



THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

Create change

CHANCELLOR'S STAFF ADDRESS

Presented by Chancellor Peter Varghese AO Tuesday 19 July 2016, 9.45am, UQ Centre

Good morning to all of you, and it's great to see such a large gathering. Peter, thank you very much for a very generous introduction. If you ever tire of academia, which I doubt you will, you will have a great future in diplomacy, I'm sure. I do want to commend your leadership of the University and the great work that you do.

I'm absolutely delighted to have taken up the position of Chancellor. This is my second week in the job and for me it is very much returning home. I might have said it's the most exciting time to be a chancellor in Australia but I suspect that line has worn a little bit thin over the last nine weeks.

This is an institution which, as Peter suggested, has a very strong family connection for me. In fact if the University had not offered my father an academic position I doubt very much that we would have stayed in Australia. We came here in 1964 when the White Australia policy was still the official policy of the Australian Government and my father came on a two-year visa with nine kids in tow. He had a year and a bit teaching at Newcastle which I don't think he found very edifying. He was offered the position at UQ and accepted it and enjoyed it, and it meant that the rest of us could stay in this wonderful country.

I want to talk a little bit about how I see the Chancellor's position, and how it fits into the broader challenges that are facing Australian universities. Peter will be presenting, obviously, his vision and his plan as the chief executive officer of the University, to you.

I suppose the dividing line between the role of a chancellor and the role of the Senate and the role of the Vice-Chancellor is the dividing line between governance and management. The Senate has a very important role in ensuring proper governance. It has a very important role in ensuring that the University is effectively governed. It is not a dividing line that has legally drafted boundaries – and nor should it be. It is a

relationship which works best when it works in partnership and in close consultation and that's certainly what I'll be seeking to do when I preside over the Senate.

I think the best way of thinking about a chancellor's role is the equivalent of the chairman of a board in the corporate sector where the chair is responsible for assisting in setting the strategic direction, looking at the medium and longer term challenges facing the institution, and focusing in particular on some of the key external relationships, with the CEO having the authority to run the organisation.

When I think about the challenges facing Australian universities, this is going to be I think both an exciting, but at times also a difficult time for Australian universities.

There is no question that we need to find a sustainable funding model for our universities. The proportion of government funding in relation to the total expenditure of universities has been going only in one direction for the last many years, and that's down. I can't see a set of circumstances where that trend line is likely to reverse. This means that all universities are going to have to give much more thought to what the medium and longer term financial foundations are going to be.

Inevitably I think it will involve an even greater proportion of international students, because the financial mathematics I think leads you in that direction. Inevitably and desirably it should involve a closer partnership with industry, not just here in Australia, but globally. And inevitably it will involve a much larger role, and hopefully a more philanthropic role, for our alumni.

I think one of the great things about the residential project – which I'm sure Peter will mention – is that a residential experience for alumni are an order of magnitude different to the alumni experience if you are a non-residential. So I

think that is not only a great thing in its own right, but it sets a pathway for us to tap into our alumni network.

UQ is in the top 50 universities in the world, and that is a badge that I think we should all be very proud of. But like everything in life, if you want to continue to succeed, you have to work very hard at it.

There is no question that the whole area of global rankings will put pressure on The University of Queensland. I'm confident that we'll be able to more than meet those pressures, but you only have to look at the low proportion of Asian universities in the top one hundred, and look at the patterns of government investment in education in Asia, to see that the number of Asian universities are going to come up. And obviously as some come up and others are going to come down.

Rankings are important, but we should never ever forget that the fundamental purpose of a university is to provide what I still like to think of as a well-rounded liberal education. Because the power of ideas and the importance of nurturing a culture where ideas can be debated and contested with vigour, with civility and without the straitjackets of political correctness are a very important – indeed a crucial – aspect of the culture of a university.

Universities also have a very important role in contributing to a national conversation. There is no more important time for Australian universities, and this university, to contribute to the national conversation about our future, because for many reasons I think we are at an inflection point in our history; and our ability to rise to that challenge is going to depend so much on the clarity of our thinking and the clarity of our national strategies.

We need to be preparing our students for life in a globalised world. I'm delighted to see that global connectivity is such a large part of Peter Høj's vision for the University, and the ultimate ambition of making it the most globally connected university in the world.

We all want a staff culture in this university which is a culture of commitment and a culture of courage. Commitment to the pursuit of knowledge, to pushing out the boundaries of our understanding of the bigger issues in life. And courtesy in the way in which we behave towards each other as colleagues or as teachers or as researchers or as leaders.

I come to the Chancellor's job after a 38-year career in the Australian public sector, and most recently heading up a global operation, the Department of Foreign Affairs and Trade, with a \$5 billion budget and some 6000 staff.

If there is one lesson I have learned in the time that I have been in the public sector it is the virtues of what I call radical incrementalism. Radical incrementalism is about how you set a direction and begin the evolutionary process of achieving change. And all institutions need them; no institution is perfect; none can say we have found absolutely the right pathway and absolutely the right strategy.

Radical incrementalism should not be confused with its evil twin which I call *ad hoc* incrementalism, which is step change without a direction. Step change without a very clear idea of where your ultimate objectives should be, and what big changes you want to see over time. But it is

incremental in the sense that it avoids great leaps forward. We all know from history what can happen when you undertake great leaps forward.

It's incremental in the sense that it understands the grain of an organisation and works with the grain of an organisation; recognises what the culture of the organisation is, what motivates people, ultimately what works and what doesn't work in achieving change. That, I hope, will also be the way in which this great university approaches its future.

Universities of course operate at very many levels and they need a strategic framework which both understands and enables it to operate at those different levels. All universities these days are a large business, and we can't pretend otherwise, and UQ is amongst the largest of the large university businesses.

But it would be a mistake to think about a university purely in the language or the vocabulary of business, because a university is so much more than a large business, and universities can't afford to be driven ultimately by the equivalent of its share price.

It is important that we understand the absolutely crucial role that teaching plays, and the need to nurture good teachers, and the need to reward good teachers. One of the difficulties I think with global rankings is that they don't give enough weight, indeed they don't give very much weight at all to the quality of teaching.

They do give a lot of weight to the quality of research and that is absolutely important. UQ does extremely well on the research front and needs to continue to do so because a great university is a university which has great teachers and great researchers.

In all of this we have to have the sense of our understanding of our place in our community. Not just the national community about which I spoke and the national conversation to which we must contribute, but also our more local community and our city community. All of these are important for any Australian university.

Let me conclude by recalling an aphorism that Henry Kissinger used to be very fond of quoting, which was to say that the politics at universities are so intense precisely because the stakes are so small.

It's very rare for me to disagree with Henry Kissinger, and anyone in my generation in foreign policy has been shaped to some degree by Kissinger's world view. But I've got to say on this particular aspect, he didn't get it right.

The stakes involved in universities are far from small. The contribution universities make to our national well-being, the more measurable contribution it makes to our gross domestic product, the ability it has to inspire a generation of students to go on and do great things, and ultimately its capacity to produce more rounded citizens, are vital and they are the highest of high stakes.

Thank you very much.