CASSIDY: No. I think if you are a chairman or the chief executive of a major public company, you really need to get the input from your workers particularly and also from the shareholders. That is a vital part of governing a university. You must have that input and you can get it in different ways.

Dr Kaye: That takes me to another statement. You are famously on the record as saying that universities are like a number of other commercial undertakings. I think that comment was made in respect of your understanding of the roles of a Chancellor versus the chair of a board of a large, or indeed quite small, public undertaking. Do you still adhere to that view? Do you still think that the skills required to be a successful Chancellor are the same as the skills required to be a successful chair of a board of a large corporation?

Mr CASSIDY: No, I do not believe that. I think you need a mixture of skills. Having been involved with secondary education now for a number of years, those skill sets are slightly different than I would have had at Abigroup.

Dr Kaye: So you now are of the opinion that there is actually something specific needed, it is not just like running a large corporation or running a small corporation?

Mr CASSIDY: No, absolutely not. You must take into account the very business that you are trying to support, and the business of universities is to produce people with degrees or diplomas, so you must take that into account.

Dr Kaye: So the business of a university is purely the production of degrees and diplomas?

Mr CASSIDY: No, not necessarily. The Act covers a whole range of other outside influences, community for example, sport. There is a whole range of different things that universities have set up under their objects.

Dr Kaye: Your failure to mention the words research and scholarship in that, was that an oversight?

Mr CASSIDY: No, I am on record as pushing research and scholarship to the nth degree. I have tried my very darndest to set up a number of major research facilities at the campus there. Unfortunately, it has been lacking in commercial skills I think from within.

Dr Kaye: Can we talk about the commercial issues for a minute. You said in your presentation and I think you have said elsewhere that the university is in dire financial straits and then you go on to talk about how it rates 38th. I think you mean in terms of its dependency upon Commonwealth recurrent funding.

Mr CASSIDY: Correct.

Dr Kaye: When you say dire financial straits, do you mean there is a problem with the balance sheet or do you mean there is a problem with where the money that supports the balance sheet comes from?

Mr CASSIDY: As late as last year the university was to all intents and purposes technically insolvent. That is a worry. There had to be a reshuffle of assets and liabilities in the balance sheet. You may not see that but that was an issue that was only raised by myself and dealt with internally.

Dr Kaye: I am just asking for your opinion. Would you say that is typical of universities or do you think it is a University of New England specific problem?

Mr CASSIDY: I cannot really talk about other universities. Sorry, I cannot answer that, but I think to be the number of 38th university in Australia dependent on federal government funding is a serious issue that needs to be addressed. That is why I put more emphasis on other commercial

activities and research.

Dr Kaye: So that emphasis was not in order to increase the total revenue of the university, it was in order to reduce the dependency on public funding?

Mr CASSIDY: Both. I think you have got to maximise your public funding but at the same time maximise your income from research and commercial activity if you want to build a very financially strong university.

Dr Kaye: Can I ask you one more question in respect of training of academic senate members. You talked about the need for training in financial matters, you talked about fiduciary responsibilities of council members, and that of course is not contested, but I did not hear you, or in fact any other of our witnesses, talk about the need to train up - let me go back one step. I think there you are talking about those who come from a non-financial or non-commercial background, which is largely, not exclusively, those people who are elected representatives. What you have not talked about is the other side of the coin, which is training up those people who come from outside of university, whose last interaction with a university was to sit in a lecture theatre, sometimes 20 or 30 years ago, training them up or acquainting them with the mission of the university, the diversity of the university and the specific natures of universities as communities of scholars.

Mr CASSIDY: We do that in the induction program to start with. We try to give a very broad cross-section of what is expected from a council. It includes nearly all those things.

Dr Kaye: How does it address that issue? It is an interesting issue because we are really talking about a culture that has evolved over the last thousand years and in some cases devolved along the way but it is certainly a complex culture.

Mr CASSIDY: It certainly is a very complex culture that I have encountered.

Dr Kaye: My question was in an induction program how do you transmit the important features of that culture and what that means to a council member.

Mr CASSIDY: The council has a strategic plan. There is usually a vision with that plan. There is an outline of where the university is attempting to head, as well as the fiduciary and governance issues associated with being a member of council. The academic board, I believe, needs to pay a far greater role in your context of what a scholar is. I tend to think the widening of the powers of the academic board to encompass something like financial issues is a good thing.

Dr Kaye: I do not think we have time to go into it here but what you are proposing is a radical realignment of the governance of universities where, as I understand what you are saying, you give the academic board some of the current functions that are taken on by the administration of the university and some of the functions that are taken on by council. Do you have a clear understanding of where you would redraw those boundaries?

Mr CASSIDY: I believe so. I think one of the issues over, as you say, probably thousands of years is that academics have never worried about the income side of academia, very little in my experience, but we can disagree. I have not seen it, and I have only been there about seven years.

Dr Kaye: So your specific intent is to have academics through the academic board be more alert to the financial implications of various academic decisions?

Mr CASSIDY: I think they must be aware. If they are going to deliver a course to a large number of students, they need to be aware of what those impacts are for their own benefit, and I think at the same time if you have got three students in your faculty of Ancient Greek, you should be as an academic saying, "Hang on, we have a problem here. We need to get out and get more students. So where is our marketing team", or "We need to do something about it". That is the difficulty I see of changing the input within universities, so that people understand that it is not just a business.

Dr Kaye: Does the University of New England run faculty budgets and school or department budgets?

Mr CASSIDY: I have always been very critical that if you are coming from an industry such as the construction industry and you are tendering on a two or three or three and a half billion dollar project, you need to be very sure of your cost structure and your estimates of costs, and that industry goes into very detailed activity based costing. That seems to fall on deaf ears at the university. They tend to work backwards with a budget. They have got so much money coming in from government and they allocate it pro rata, 50 per cent to the overheads and structure of the Vice-Chancellor and 50 per cent allocated back to the faculties. That is not a good way, I believe, to run a business. It is not fair on the academics either.

Dr Kaye: I do not know what the smallest unit is at the University of New England. Some universities call them schools, some call them departments, but at that smallest unit level is there a unit budget, that is a document that talks about incomings and outgoings?

Mr CASSIDY: Not in my sense of understanding. There would be some budget allocated and in many cases, if you look at our overseas joint ventures, nobody can correlate the income with the expense, and to me that is a recipe for disaster, because most of those joint ventures are losing three, four or five hundred thousand a year and nobody knows. It has not been accounted for, but they are very good joint ventures and should be strengthened and built up with proper commercial skills.

CHAIR: You were talking about academics taking financial responsibility--

Mr CASSIDY: Sorry, could I add to that? Not necessarily financial responsibility, they must be aware of the inputs.

CHAIR: Certainly. I know many universities have a performance payment or bonus payment, some of which are disclosed, some not, and I am just wondering what your view is about that and should that be public information. Faculty payments and those sorts of things are not publicly available. What should they be for and should they be publicly available in terms of amounts?

Mr CASSIDY: I think they would be available under freedom of information.

CHAIR: No, they have not been so far.

Mr CASSIDY: I cannot think of a reason why they should not be, but that is another issue. Bonus payments in the construction industry are prevalent. The harder you work, the more income you generate, the more profit you generate, the more you are rewarded. It is very hard to do that within the university system but if you can implement certain key performance indicators or benchmarks and people can excel, then I have no objection to their being rewarding in some measurable way, but that should be controlled and measured and it should be visible.

CHAIR: With the key performance indicators for a Vice-Chancellor, how should those key performance indicators be assessed and who should do that?

Mr CASSIDY: We engaged the services of a fellow called Professor McKinnon, who was well known for providing benchmarks and key performance indicators to the university sector. He had great difficulty putting in place workable key performance indicators for a Vice-Chancellor. I think they vary depending on universities.

CHAIR: What were the difficulties he had?

Mr CASSIDY: Getting something to measure. Without any activity based costing, you are comparing apples with oranges.

CHAIR: On a completely different issue in terms of governance, the confusion I guess in a way with it is the delineation between the federal government being the major funding source and yet the governance issues being a State Government responsibility. You suggested in your submission that perhaps there should be a hand-over of simply all of the responsibilities to do with universities straight to the federal government. Is that an assessment of your position on that and why do you think that is a good idea?

Mr CASSIDY: I think that is a complex issue but when the university is funded by the Commonwealth it is governed under an Act of New South Wales Parliament and six members at least are appointed by the Minister and the council is controlled by the Auditor-General, I think you do have issues of conflict. For example, and this is only from memory, but I think the University of New England pays something like \$9 million a year in payroll tax to the State Government from federal government funding. I find that strange.

Dr Kaye: I must say, and maybe this is my lack of understanding, why is that a conflict of interest?

Mr CASSIDY: Because it is funded by the Commonwealth and \$9 million of that funding goes straight to the State Government. I think the State Government could probably talk to the Commonwealth. Maybe the Commonwealth has to give more and not pay payroll tax. That is a political issue but it is a very strong financial issue for the university. There is \$9 million out of its budget that goes back to the State Government. I just need to check that \$9 million figure but from my memory it is about right.

CHAIR: I have heard the issue raised outside of this inquiry by the universities. We are asking all of the participants in this inquiry to give us the benefit of their experience in terms of our terms of reference and what we might achieve, what recommendations we ought to make. You are aware of our terms of reference and what this inquiry is about. What would you suggest this Committee should be coming up with?

Mr CASSIDY: I think there seems to be some misunderstanding between the roles of the Chancellor under the Act and the Vice-Chancellor. From my legal advice I do not believe there is an issue but I think that probably needs to be clarified or restated or re-enacted or whatever. Certainly, that is an issue, and it probably needs to be then clarified back to the university body.

The Hon. CHRISTINE ROBERTSON: What type of definitions are you looking at there?

Mr CASSIDY: I am not. I think the law is clear. I think there is enough legal precedent in Australia but others may not feel that. There seems to be some misunderstanding out there as to what those roles are, but my understanding is that the Chancellor is the principal officer of the university and the Vice-Chancellor is the chief executive officer responsible for the day-to-day activities.

The Hon. CHRISTINE ROBERTSON: We have been to quite a few universities and it would appear that the functions and roles of both of those positions differ right across the sector, quite strongly on the personalities.

Mr CASSIDY: That is not a very good way to start I think. It would be desirable to have an Act that says exactly what the roles are and if the person is not fit for that role, then there should be some mechanism to move on, whether it be the Chancellor or the Vice-Chancellor or any other member of the council.

CHAIR: There currently is not. That has been noted by a few people, that there is no ability to benchmark against that role, but also how do you say that someone is unsuitable and move them on. We have had quite lot of discussion about that at various stages of the inquiry. Do you think it needs to be strengthened in the legislation?

Mr CASSIDY: I think the role of the Vice-Chancellor is far more powerful than the role of the Chancellor because that person is responsible for the day-to-day activities of the university. If that person fails, then the university is going to fail. Chancellors can come and Chancellors can go in one sense, and many of them have. It is only when you try to take a pro-active approach to restructure a university into a more powerful economic unit that you run into resistance.

CHAIR: Should there be capacity though to dismiss a Chancellor?

Mr CASSIDY: There is. There is provision in the Act to dismiss the Chancellor. It takes a two thirds majority of council.

CHAIR: And do you think that that is an appropriate mechanism?

Mr CASSIDY: I think you probably need to have a reason.

CHAIR: Rather than just the numbers?

Mr CASSIDY: Rather than just a block vote, for whatever reason that they wish to move.

The Hon. MARIE FICARRA: There are so many Chancellors and Vice-Chancellors across the State. Do you think there is enough or did you receive enough information before you were asked to take on a role that clearly cost you a lot of financial time and physical time and emotional expenditure? Did you have enough information about what was required of you in your role as Chancellor before you accepted?

Mr CASSIDY: I think I had a fair understanding of what my obligations were. I think I clearly said that in my first meeting of council. So I had a fair idea of what that was. What I think comes from university management to council is generally referred to as like being in a mushroom factory. They do not like to tell you exactly what is going on and if you are diligent you need to work quite hard to get a glimpse of what is going on. It is very easy to shift money from one budget to another and say, "Look, you have done very well, but in fact you have lost a lot of money over there". Unless you have some form of financial control and some very strong activity based costing processes in place where you can track that stuff, it will go on forever.

CHAIR: We appreciate your time in coming today and your commitment to improving the governance of the universities broadly and we appreciate the comments that you have made in your submission and today. Is there anything further that you would like to add before we conclude?

Mr CASSIDY: No. The personality issues I think should be taken out of the context of governance and management of universities. There are serious issues there that need to be addressed and I do not necessarily believe they are matters of personalities. So that is not particularly the issue as far as I am concerned. The University of New England, which is a much needed entity in that region, to set it up for the long-term is vitally important and something that I have been very much involved with and passionate about.

CHAIR: Would you like your evidence to remain confidential or would you like it to be published?

Mr CASSIDY: I think if it goes to help the governance of the university sector I do not have any objections, and again one reason for me appearing here today, my sole aim is to benefit universities.

CHAIR: Thank you and we appreciate your commitment.

(The witness withdrew)

(The Committee adjourned at 10.01 a.m.)