

## The second 1999 Boilerhouse Address

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### 'Restructuring — where to from here?'

I have prepared this address today because I want to talk about the restructuring process that we have been involved in for the last few months; indeed tomorrow VCAC goes to its mid-year retreat in Goulburn, and it was in the mid-year retreat last year that the restructuring process started. VCAC's deliberations led to my speaking to you all in September, and to a Council endorsement of the process in November. The first six months this year have been occupied in bringing the six former faculties into a divisional arrangement, and in carrying out the work both of the Steering Committee on the Organisation of Administrative Staff and the Working Party on Academic Governance. The Steering Committee set up its own working parties, on a range of important matters, and their reports are now available to everyone. The consultative process has not stopped, but those major groups were asked to bring their broad recommendations to me in time for the June Council meeting, and they have done so. Now it is my turn, since I authorised all this activity, to tell you what it means, what I propose to do, and where we go to from here.

But if you will allow me, I want to remind you first of the context in which all this intense activity has taken place. We did not change our structures to save money, but to make us a more resilient organisation, better able to do what we now have to do, which is to operate in a businesslike way and secure extra income to supplement the core operating grant which comes from the Commonwealth. So many of our ways of doing things come from the days in which the main financial business of this university, like all the others, was carving up the money and doling it out to the cost centres. *Earning* money was not much on people's minds — we might do that at the individual level, but at the level of the University we spent it. So a great many of our procedures take for granted that there is available money, and either govern the way it is spent, or prescribe ways of doing things that assume that money doesn't matter.

We have to change that, because our circumstances have changed. This year around 40 per cent of our total recurrent expenditure will be supported by activities other than those funded by the core operating grant. In a very few years' time the proportion will be 50 per cent — one half. Our salaries are by far the largest element in our operating expenses, and I feel it necessary to say to you all that the same ratio applies there. Of course it is true that most of us don't in fact earn extra money for the University by teaching outside the ordinary undergraduate and research degree programs, and administrative staff don't teach people at all. But you need to remember that if as a University we didn't do any of this extra work then our expenditure would be around \$50 million rather than the present \$85 million, and it would be a much smaller place in terms of staff numbers.

All of us need to pay credit to those who have increased the pool of money from which we all derive our incomes. I know that there is some resistance

to this notion, some antipathy to the thought that academic staff in particular should be expected to teach people who aren't students selected in the traditional way, are not on campus, or want to be taught in unconventional ways or at unusual times or in foreign countries. I understand the feeling, but I ask you to put it away. The university year is changing; university students are changing; we either adapt to these changes or face a diminished future.

What is more, the Commonwealth Government has made it clear that it has in mind new funding arrangements for universities. The long-awaited research paper, due any day now, and a more shadowy funding paper, due some time later this year (the two papers may in fact be merged into a single policy statement), are very important to us. It is possible that the Government will want to align funding more with student preferences. It may wish to bring in further kinds of performance-based funding. It may even want to bring TAFE and university funding closer together. Whatever the outcome — and the only thing you can be reasonably sure of is that increased funding is not in prospect — this University needs to have a structure and a method of operation that enable it to cope quickly and effectively with Government policy changes, and take them in our stride. I doubt that we will be offered much consultation about them.

That brings me to an important general point about our scale. For the next few years at least, we need to get used to the idea that the core staff of the University of Canberra are unlikely to be very much more numerous. There are 850 or so of us, and we do a great deal more than our counterparts ten years ago, who were not much less numerous. You could call us the 'inner circle', the people with paid, continuing University employment. But we depend, even more than did our predecessors, on the work of a thousand or so people in the community who are part of the 'outer circle'. I think of them as the three 'As' - our Adjuncts, our Associates and our Apprentices. Our Adjunct Professors and Associate Professors are at work elsewhere in the community, but maintain an association with the University that is of enormous importance to us because of their status in their professions. Our Associates do not have academic titles but in their own organisations they work closely with us in the various partnerships that we have to ensure that both organisations are successful. And finally the Apprentices are those carrying a good deal of the sessional teaching; many of them, if not most, are completing higher degrees and would hope one day to join the inner circle. We need to increase the number of our 'A class' supporters, and to value them more and draw them more closely into the life of the University. That will be a priority of mine in the next year.

These remarks are intended as context. I value the urge to undertake high-quality teaching, scholarship and research no less than I did when I was a young member of staff 35 years ago. But I now also value, and I ask you to do the same, the entrepreneurial bent in our staff which fortunately we are well supplied with. We can no longer sit around waiting for the students to arrive. We have to go out to secure them, recognise what it is they want, and provide it at the highest levels of professionalism — because we ourselves constitute a profession. In doing so we are in competition with every other university in Australia and increasingly with private providers and foreign providers. We cannot wall the world off. We are in it.

How do the recommendations of the Steering Committee and the Working Part assist us in our task? Let me say first that I greatly appreciate the enormous amount of consultation and hard work that went into the deliberation of these two groups. Associate Professor Andrew Cheetham, who acted as project monitor on my behalf, has written to me to say that, despite the relatively tight timeframe,

There was adequate, lively and stimulating discussion on and around the issues. There was good natured argument and counter argument and very little evidence of bad humour or discord. There was considerable effort put into wide consultation with the University community by both the committees. As a consequence, I believe that, while not all parties agree with the reports and recommendations in their entirety, they do represent a majority view on campus.

I have to say to you all, once again, that I believe that our capacity successfully to undertake major changes of this kind, in a co-operative and collaborative way, is probably unmatched in the Australian higher education system. It is a great source of strength to us as a university.

At the Council meeting on 2 June I said that I accepted the thrust of the two major reports, and that I would proceed to implement them. I will now set out what that means in some detail.

1. Each of the Academic Divisions will now establish a **'Business Unit'** which will work for the Division concerned, and provide a conduit from decision-making to implementation. The staff of the Business Unit will be an outposted section of the Corporate Services Division, which will allow Council to have confidence that common quality assurance mechanisms operate across the University, and allow us also to use a common set of records and so avoid duplication and inefficiency.

The Business Unit leaders will be members of the Executive of the Corporate Services Division, and Business Team members will be full members of Divisional committees. The recruitment process for the Business Team leaders is already underway, and their tasks will be determined in consultation with those selected.

Not all Divisional staff will be in the Business Teams. Research assistants, technical and IT staff, curriculum and learning resource centre staff will remain in their present relationships. So, for the moment, will School support staff. But over the next twelve months I will explore ways and means of integrating School support staff more closely in the Divisions, for the greater good of the University and of the Divisions, and in the interest of the skill enhancement and career development of the staff themselves, for they form one of the University's key cadres. I have similar concerns with the isolation of Divisional IT staff, and will explore how best to give them peer support and career development.

The proposed functions of the Business Units are set out in the paper; I am sure that as time passes these will take on a slightly changed form. But I want

to emphasise that neither I nor VCAC want three competing mini-Universities of Canberra. So the functions, the processes and the outcomes need to be very similar in each Division, and indeed in each School.

2. Let me turn to **Academic Governance**. Here the proposals are properly far-reaching, and are also beautifully integrated with the recommendations of the Steering Committee. I think that the report is a model of its kind. University-level bodies, like VCAC, Academic Board and their various committees, are to develop University-level strategic frameworks inside which the Divisions will operate. In turn, Divisions will develop Divisional-level tactical frameworks inside which the Schools will operate.

3. **Divisions** are the intermediate-level entities which provide services to Schools and quality assurance to Council. They are to establish a standard set of committees — Education, Higher Degree and Research — which will be modelled on and connected to those at the University level, and have a tactical focus. Divisions can establish other committees, to cover information technology or marketing concerns, for example, should they wish to do so. The composition of the standard Divisional committees and, I would think, the others, will be: the Pro Vice-Chancellor of the Division or his nominee, a member of the Business team, a student representative, and a representative from each School. The Pro Vice-Chancellor will be able to add other members as needed. The committees will elect their own chairs.

Each Division will establish a Divisional Forum, which will be a meeting of all staff of the Division, to be chaired by an elected member. The Forum will not be a decision-making body either for academic matters or for resource management; its role is to bring staff from the Division together so that they can discuss matters of common interest, hear reports from the Pro Vice-Chancellor, Heads of School and chairs of committees, and ask questions. The Divisional Forum should meet at least once each half-year, and more frequently if sufficient staff wish that to occur.

I want each Division also to establish a Graduate School, which will have administrative responsibility for the co-ordination of support, information and resource issues for their postgraduate students. The Divisional Graduate School will work closely with the Business Unit and the Divisional Higher Degree and Research committees.

Each Division will have an Executive, which will consist of the Pro Vice-Chancellor, the Head of each School, a student representative and the leader of the Business Unit, with other members possible should the Pro Vice-Chancellor wish to add them. It will have a comparable role with regard to the Pro Vice-Chancellor to that of the Vice-Chancellor's Advisory Committee in regard to the Vice-Chancellor, with a primary focus on resources and their management, on policy, co-ordination and reporting. It will be serviced by the Divisional Business Unit.

4. **Schools**, enhanced and well-led, are the basic building blocks of the new structure. There are 17 of them, excluding the three graduate schools that I have just mentioned. The University has spent some years in developing a University-wide sense of what is meant by 'a School', in elaborating the role of the Head of School, and in giving Heads of School a more important role

collectively in the University's communication and consultation systems. In the new structure Heads of Schools have a most important role in providing leadership, in managing resources, and in representation. I do not intend to change the number or shape of the present set of Schools for at least the next 18 months, unless there is unanimous support for such a proposal. The Schools need a period of consolidation.

Because the Schools cover an extraordinary range of intellectual endeavour and professional orientation, they are allowed to organise themselves in any way which best suits their development — always in the understanding, of course, that they are required to play a full part in the life of their Division and of the University. As the Report puts it, they are best seen as 'networked entities', not as 'bureaucratic entities'.

Heads of School are responsible for the work and effectiveness of their staff, and for the management of the collective effort of the School. They are appointed through a University-level process whose outcome is reported to Council. To recognise their greater responsibilities under the new structure, and the higher expectations which we will all have of them, a common salary loading will apply to the position.

**5. Research and research centres** deserve particular mention, because our research activity needs enhancement, for both intellectual and financial reasons. The University Research Committee will be asked to set and monitor the University's strategic directions in research, and freed from most of its present allocation tasks. Its membership will be altered to recognise the existence and needs of the new structure.

All University and former Faculty Research Centres will have their primary reporting and responsibility line to the Pro Vice-Chancellor of the Division. University Research Centres will be established, as is now the case, by Council on the advice of Academic Board, and reviewed at least every five years, but their Directors will be appointed by the Vice-Chancellor on the advice of the University Research Committee.

The fostering of research within each Division will be an explicit responsibility of the Divisional Pro Vice-Chancellor. The University Budget for 2000 will have in it a mechanism to encourage and reward the research activity of Schools and Centres, and here I am taking particular notice of Professor Allan Cripps's Divisional Budget methodology. I shall say something further about incentives in a few minutes.

**6. Implementation.** You will see that there is a lot still to do. The duty and accountability statements of Heads of School have to be modified, and of those of Divisional Pro-Vice-Chancellors have to be created. A set of University-level strategies need to be created and published to give the Divisions and Schools the frameworks in which they will operate. Committees have to be established, and their responsibilities outlined. The Business Units have to be set up and their leaders chosen. And the responsibilities and duty statements of a number of staff have to be worked out, including some of us at the University level, whose tasks will change too.

We need to do this over the next six months, so that we can move into 2000, the last year of the century and of the millennium, with the new structure properly in place. To do this effectively will require a representative Implementation Committee and a project monitor, the Committee being the last recommendation of the Working Party on Academic Governance. I will establish that Committee from the members of the Steering Committee and the Working party, with representation from the union. Andrew Cheetham has given me several strong exhortations to pass on to that Committee, and I pass them on to you. They include:

- \* keeping focus on implementation matters, not on structure (as far as I am concerned, structure has now been determined);
- \* taking advantage of the most useful work already done by the small working parties set up by the Steering Committee;
- \* keeping those working parties going until their work is done;
- \* looking all the time for ways to improve our operational efficiency;
- \* establishing Divisional Planning committees closely co-ordinated by the Implementation Committee so that we get the maximum amount of common practice; and
- \* keeping School support staff involved so that they do not feel left out.

His last recommendation is to start doing all this now! And I am doing so.

7. **Incentives** are an indispensable element of the new structure, because their existence is needed to emphasise the fact that we are entering a new phase in the University's history. Some of these will be announced and elaborated in the University's 2000 Budget, others as various components and processes of the new structure take on their final shape.

8. There are, finally, **some other matters** that I would like to deal with in the context of these changes. I am making a small addition to the staff and functions of the Secretariat, by placing there the administrative work and the staff associated with Research and Higher Degree matters. The Secretariat will work as required to myself and to the Deputy Vice-Chancellor, professor Edwards, but much of its work will concern academic policy and processes, and therefore on a day-to-day basis it will work largely to professor Kennedy, Pro Vice-Chancellor (Academic). The personal assistants to Professor Edwards and myself, and my Policy Adviser, will no longer be members of the Secretariat.

I add some thought about nomenclature. I circulated a paper a year ago on this question, and received many useful comments. I would like the word 'Centre' henceforth to be reserved for research groupings, broadly defined. I recognise that there are a number of 'Centres' that are not research groupings, and I will be seeking to change their names over time. I have no objection in principle to the use of the term 'Department' for appropriate sub-

School groupings, especially when some distinctiveness in nomenclature is required or desirable for purposes of accreditation, provided that it is everywhere understood that the use of this or any other term carries with it no assumption of special or extra funding. I will discuss with Divisional Pro Vice-Chancellors the circumstances in their Divisions.

I want to end this address with an appeal to you all. The effective working of our new system requires another kind of incentive: goodwill. We have to embrace the new way of doing things in a wholehearted, not a timid or distasteful way. A tremendous amount of effort, thought and consultation has gone into getting us to where we are now, and more will be needed. I ask you all to trust the wisdom, good faith and understanding of your colleagues who put in the hard work on the Working Party on Academic Governance and on the Steering Committee and its own working parties. Repay their efforts with goodwill on your part, and a preparedness to make the new system work well. Do not try to hang on to old ways, but give the new ones real support. The University will be the better for it, and so also, I would say, will you.