

MACQUARIE UNIVERSITY

VICE-CHANCELLOR'S REPORT TO COUNCIL: PART 1

MAY 2007

This report is divided into two parts. Part 1 deals with two issues: (A) Governance and (B) Emergency Preparedness. Part 2 updates progress on the goals outlined in *Macquarie@50*.

A. SEVEN WAYS TO IMPROVE GOVERNANCE AT MACQUARIE

The Council Seminar highlighted a number of ways in which we could further improve our governance. Section A of this report broadens out the recommendations made at the Council Seminar and adds a few of my own.

1. Annual Calendar

To ensure that all crucial issues have sufficient time for discussion and decision making, the Council has an annual calendar that indicates meetings at which certain actions must be taken. However, this calendar deals with a relatively small number of issues (approving the accounts, for example). Council needs a more detailed calendar that schedules strategic topics for Council to consider at each meeting. For example, Council could consider university strategy at its first meeting of the year, the business plan at its second meeting, the capital plan next and finish off the year's calendar with an evaluation of the executive's performance over the proceeding year. I understand that such a calendar would need to be flexible but having one will ensure that Council participates in all key decisions. Council committees need calendars of their own, which are coordinated with Council's. If this suggestion makes sense to Council, I will produce a Calendar of meeting topics for the Council to approve at its next meeting.

2. Council Agenda

In addition to the Council Calendar, there are ways in which the format of the Council Agenda could be re-arranged so that the time given to different topics at each meeting reflects the priorities of the University. Specifically, the Agenda should reflect the following priorities (in order):

- I. Strategic issues and major performance issues. (Putting these first will ensure that Council plays a major role in securing the University's future.)
- II. Compliance issues—ensure that the University is staying on track.
- III. Lower priority operational issues and issues that are of a “PR” nature.

To assist Council in dealing with each item of business, I intend to implement a cover page for each agenda item. This 1-page pro forma would include the following information:

- The item name & item number.
- Summary description of the item.
- A nominated responsible officer.

- Identification of the relevant University authority relating to the item i.e. the University rule, the policy or delegation being exercised.
- Any financial commitments and amounts.
- Any legislative implications i.e. are there any legal requirements or implications
- Whether Academic Senate has considered the matter or is required to.
- A risk assessment summary.
- A summary of whether any external advice has been received relating to the matter and details of that advice.
- The action required by Council related to the item: pass a resolution or information only.

3. Committee Terms of Reference

There is some confusion about what decisions Council's various committees are actually empowered to make. For example, the Audit and Risk Committee and the Finance Committee both think it is they who scrutinise and recommend the adoption of the accounts. To clarify the ground-rules, each Committee should have a charter that details the decisions it is empowered to make, when it should make them, and which decisions need to be ratified by Council. Given the many changes to our operating environment, and the overlapping committee responsibilities, I recommend that management be asked to devise a new set of committee references for the approval of the Council.

4. Delegations

There is also some ambiguity about which decisions should be made by Council and which by the executives. We have a set of delegations, but these apply to expenditures and not to other decisions. An example of how a more comprehensive set of delegations could work, and an interesting document in its own right, can be found on the website of the financial services company, HBOS, (www.hbosplc.com/about/bos/board_matters.asp). This document lists the matters reserved to the Board, which include: regulatory and legal issues such as approving the accounts, receiving audit reports, appointing the CEO (Vice-Chancellor) and evaluating that person's performance, succession planning, approving business plans and substantial transactions (over a certain amount) and major strategic issues. If the Council thinks that such a set of protocols is appropriate, I would be happy to submit one to the next meeting for Council's approval.

5. Council Web Site

We have had several discussions about the need for Councillors to access information and we now have adopted a rather cumbersome process. Yet, we are living in an information age, and there is no reason why every member of Council should not have immediate access to every document in our files. To facilitate this, I propose to develop a secure, password-protected, Council web site that will be continuously updated. It will contain a library of university policies and procedures, bylaws and regulations, organizational charts and contact details, detailed financial and business information, audit reports (including management letters), Council (and sub-committee) agendas, minutes and reports and any other documents or information that Council members need to carry out their responsibilities. The Web Site will be maintained by the University Secretary (see point 7 below).

6. Register of Interests

The University has no Register of Interests and, as we heard at the Council Seminar, this is required to meet the University's statutory obligations. The steps required to address this issue include:

- Establish a Register of Interests
- Determine the information to be included. The register would ordinarily include:
 - i. ASIC-type information such as company positions held
 - ii. Shareholding (possibly over a minimum threshold value)
 - iii. Real property held
 - iv. Details of gifts over a certain value
- Identify the Officers of the University who are subject to disclosure requirements. At a minimum, these should include:
 - i. Members of Council
 - ii. Members of the Executive
 - iii. External members of Committees of Council
 - iv. Other officers dealing with procurement, allocation of resources, scholarships and other areas where disclosure could be relevant
- Integration of the Register of Interests within the governance framework of the University. This would include amendments to such documents as:
 - i. AWAs
 - ii. Notice of Council Meetings & Committees of Council
 - iii. Notice of SMG Meetings
 - iv. Relevant policies of the University such as Purchasing and Conflict of Interest.

7. University Secretary

As highlighted in *Macquarie@50*, the University needs to establish a modern, professional Council Secretary function to administer and monitor the governance role of the Council, as well as to serve the administrative requirements of Council and its various committees. The secretary needs to be abreast of modern governance practice and empowered to act where necessary. It is envisaged that this individual will work to link the Executive, Senate and Council to ensure that the priorities of the organisation are reflected in the business brought before Council and its committees.

The University Secretary will ensure the effective execution of the business of Council, Senate and its committees. The role will ensure best practice is adopted in relation to governance procedures including reference to the Australian Institute of Company Directors and government-imposed requirements such as the National Governance Protocols. The role would ensure compliance with the relevant University legislation, University Rules and other legislative requirements that apply to the operation of Council. The role would also assume responsibility for building and maintaining the Council website.

Consistent with the model now being established in the sector, the University Secretary will also be the immediate delegate for the Vice Chancellor as the 'principal officer' under s18 of the Freedom of Information Act (FOI) 1989. This will ensure that the FOI process is integrated with the governance requirements of the University at both the Executive and Council level.

The function would also support the administration of Council and Senate meetings, making sure that sound meeting procedures were observed, and that all procedural requirements were met such

as notice of meetings, agendas, preparation of accurate minutes and ensuring efficient and effective follow-up.

B. EMERGENCY PREPAREDNESS

As the tragic incident that recently took place at Virginia Tech makes clear, violence, accidents and illness often strike without warning and can affect an institution for a very long time. For this reason, the executive is currently developing disaster response plans for the University. Of course, it is important not to overreact, but we would be remiss in our duty if we were not prepared. The miserable response to Hurricane Katrina in New Orleans shows that even the most advanced countries can drop the ball if they are not well prepared. This paper sets out what I intend to do to ensure that Macquarie is ready. For illustrative purposes, it focuses on one particular type of disaster—pandemic influenza—further plans for other disasters will follow a similar model.

The Forthcoming Epidemic

The last major flu pandemics occurred in 1918, 1957 and 1968. The pandemic of 1918 was the most deadly, killing 40 million people worldwide. Just what type of flu will cause the next serious epidemic, how high the death rate will go and how volatile the rate of transmission will be is impossible to say. However, what is certain is that there will be another pandemic. The only question is when.

Public health officials are most concerned about an outbreak of “bird flu”, the common name for the H5N1 subtype of the Influenza A virus. According to the World Health Organization, the H5N1 virus, which is prevalent in birds throughout Southeast Asia and China, is highly lethal when transmitted to humans. The WHO reports that over 200 people have contracted the H5N1 virus, half of whom have died. It seems that most victims had direct exposure to infected poultry. Because it will be a new strain, no-one will have immunity should an H5N1-like pandemic virus emerge. Vaccines take many months to develop; by the time a vaccine is available, many people will have died. The advance warning time will be particularly brief for Macquarie University because of our extensive personal and business ties to Southeast Asia. Our students and staff are constantly travelling back and forth in the region, so we are likely to be one of the earlier sites to be attacked by the flu. Living close together in apartments and colleges, our students will spread infection fairly quickly.

Although no vaccine would initially be available for pandemic influenza, antiviral drugs may be useful for some victims. I am told that some officers of Macquarie International have purchased some supplies (which I will follow up), but it is unrealistic for us to maintain a cache of antiviral medicine sufficient for all students and staff. There is not a sufficient supply available and hoarding such medication could deprive high risk patients from receiving it. We will, however, create a supply of face masks and gowns, which could help reduce the spread of infection. We will also need a supply of water and perhaps food for students living in our new university housing. Most important of all, we will need to know what we are going to do and when we are going to do it far in advance of an actual outbreak.

THE PLAN

Tim Sprague will be the University's pandemic coordinator. He will recruit a response team, which includes representatives from campus health services, security, facilities management, catering, academic staff and students. The team will be responsible for preparedness, response, and recovery planning.

Preparedness

The response team will examine different scenarios based on various levels of illness. For example, in a milder epidemic it may be sufficient to quarantine patients rather than close the entire campus. Based on its work, the response team will prepare contingency plans for different levels of outbreak. These plans will deal with the following questions:

- 1) Who will look after students who cannot, or choose not to, recuperate at home in the care of their families? This group includes some domestic students but will mainly be composed of international students.
- 2) How and when will we repatriate Macquarie students and staff who are studying or working abroad?
- 3) Who will look after the many animals that currently live in campus facilities and laboratories?
- 4) Who will liaise with government health authorities?
- 5) How (and who) will we comply with legal case control measures such as reporting information about ill students and employees, keeping the ill in isolation, movement restriction, and provision of health advice?
- 6) Where will we send those who need hospitalisation, considering that there will likely be a surge in cases?
- 7) How will we provide counselling and social services during and after a pandemic?

The response team will establish an emergency communication plan which will be updated and revised regularly. This plan will identify key contacts among health and higher-education officials. The team will establish telephone and email trees to facilitate communication for this, and other, crises. The response team will also recommend on the purchasing and storage of infection-prevention supplies such as soap, hand hygiene products, tissues and receptacles for their disposal. We will also examine how to encourage staff and students to get vaccinated against flu. Although flu immunisations will not protect against new viruses, they do promote resistance to infection. Similarly, measures such as the promotion of hand hygiene can limit the spread of disease.

Response

To ensure that learning continues even if the university is closed, the response team will ask Senate to develop procedures to ensure the continuity of instruction (e.g., web-based distance instruction, telephone-trees by which lecturers can contact students, mailed lessons and instruction via radio or television). In addition, Paul Bowler, DVC, will develop a continuity of operations plan for

maintaining the essential operations of the university including payroll: ongoing communication with employees, students and families; security; maintenance; healthcare and so forth. He will also examine how the campus health centre will be accessed and used by students and staff.

Human Resources will need to have a plan for extended sick leave provisions and managers will need to have control over travel (to avoid travel to affected areas especially in the early stages of the pandemic).

Communications

Internal communications will need to be planned and telephone and email trees will need to be periodically tested. A website and other redundant lines of communication will be necessary to ensure that messages get through. Elizabeth More, DVC, will assemble a team to develop a communication plan for students, families, employees and the media. Given the background of many of our students, this plan may have to provide for communications in languages other than English. In addition to providing necessary information on infection control, housing, pay, and teaching, our communications will have to address the fear and anxiety of staff, students and their families. Most important, they will have to deal with the rumours that abound in emergencies.

By taking these pro-active measures, we will be able to limit the damage of a global pandemic.

Steven Schwartz
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