



## On Being a Chancellor, Requirements and Challenges

(An address by the Hon. Michael Egan AO FAICD at the University Governance Forum,  
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Ladies and Gentlemen,

As you've heard, I've been Chancellor of Macquarie University for almost ten years.

In my very unbiased opinion, Macquarie is Australia's premier university, an opinion that I might add is also shared by every other intelligent, honest and impartial observer.

My predecessor as Chancellor at Macquarie was Maurice Newman AC, who was also Chairman of the Australian Stock Exchange.

Maurice recruited me to join the Council, the university's governing body in 2006 and I was elected as Chancellor when he stepped down from that role in 2008.

And if I do say so myself, I was the logical choice to succeed him.

You see, a year or two before Maurice stood down, the University commissioned the making of a new ceremonial robe for the chancellor.

As our by-laws require, the Chancellor's robe is to be made of black damask, figured with silk trimmed with gold lace, like that worn by the Chancellor of the University of London, currently HRH Princess Anne, the Princess Royal, but without train, and a black velvet square cap also trimmed with gold lace.

It really is an exquisite garment.

It has more gold than you will find in the Tower of London.

It must have cost a squillion.

And being the only member of the University Council who was the same height and same width as Maurice, in other words, short and fat, I was the only member of the university council whom it fitted.

So, I got the job.

And I've enjoyed it ever since.



Now given that there are very few people who are as short or as fat as me, I think that my successor should be chosen on a completely different set of criteria.

And in a moment, I shall tell you what I think they should be and in doing so, I hope, also explain the role of a modern chancellor, which I think few people understand, often including people who work in universities and people at the highest levels of government.

A moment ago, I mentioned Princess Anne.

She's not only the Chancellor of London University, but also of two others.

If her role as chancellor of each of three universities were the same as mine at Macquarie she'd be caught up in terrible conflicts of interest as well as being run ragged.

Happily for her, the role of a chancellor in the UK is purely ceremonial, and the governance role that Australian chancellors have is held by another person entirely, that person being the chairman of the Board of Governors.

So, a chancellor in the UK is basically an official hand shaker, although sometimes not even that.

Until a few years back, the Chancellor of the Stirling University was that brilliant actress, Dame Diana Rigg.

At graduation ceremonies Diana would sit in the Chancellor's throne-like chair, have the graduands bow, as they walked past her, and in return she would give them a very regal wave of the hand, and on they would go without any hand contact whatever.

The Vicar of Dibley, Dawn French, is also a university chancellor, as is Jeremy Irons, Michael Parkinson, and countless barons, baronesses, duchesses, earls, archbishops, and members of the Royal Family.

Now in Australia a chancellor not only has many ceremonial duties but is also the formal head of the university and chair of its governing body.

That means he or she has a very similar role to that of the chairman of a commercial company with similar governance, oversight and leadership responsibilities.

Universities are big businesses, with many of the same issues that commercial businesses face, but with an additional complicating factor.

Commercial businesses have one overriding objective and that is to make a profit and maximise shareholder value.

It is therefore fairly easy to measure the success or failure of a commercial enterprise.

Universities have much broader objectives.

I've seen them expressed in a myriad of different ways but as I interpret them they all boil down to much the same thing: increasing the range and depth of human knowledge and



understanding and in so doing turning the world we live in to something resembling the Garden of Eden.

In other words, improving the lot of mankind.

I've yet to meet any successful business person who doesn't understand the need for a healthy financial bottom line.

Likewise, I'm yet to hear any academic boast that their university has achieved a financial surplus for the year.

Academics, like most people working in organisations with a public rather than a private purpose are more focussed on the common good and the condition of mankind and often without much, if any, awareness of the financial bottom line or concern for its health.

Determining whether you have made a profit is much easier than determining whether you have advanced the common good.

You will never find two people who completely agree what the common good is, or how it can be achieved or measured.

And I think that helps explain why many people whose background is mainly in business find that the issues in a university, and especially government, are sometimes more complex and trickier than they expected.

So, as I see it, one of the requirements for a chancellor, or indeed any member of a university governing body, is to recognise that while there are similarities between a commercial business and a university they are certainly not the same.

The second requirement of a chancellor is experience, with a background of significant appointments and responsibilities and a record of success.

It is only with experience that anyone can develop good judgement, so it is important that becoming chancellor is not someone's first important role.

The third requirement I'd suggest is that chancellors need to have a respect for the value of teaching and research.

A chancellor doesn't need to be a genius or even a scholar, but needs to appreciate scholarship and have at least some level of intellectual curiosity.

It might be possible to be elected President of the United States of America and never read a book, but I wouldn't recommend such a person for appointment as a university chancellor.

The fourth requirement --- and by the way, these are not in any order of importance, they are simply as they have come to mind ---- is to understand the role of governing bodies.

That includes their legal responsibilities, but just as importantly their role vis a vis the management of the University.



The governing body of any organisation, including universities, is charged with appointing the chief executive, in the case of universities the Vice Chancellor, and ensuring the Vice-Chancellor's performance and executive leadership is as good as it should be.

It is also responsible for approving the university's strategy, approving major policies, construction projects and commercial undertakings, approving the annual budget and business plan, and monitoring the university's performance.

But its role must always be one of governance and oversight and never one of management.

In my experience, in a variety of different organisations, the desire to meddle in management is a temptation to which almost no director is completely immune.

A similar problem often arises in government with ministers who misunderstand their role and try to micro-manage their departments.

So, in my view it's important that a chancellor is vigilant in ensuring that both the council and its individual members don't intervene in executive management.

The fifth requirement is to be able to relate to and lead your colleagues.

All of them, certainly in the case of Macquarie, are distinguished people with a wide range of expertise and experience.

A chancellor needs to be able to get the best out of them, ensure that they all have an opportunity to express their opinions, and either reach a consensus view or, if there are differences of opinion, ensure that decisions are reached amicably.

That brings me to the sixth requirement and that is the ability to chair a meeting.

It amazes me how many intelligent and highly successful people can't.

And for the life of me I don't understand why.

A good chairman has to be able to judge the feeling of a meeting, give people the chance to contribute, bring discussions to the point of decision and do it in a reasonable time.

In my opinion if the meetings of a university governing body regularly exceed three hours then the meeting is probably dealing with matters that should be the prerogative of management, or there is a windbag or two on the council, or the chairman is a dud.

These days, with generally smaller governing bodies than existed twenty or so years ago, most meetings of governing bodies are conducted as relaxed discussions around the table rather than following the formal rules that one would find in Justice Joske's bible on meeting procedures.

Nevertheless, a knowledge of formal meeting procedures can be invaluable when trying to sort out a maze of conflicting or partly conflicting proposals.



Knowing in what order to put amendments, and particularly amendments to amendments, and amendments to amendments to amendments, can be essential to establishing the majority view of the council.

As chancellor of Macquarie I've only had to resort to this formality once in almost ten years.

Knowing how to do it avoided an unholy mess and made me very grateful for my training as a teenage factional warrior in the Labor Party more than half a century ago.

A seventh requirement should be an ability to relate well to the Vice-Chancellor and the university's senior management.

The relationship between the Chancellor and Vice-Chancellor is particularly important.

As a former Canadian Auditor-General once described the ideal relationship between an auditor-general and a government, it should be cordial and comfortable but not cosy.

The Chancellor should always be available as a sounding-board for the Vice-Chancellor.

The Chancellor's dealings with the university management should in my opinion be through the Vice-Chancellor except in very exceptional circumstances.

I often talk to senior university management about all sorts of things which have nothing to do with the university but would never talk to them about substantive issues regarding the university without the knowledge of the Vice-Chancellor.

An eighth requirement is that the Chancellor have the time to do the job.

As well as council meetings, there are numerous meetings of council committees, many graduation ceremonies (in Macquarie's case around fifty a year) and the need to host many functions and welcome VIP visitors to the university.

Just in the last month I hosted the Orthodox Coptic Pope, Pope Tawadros, who gave an address at Macquarie, not only because he recognised Macquarie as Australia's best university but also because we have the only Coptic Studies Program in Australia.

As Chancellor, I am also an ex-officio member of all our Council committees and am Chairman of the University's Appeals Committee which hears appeals from students who are unhappy with decisions of the University's discipline committees.

This committee, the Appeals Committee of Macquarie University, was once chaired by the University's first Chancellor, Sir Garfield Barwick.

You can imagine the surprise of young students who, on appealing some minor penalty such as a \$2 library fine, found themselves facing none other than the Chief Justice of the High Court of Australia.

But for Barwick it was not an insignificant or unimportant part of the Chancellor's role.



“Don’t apologise” he is reported to have said to one embarrassed, apologetic and no doubt terrified student,” You have properly exercised your right of appeal and it is our duty to hear your case”.

Another requirement that I think is important is to never suffer from shyness.

In fact, it helps to be a bit of a show-off.

From time to time, especially at graduation ceremonies, you’ve got to put on a good show.

You’ve got to try to make ‘em laugh and make ‘em cry.

Because every graduation ceremony should be a great occasion, an occasion that graduates and their families remember fondly for the rest of their lives.

Many proud parents come to Australia for the very first time just to see their children graduate.

A good graduation ceremony should have a mix of formality and informality---enough formality to give it some mystique and enough informality to make people comfortable.

I recall my graduation from Sydney University in the late 1960s.

The only memorable thing about it was its stiffness and the almost impossible and nerve-wracking rigmarole you had to go through to receive your testamur while doffing your cap, saluting and shaking hands with the presiding officer all at the same time.

The only people who managed to get it right were the graduands who had three hands.

The Chancellor and the University have a responsibility to make sure that each ceremony is always a relaxed, joyful and memorable occasion.

The final requirement I’ll mention today is that chancellors need to be public spirited.

Unlike chairmen of commercial companies, most university chancellors are unpaid.

The legislation that governs universities in most states now allows university governing bodies to remunerate themselves but very few universities have availed themselves of the option.

And the few that have, reward themselves with a pittance compared with what they would receive as directors of a commercial company.

So, there you have at least some of the requirements that I hope my colleagues on the Macquarie University Council will try to satisfy when they set out to select my successor.

I’d now like to talk about some of the risks, threats and challenges that I think all universities may have to face in the years to come.

I say “may have to face” because I think that we Australians often suffer from a dose of the Hanrahans and get our knickers in a knot about potential problems that are at the most unlikely end of the word “potential”.



One of the main challenges is always what the poet Alfred Lord Tennyson described as “the eternal want of pence which vexes public men” but, as the quotation itself recognises, that is a perennial problem.

Another that is beyond our control is the possibility of some kind of geopolitical crisis or upset that harms or destroys our international market.

I don’t think it’s likely, but it’s always worth keeping in mind, particularly the need to diversify where our international students come from.

High up on my list of worries that do have the potential to materialise is the prospect, always lurking somewhere, of some bureaucratic or political nincompoopery.

In the recent past, we’ve had to ward off the proposal that each university negotiate an individual compact with the Government, in other words with a bunch of officials.

Even today there are people in politics and the bureaucracy for whom central planning has a lingering appeal and who are still bewildered by the collapse of the Soviet Union.

Along similar lines was a proposal to set up a Universities’ Commission with the intention of helping universities “plan for their future.”

The best way for universities to deal with the future is to respond to what students want.

And that thankfully is what the demand driven system introduced by Julia Gillard now allows them to do.

The latest nonsense to emerge is the proposal that universities should be financially penalised if their attrition and completion rates don’t meet some arbitrary benchmark.

What the bureaucrats, and I assume this daft idea comes from some well-meaning but poorly informed bureaucrats, don’t seem to understand is that today’s students are much freer souls than we were in the last century.

They often like to interrupt their studies to travel, to earn some money, or follow whatever whim they choose.

I was interested recently to learn that at one university the average age of their students is 25.

One very serious threat to university autonomy and efficiency was the creation of TEQSA, the Tertiary Education Quality Standards Agency, to regulate not only the plethora of fly-by-night private providers, but also internationally renowned, well-established, successful Australian universities all with international rankings in the top five per cent of the world’s universities.

Fortunately, TEQSA has not turned out to be the monster that it first showed signs of becoming, but I think that is only because it was confronted head-on by a number of people, including me.

Soon after TEQSA’s establishment it sent a letter to all universities requiring, among other things, that we inform them of every change in our curricula.



I sent them an email which basically said: "Get stuffed, rude letter following".

The letter which I then sent, said this:

"I have just received a copy of a letter from TEQSA to my Vice Chancellor, Professor Steven Schwartz, dated 17th November 2011, re Advice in Respect of TEQSA's Regulatory Framework and Timetable. In my view, it reflects very poorly on TEQSA. In forty years involvement with government at both state and commonwealth levels, as a minister, public servant and ministerial adviser, I have seldom seen such incomprehensible, unintelligible gobbledygook. I will be expressing my views to your minister and to my fellow chancellors. I don't wish to become an enemy of TEQSA, but I most certainly will become an outspoken critic if you keep up this kind of crap."

And I signed it, "With fondest regards, Michael Egan"

Now fortunately, TEQSA did not continue as it started and I give it full credit for that.

The simple point I make is that regulatory agencies often love to boss people around unnecessarily and universities should remain vigilant.

Another matter that I think is still to play out is the impact of the demand driven funding model which sees funds follow students rather than being set by government fiat.

Although this is an initiative that I fully support, it is important to understand that for most universities it presents both an opportunity and a threat.

If students are free to choose where they study and universities are free to teach as many as they can accommodate, then clearly students will enrol in the university that they believe offers the best course.

That means some universities and some faculties will thrive and others will fail.

Overall that should be good for students, but not necessarily good news for universities or some of their staff.

Of course, people now not only have a wider choice of universities they also have a wider choice of how they acquire knowledge.

For a decade or more now there have been predictions that the days of universities are numbered.

Seven or eight years ago Macquarie University took the very expensive decision and gamble to build a new library which is twice the size of the old one.

Lots of people said we were nuts. Students won't be going to libraries in the future, they'll be doing everything on line.

They were wrong. We should have built a library that was four times the size of the old one.

What we are finding is that the more we improve our facilities the more time students spend on campus.



Of course, it is true that people can obtain qualifications without ever having to step onto a university campus.

Doing things that way may give people a piece of paper, but I doubt it will give anyone a degree that represents a good, well-rounded education.

Certainly, universities need to be in the forefront of using new technology, but technology should be used in a way that enhances teaching and not as something to avoid or by-pass the human interactions that are essential to the development of educated, thoughtful and happy people.

Always keep in mind, that much of the intellectual stimulus a student gets from a university comes not from the courses they study but from just being there.

In other words, it comes from being amid a community of scholars where people can talk, discuss, argue, play sport and socialise together, and learn from one another.

If universities just become businesses that hand out bits of paper their future will be limited and their decline will be of little importance.

Their survival and their worth depends on maintaining the culture and values of the academy, with a commitment not just to the financial future of their students but also to the future of humanity.

I am confident that most Australian universities are up to the task.

Perhaps I am being too sanguine, but I don't think so.

We Australians always find it hard to accept our success.

We always think disaster is just down the track.

We always think we are going to fail.

And we are always surprised by our success.

We should never underestimate the phenomenal success of our universities, all of which are rated in the top five per cent in the world.

So, I think we have some justification to be confident of our ability to meet whatever challenges the future holds.

But there is one proviso.

Universities must be nimble and free to respond to events as they unfold, and not be shackled by bureaucracies or governments which are always able to delude themselves that they know best.

Thank You.