

FUNCTIONS AND POWERS OF THE UNIVERSITY*

Queensland University of Technology Act 1998

Part 2 – The University and its Council

Division 1 – University establishment and general functions and powers

Division 2 – Council establishment and general functions and powers

DIVISION 1 – UNIVERSITY ESTABLISHMENT AND GENERAL FUNCTIONS AND POWERS

Establishment of University

4. (1) The Queensland University of Technology is established.
- (2) The University –
 - (a) is a body corporate
 - (b) has a seal; and
 - (c) may sue and be sued in its corporate name

Functions of the University

5. The University's functions are –
 - (a) to provide education at university standard; and
 - (b) to provide facilities for, and encourage, study and research; and
 - (c) to encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community; and
 - (d) to provide courses of study or instruction (at the level of achievement the Council considers appropriate) to meet the needs of the community; and
 - (e) to confer higher education awards; and
 - (f) to disseminate knowledge and promote scholarship; and
 - (g) to provide facilities and resources for the wellbeing of the University's staff, students and other persons undertaking courses at the University; and

- (h) to exploit commercially, for the University's benefit, a facility or resource of the University, including, for example, study, research or knowledge, or the practical application of study, research or knowledge, belonging to the University, whether alone or with someone else; and
- (i) to perform the functions given to the University under this or another Act.

General powers of the University

6. (1) The University has all the powers of an individual, and may, for example –
 - (a) enter into contract; and
 - (b) acquire, hold dispose of and deal with property; and
 - (c) appoint agents and attorneys; and
 - (d) engage consultants; and
 - (e) fix charges, and other terms, for services and other facilities it supplies; and
 - (f) do anything else necessary or convenient to be done for, or in connection with, its functions.
- (2) Without limiting sub-section (1), the University has the powers given to it under this or another Act.
- (3) The University may exercise its powers inside or outside Queensland.
- (4) Without limiting sub-section (3), the University may exercise its powers outside Australia.

* The University was established on 1 January 1989.

DIVISION 2 – COUNCIL ESTABLISHMENT AND GENERAL FUNCTIONS AND POWERS

Establishment of Council

7. There is a Council of the University

Functions of Council

8. (1) The Council is the University's governing body.
(2) The Council has the functions conferred on it under this or another Act.

Powers of Council

9. (1) The Council may do anything necessary or convenient to be done for, or in connection with, its functions.
(2) Without limiting sub-section (1), the Council has the powers given to it under this or another Act and, in particular –
(a) to appoint the University's staff; and
(b) to manage and control the University's affairs and property; and
(c) to manage and control the University's finances.

Council to promote the University's interests

10. The Council must act in a way that appears to it most likely to promote the University's interests.

Delegation

11. (1) The Council may delegate its powers under this Act to –
(a) an appropriately qualified member of Council; or
(b) an appropriately qualified committee that includes one or more members of the Council; or
(c) an appropriately qualified member of the University's staff
(2) However, the Council may not delegate its power to –
(a) make the University's statutes or rules; or
(b) adopt the University's annual budget; or
(c) to approve spending of funds available to the University by way of bequest, donation or special grant.
(3) Despite subsection (2) (c), the Council may delegate its power to approve spending of funds mentioned in the paragraph if the expenditure is for a scholarship or a prize funded by bequest, donation or special grant.

GOVERNANCE

The University values good corporate governance and seeks to adopt best practice where possible. The following report on governance complies with the reporting requirements of the National Governance Protocols, but is structured under headings consistent with the updated ASX Corporate Governance Principles.

MANAGEMENT AND OVERSIGHT

QUT governance overview

The University is established under the *Queensland University of Technology Act 1998* and operates within a comprehensive framework of legislative and regulatory requirements mandated at the State and Commonwealth level (including the *National Governance Protocols for Public Higher Education Institutions*). Its governing body is the QUT Council and its chief executive officer is the Vice-Chancellor.

As an institute of higher education and a public entity, QUT is committed to conducting its activities in compliance with best governance practices, including its responsibility to make a positive contribution to the community through its activities. The University manages its governance obligations by fostering a culture of good governance, demonstrated by an actively engaged Council, supported by committed officers and a comprehensive suite of policies and procedures, including the QUT Governance Framework and the Council Charter.

Roles and responsibilities of QUT Council and the Vice-Chancellor

Under the *Queensland University of Technology Act 1998*, Council is given the responsibility to appoint the University's staff and to manage and control the University's affairs, property and finances. The functions and powers of the University are set out in full in this report. Council may delegate its functions to Council members, University staff or committees, excluding the making of statutes and rules, adopting the University's annual budget, and the approval of the spending of specified funds.

The *QUT Act* appoints the Vice-Chancellor as chief executive officer of the University and allows for the delegation of any of his responsibilities to a member of the University's staff.

The authorities of Council and the Vice-Chancellor, and their nominated delegations, are comprehensively detailed in the University's *Schedule of Authorities and Delegations*. The Schedule is reviewed on an annual basis and is publicly available on the QUT website.

Roles and responsibilities of Council members and senior management

On appointment, members of Council are provided with resources and an orientation program which includes information on the powers and role of Council and its relationship to the Vice-Chancellor, and introduces members to the University's governance framework.

The duties of senior management positions are articulated through formal position descriptions. Senior staff are also required to prepare an annual performance agreement which details their responsibilities and the University's expectations of their performance. In addition, all staff are offered an orientation session on appointment. The University also offers a senior management development program to provide leadership development, networking opportunities, discussion forums and professional support for senior staff.

ADDING VALUE THROUGH QUT COUNCIL

Structure of QUT Council

QUT Council has up to 22 members and is constituted in accordance with the *Queensland University of Technology Act 1998*. Members are predominantly appointed by the Governor in Council or elected by staff, students and QUT Alumni, with a small number of official and additional members. Appointed and elected staff members serve a four-year term. Student members serve a two-year term.

Council business in 2007

Council's current term runs for the period 21 November 2004–20 November 2008. In 2007, Council met seven times for ordinary meetings, and also held a one-day workshop in February, focusing on governance, strategic direction and development.

During 2007 Council considered the following items which were critical in assisting it to carry out its role:

- input and approval of revised strategic plan *QUT Blueprint 2011* and top-level plans
- approval of triennial budget
- annual reports on top-level plans and Corporate Performance Reports (April and December)
- annual Review of Schedule of Council Authorities and Delegations
- QUT Related Parties Register (including risk assessment) and regular reports from QUT Enterprise Holdings Pty Ltd
- the funding of the QUT Student Guild under voluntary student unionism
- closure of the School of Humanities and Human Services

COUNCIL MEMBERSHIP AND ATTENDANCE IN 2007

CHANCELLOR (CHAIR)

Major General P Arnison (attended 5 meetings from 7 meetings)
AC, CVO (Retd), BEc DLaws *Qld*, DUniv *QUT*, DUniv *Griff*, DLetters *S Qld*, FAICD, ASIA

VICE-CHANCELLOR

Prof O P Coaldrake (6/7)
BA(Hons) *James Cook*, PhD *Griff*, FAIM, FRIPAA

NOMINEES OF THE GOVERNOR IN COUNCIL

Dr T Cutler (4/7)
BA(Hons) *Melb*, PhD *NSW*, DUniv *QUT*, FAIM, FIPA
Principal, Cutler and Company Pty Ltd.

Ms Helen Gluer (5/7)
BComm *Qld*, MBA *S Qld* CPA
Chief Executive Officer, Tarong Power

Mr K Hilless (7/7)
BE(Elec) *Qld*
Chairman, Ergon Energy

Mr S Keim (6/7) Deputy Chancellor
BA LLB(Hons) *Qld*
Barrister, Higgins Chambers

Professor A Kelso (5/7)
BSc(Hons) PhD *Melb*
Director, CRC for Vaccine Technology

Mr John Puttick (1/1) Commenced 14 November 2007
DUniv *QUT*, FAICD, FAIM
Chairman, GBST Holdings Limited

Dr C Sarra (1/2) Resigned 26 April 2007
DipTeach BEd MEd *QUT*, PhD *Murd*
Director, Institute for Indigenous Leadership and Development

Ms R Vilgan (7/7)
BBus *QUT*, DipSupMgt *Macq*, FASFA, FAICD
Chief Executive Officer, QSuper Limited

NOMINEES OF COUNCIL

Dr D F McTaggart (6/7)
BEc *ANU*, MA PhD *Chic*, FAICD, FAIM
Chief Executive Officer, Queensland Investment Corporation

Mr Hugh Nalder (7/7)
BBus (Acc) *QUT*, MICA, MASCPA, MAIMM
Consultant

ELECTED PROFESSIONAL STAFF MEMBERS

Mr C McCowan (6/7)
OAM, CertT *QUT*, BEd DipPsych MEd *Qld*
Manager, Careers and Employment, Division of Administrative Services

Ms D Redfern (5/7)
BA *WA*, BA(Hons) GradCert(SciencesComm) *CQU*, DipEd *Syd*, MATEM
Project Officer, Resources Portfolio, Faculty of Built Environment and Engineering

ELECTED ACADEMIC STAFF MEMBERS

Professor S Danby (4/7)
DipT *QUT*, BEdSt *Qld*, MEd *Loyola*, PhD *Qld*
Professor, School of Early Childhood

Mr R Daniels (4/6) Resigned 25 October 2007
BA(SocWk) BA(Econs) MSPD *Qld*
Lecturer, School of Humanities and Human Services

Professor J Gough (7/7)
PhD MSc *Well*
Professor, Faculty of Information Technology

Professor Rodney Wolff (1/1) Commenced 19 November 2007
BSc(Hons) *Qld*, DPhil *Oxon*, CStat RSS
Professor, Faculty of Business

ELECTED STUDENT MEMBERS

Mr D Doran (7/7)
President, QUT Student Guild

Ms N Locke (6/7)
General Secretary, QUT Student Guild

ELECTED ALUMNI MEMBERS

Mrs M-C Grady (7/7)
M Bus *QUT*, BBus(HRM) MBus *QUT*
Strategy Adviser, Human Resources, Suncorp

Dr G Drummond (7/7)
Dip(CEng) GradDip(BusAdmin) DUniv *QUT*, FAIE, MIEAUST, FAIM, MAICD
Professional Director

SECRETARY

Dr C A Dickenson (7/7)
BBus *QUT*, PhD *Qld*
University Registrar and Secretary to Council

One vacant position of person appointed by the Governor-in-Council existed during 2007.

COUNCIL COMMITTEES AND COMMITTEE CHAIRS (NUMBER OF MEETINGS IN 2006)

COMMITTEE AND NUMBER OF MEETINGS	CHAIR
Academic Policy and Procedures (reports through University Academic Board) (4)	Ms R Nash, nominated by Chair of UAB
Alumni Board (6)	Mr B Hooker, President of Alumni
Appeals Committee (reports through University Academic Board) (2)	Professor S Towers, member of UAB and Director of Academic Policy and Programs
Audit and Risk Management Committee (8)	Ms R Vilgan, member of Council
Chancellor's Committee (3)	Major General P Arnison, Chancellor
Discipline Review Panel (3)	Professor Sean McElwain, Acting Head, School of Mathematical Science
Honorary Doctorates Committee (1)	Major General P Arnison, Chancellor
Planning and Resources Committee (7)	Dr D McTaggart, member of Council
Research Degrees Committee (reports through University Research and Development Committee and University Academic Board) (12)	Professor R Wissler, Dean of Graduate Studies
Teaching and Learning Committee (reports through University Academic Board) (7)	Professor D Gardiner, Deputy Vice-Chancellor (Academic)
University Academic Board (6)	Professor P Coaldrake, Vice-Chancellor
University Research and Innovation Committee (reports through University Academic Board) (6)	Professor A Sharma, Deputy-Vice-Chancellor (Research and Commercialisation)

- review of the National Governance Protocols
- progress report on AUQA recommendations
- scholarship funding
- reports from the Carseldine campus working party
- developments at the Kelvin Grove Urban Village
- reports and relevant policy items from Council sub-committees.

Evaluation and professional development of Council

In compliance with National Governance Protocol 4, Council has a framework for evaluation and professional development as specified in the Council Charter. During 2007 the following relevant activities were undertaken:

- the conduct of orientation/induction activities for new members
- evaluation of Council performance via a survey of members in December (the results of which were to be reported to Council's retreat in 2008)
- Council members were invited to relevant activities within the Senior Management Development Program
- consideration of the results of 2007 Council committee self-assessment reviews.

Other aspects of the University which provide critical support to Council in its pursuit of good governance as articulated in the Governance Framework are outlined on the following pages.

Council Committees

Council has established a number of committees, detailed above, to assist in overseeing the various activities of the University.

In addition, each faculty has an academic board, chaired by the dean, reporting to the University Academic Board. Faculty academic boards have other standing and advisory committees.

ETHICAL AND RESPONSIBLE DECISION-MAKING

Corporate values

QUT values:

- a service orientation which is client-focused, reliable and responsive to the needs of both the University and relevant external communities
- scholarship, learning and achievement in all student and staff endeavours
- engagement with and responsiveness to its diverse internal and external communities; social justice and equal opportunity in education and employment
- a safe, supportive and healthy working environment which supports work/life balance
- honesty, integrity and ethical behaviour and practices
- a spirit of experimentation, innovation, entrepreneurialism and client service.

Ethical conduct and social responsibility

The *QUT Governance Framework* clarifies how the structures, policies and practices of the University are integrated, and details the respective roles of Council and management. It provides the foundation for the effective discharge of responsibilities and demonstrates QUT's commitment to good governance. The Governance Framework also expresses QUT's recognition of its obligation to act in a socially responsible manner.

The *QUT Code of Conduct* applies to all employees of the University and to other 'officers' such as external committee members, adjunct and visiting academics, and volunteers acting on behalf of QUT and outlines the ethical obligations of all staff. New staff are alerted to it during induction and it is available online.

The *Corporate Governance Guidelines* apply to members of Council and University-level committees. The guidelines describe the University's expectations of individual members and are designed to assist them to discharge their responsibilities in an ethical and responsible manner, including in regard to conflicts of interest.

The *QUT Code of Conduct for Research* sets out the obligations on all University researchers, staff and students to comply with the ethical framework governing research at the University and other relevant institutional and regulatory requirements.

The University recognises that the interests of public office and personal or other interests may come into conflict, and has developed procedures to assist staff in recognising and declaring such conflicts of interest. The register of disclosed interests includes declarations of interests from members on all University-level committees and declarations from all staff on University-level matters. The University also has specific policies on conflicts of interest related to research activities and gifts.

The University Animal Ethics Committee, established in accordance with relevant state legislation and national protocols, reviews all teaching and research activities involving animals. The University Human Research Ethics Committee, established in accordance with relevant national protocols, reviews all research involving humans. The University's Biosafety Committee ensures relevant activity complies with the requirements of the national Gene Technology Regulator.

No public interest disclosures were received and investigated under the *Whistleblowers Protection Act 1994* in 2007.

Compliance Program

The University's Compliance Program takes an educative approach to developing and enhancing a positive compliance culture. The key elements of the program include a register of obligations, an annual compliance reporting process, including risk assessment, and an active communication strategy incorporating targeted education and training activities.

The register currently includes 103 specific obligations, 89 of which are legislative based and 14 arising from other sources, including Information Standards. Of the 103 obligations, 38 are Commonwealth based, 64 Queensland based, and 1 University based.

QUT Planning and Quality Frameworks

During 2007, QUT continued the implementation of the recommendations and affirmations arising from the 2005 audit by the Australian Universities Quality Agency, and published a progress report on implementation on the QUT website.

The University's Key Performance Indicators, aligned to QUT's top-level plans, were revised during the year and institutional targets for 2008, 2009 and 2010 were established. Quarterly reporting on the Key Performance Indicators was enhanced by the inclusion of higher education sector comparative data relating to the indicators. As part of the annual planning cycle faculties, divisions and research institutes revised their five-year plans.

The Creative Industries Faculty, which was established in 2001, was subject to a formal review during 2007. This was the first time that this Faculty had been reviewed in its entirety, and the review was undertaken by a panel chaired by an external member of QUT Council and comprising distinguished business and academic members. Following input and discussions with a wide range of people from the QUT community, the panel produced a report containing a range of recommendations, commendations and affirmations. A formal plan to implement the recommendations from the review was agreed in late 2007.

Manual of Policies and Procedures

All University-level policies are contained in the *Manual of Policies and Procedures* (MOPP), an online policy framework which is accessible to all staff and students. The MOPP also contains the University's statutes, rules, Council procedures and the *Schedule of Authorities and Delegations* which comprehensively details the authorities of Council and the Vice-Chancellor and their delegations. All policies are reviewed on a regular basis by responsible officers.

INTEGRITY IN FINANCIAL REPORTING AND TIMELY AND BALANCED DISCLOSURE

Audit and Risk Management Committee

Audit and Risk Management Committee advises both Council and the Vice-Chancellor, as accountable officer, on the performance or discharge of functions and duties under the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997* and the University's Assurance and Risk Management Services Charter. Audit and Risk Management Committee's main functions are to:

- assess and contribute to the audit process including evaluation and facilitation of the internal audit function
- oversee and approve financial and operational reporting
- review business risk as reported, including compliance, corruption and fraud.

Membership

EXTERNAL MEMBER WITH PROFESSIONAL ACCOUNTING,
FINANCIAL OR AUDITING EXPERTISE NOMINATED FROM OR
BY COUNCIL (NOMINATED AS CHAIR BY CHANCELLOR)

Ms R Vilgan (attended 8 of 8 meetings)
BBus QUT, DipSupMgt Macq, FASFA, FAICD
Chief Executive Officer, Government Superannuation Office
Executive Officer, QSuper

Chancellor

Major General P Arnison (attended 6 of 8 meetings)
AC, CVO (Retd), BEc Qld, DUniv QUT, DUniv Griff, DLetters S Qld,
DLaws Qld, FAICD, ASIA

EXTERNAL MEMBER WITH PROFESSIONAL ACCOUNTING,
FINANCIAL OR AUDITING EXPERTISE NOMINATED FROM OR
BY COUNCIL

Ms H Gluer (attended 6 of 8 meetings)
BComm Qld, MBA S Qld CPA
Chief Executive Officer, Tarong Power

EXTERNAL MEMBER WITH PROFESSIONAL ACCOUNTING,
FINANCIAL OR AUDITING EXPERTISE NOMINATED FROM OR
BY COUNCIL

Mr H Nalder (attended 8 of 8 meetings)
BBus(Acc) QUT, MICA, MASCPA, MAIMM
Consultant

The Vice-Chancellor, the Executive Director of Finance and Resource Planning, and the Director of Assurance and Risk Management Services have rights of audience and debate but are not members of the Committee. The Committee met eight times in 2007.

Relationship with Queensland Audit Office

Staff from the University's Financial Services and

Assurance and Risk Management Services worked closely with Queensland Audit Office (QAO) during the year to facilitate the University's annual audit. Staff from QAO also attended two meetings of Audit and Risk Management Committee in 2007, and were given the opportunity to meet with the Committee without the presence of management.

Assurance and Risk Management Services

Assurance and Risk Management Services resides within Chancellery reporting to the Vice-Chancellor for administrative purpose and is functionally responsible to the Audit and Risk Management Committee of Council.

The primary purpose of Assurance and Risk Management Services is to add value to the University's operations and assist the University to achieve its corporate goals by providing independent analysis, appraisals, recommendations, counsel and information on the University's systems of internal control, effectiveness of risk management and the quality of performance. This is achieved by examining and evaluating the adequacy, effectiveness and efficiency of risk management, systems of internal control and the quality of management in an independent and professional manner.

The audit approach in 2007 involved:

- adoption of a 'total audit approach' incorporating a blend of compliance, operational, strategic and information technology reviews to achieve a two-fold impact of internal controls enhancement and business process improvements
- supporting management through proactive preventative auditing rather than 'after the event' detective auditing
- a risk-based and client-focused audit methodology
- providing management advice on an effective and efficient internal control framework
- assisting management in responding to emerging issues and the changing environment.

Financial management and accountability

QUT has a number of policies relating to financial management and accountability, including specific policies on balance sheet management and expenditure. The University also has a Financial Management Practice and Procedures Manual and a Business Case Framework for the support of significant projects or proposals. The University's financial statements are made publicly available through the *QUT Annual Report*, which is published on the QUT website.

RESPECTING THE RIGHTS OF THE COMMUNITY

As a public institution QUT aims to provide as much information as is practicable to the general community on its functions and activities. The University's policies and procedures are publicly available through the QUT website, as is the University's organisational structure and staffing.

Public access is also provided via the QUT website to University committee agendas and minutes, with the exception of those committee activities which are considered to be confidential, private, or of legal or commercial sensitivity.

QUT's committee structure creates numerous opportunities for community involvement in the University's functioning and policy direction. The University's governing body, QUT Council, includes members of the general community, graduates, staff and students.

Council is assisted and advised in performing its functions by advisory and management committees which include representatives from Council, members of commerce, industry, government and the professions, QUT staff and students, and academics from other higher education institutions.

Community involvement is also provided through the QUT Alumni, a forum of QUT graduates, academic staff, past and present Council members and other qualified persons.

RECOGNISING AND MANAGING RISK

QUT is committed to establishing an organisational philosophy and culture that ensures effective business risk management is an integral part of all university activities and a core management capability. Risk management allows the University to take advantage of opportunities to improve its outcomes and outputs by ensuring that any risk taken is based on informed decision making and on realistic analysis of possible outcomes.

QUT is also committed to business continuity management as an integral component of risk management, to ensure continuity of key business processes which are essential for or contribute to QUT's goals.

The Council through the Audit and Risk Management Committee is responsible for ensuring there are adequate policies and procedures in relation to risk management, compliance and internal control systems. The Vice-Chancellor and the executive management team are responsible for the implementation of these policies and managers at all levels are accountable for risk management. Assurance and Risk Management Services is responsible for coordination of risk management activities among the governance areas through a Risk

Advisory Group, to ensure a common and consistent approach to management of risks and reporting thereon is adopted within the University.

The University's Risk Management Framework provides detailed guidelines on application of the risk management process, the roles and responsibilities of key stakeholders, level of documentation and reporting requirements. The detailed guidelines are designed to ensure strategic, operational, financial, compliance and reputational risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the University's goals and to support the strategic directions of divisions, faculties and institutes.

This is demonstrated through the integration of risk management within the following QUT frameworks:

- Governance (including Compliance Management)
- Planning
- Project Management
- Business Continuity Management
- Business Case.

Detailed control policies and procedures cover financial reporting, project management, business case appraisal, compliance, environment, health and safety, insurance, physical and virtual security and academic risk management issues.

As part of the University's strategic planning and reporting processes, faculties, divisions and institutes identify the risks and opportunities which could impact on achieving their objectives. Risk mitigating strategies are identified and implemented. The faculties, divisions and institutes are required to monitor and review their risks and opportunities on a quarterly basis.

Assurance and Risk Management Services review the risk management documents, analyse trends, assess adequacy of risk management strategies and provide regular reports to Senior Management and the Audit and Risk Management Committee for their ongoing monitoring.

FAIR AND RESPONSIBLE REMUNERATION

In 2007, Council and other committee members external to QUT were not remunerated. The remuneration of the Vice-Chancellor is delegated by Council to the Chancellor's Committee, which has established criteria for undertaking an annual review.

The remuneration of senior management at QUT is governed by the *QUT Certified Agreement for Senior Staff* which is current until 2008. Remuneration is in accordance with the classification level of each position, and remuneration levels for all staff are publicly available on the QUT website. Details on the remuneration of executive officers can be found on page 85 of this Report.