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**ISCA & AHISA Education Forum: A National Perspective**

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Audio Transcript: Presentation & Q&A Session

**David Gonski AC**

*Governance and how it might apply to the schooling context now and in the future*

- R Morecroft: We are privileged indeed to have someone whose name has quite literally moved into the lexicon of education debate, with us now, his role in focusing clarity and strategy on the education future of this country has been of huge significance and I'm speaking of course about David Gonski AC.
- R Morecroft: Now, David is a person whose keen mind, whose deep thinking, whose organisational practicality and business experience have exerted influence from banking to the Archibald prize, and from airplanes, to theatre, amongst many other positions and business responsibilities, and of course he was previously chair of the review to achieve educational excellence in Australian schools for the commonwealth government.
- R Morecroft: Now, today he is addressing the issue of governance and how it might apply to the schooling context now and into the future. David would very much like to make you part of this discussion, so please as you're listening to his presentation do consider what questions you might want to ask at its conclusion. There will of course as there have been previously be microphones available, so let's make this a really active interchange, but now a very warm welcome indeed, please, for David Gonski.
- David Gonski: Thank you Richard, and thank you ladies and gentlemen for giving me the opportunity to speak to you. Can I just say two things in great acclamation of those who've organized this conference, firstly I've got to say, and that's before I heard of the Jaffas I might mention. I have to say when I was approached to speak here, I was approached by one of the members of my committee that did the last review, Valerie, she knows who she is, and I can't say no to Valerie, and I thought to talk about either funding or indeed what we said is really not appropriate, and she said she's like us to speak on governance and this is wonderful to talk about something completely different.
- David Gonski: I'd also if I may like to mention in relation to the organizers, have you ever left home as they say, not just without your American Express card as that ad used to be, but without your speech? I arrived at the chairman's lounge this morning. The chairman's lounge doesn't provide speech making facilities, and I realized I didn't have my speech, and being an older person I panicked. What could I say



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to you if I didn't have my speech? And then, I realized in this modern day that my speech actually is everywhere. I don't need to be here. It's in the ether, it's on my email, my secretary had 29 different copies of it, and so I have it, but I would like to thank the marvellous Kira for actually putting it on paper, otherwise I would've had to try and read it from my machine.

David Gonski:

As you will gather as I've just said, and while I'm on a roll, I would like to make just a few caveats. The first thing is I am an old lawyer who's come to talk to you about governance. I'm also somebody who was on a private school, an independent school, on its board for 18 years, and the last of those, the eight last years I was chairman, but that is now seven years ago, because I actually resigned from there to do what they now call Gonski one, so you might say, and please don't all leave or start throwing Jaffas, what would I know because a lot has happened between 2011 and 2018.

David Gonski:

To that extent as a chancellor of a university I believe I chair and am very much involved in the governance of an education organization, and I would like to put to you that a lot of the things that I'm going to talk about now have been refreshed if not reborn by being the chancellor of a university.

David Gonski:

Let me start, ladies and gentlemen in talking about governance that for some of you, and no one really remembers what I say, but in 2015 I gave a speech entitled Governance in Independent Schools, Does it Matter? Which was written by somebody, the topic, and when I actually sat down I had to confess and I did publicly, that for the early years of my life as a so called lawyer stroke somebody involved in governance, I really was questioning whether governance does matter, and it wasn't until later when all sorts of things went awry on some of the boards, and indeed on the school, and so that I was on, that I realized how important governance is.

David Gonski:

My view strongly is that governance properly administered is very important, and conversely if governance is not properly implemented it can act not only as a retardant but indeed a cause of misery for everyone involved. The aim of my talk today is to give you some views on how the issues of governance I believe should be dealt with, now, I acknowledge that there are differing views, and I would rather you didn't throw Jaffas until I've left, but also I have no problems in you expressing different views because that's what it is. Governance is not in my opinion black and white, and indeed when it's really troublesome it is a cause for enormous thought, and I suppose if I leave any thought with you it is the fact that we who are involved in the governance of bodies such as independent schools need to think these things through.



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David Gonski: We cannot guarantee that we'll get them right but we have to try and take steps to make sure we get them right more often than not. I start by raising the question of the size and composition of the board of directors, of governors, whatever you may call it of a school, and I acknowledge here that many of you who are involved in the governance of schools are not in a position to change the rules that are often handed to us on the number of seats, and indeed who occupy those seats.

David Gonski: Nevertheless, I decided to start with that because if you're not actually thinking about it, how will you be able to get things changed, and even worse, one day you may be given that opportunity and might and wouldn't of thought of it. When I first became chancellor of the University of New South Wales 12 and a half years ago, we like most universities had the small number of 24 people as council members. We sat as a representative body in a magnificent room with no one being able to see anybody else, and indeed it was reminiscent as far as I was concerned of how the United Nations council chamber looked when I went there as a student 200 years ago.

David Gonski: 24 council members in my view is clearly too big, that's easy, but indeed that size led to many problems, and for those of you who look at the history of universities and schools, you know that you have your ups and your downs, and while I'm quick to say to you, this is before my time at the University of New South Wales, the size of the board definitely was a low for the university.

David Gonski: In my view, 15 members, which is what we now have is the biggest number that really can allow for a group of people to get together regularly, debate issues, give their views, and in an orderly and a proper manner make resolutions to which all have contributed. You might ask me, what do I regard as the ideal number, and from my corporate work and indeed from being involved in not-for-profit over now 42 years, I would suggest to you the ideal number is nine to eleven.

David Gonski: From my point of view it is essential that a board, whatever number it's made up of, is not made up of people who are exactly the same. The best boards that I've been on have had true diversity, this means that a good board has to have a balance between genders, and I feel that way, by the way, even if it a single sex school like the one I was chairman of that's being administered by that board. Personally, I feel believing in diversity takes one even further than just the question of gender.

David Gonski: Having different professions represented on a board is I think an excellent idea. I still remember the enormous contribution that a paediatrician and a cardiologist provided on the board of the independent school on which I sat for



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so many years, and if I may digress I don't know how many of you have dealt with the question of whether you should have peanut butter available in the tuck shop, you try handling that as a lawyer. It's a definite no, without actually understanding what's going on, paediatricians and cardiologist know a lot in that regard.

David Gonski: There's no doubt that in my mind that people such as myself, and you might say I'm just speaking to myself, but those of us that come from the legal profession, we're good at understanding the requirements of a board, and the governance that's needed, however, I've always been weary of having too many people who think like me and approach the subject in a similar way.

David Gonski: Certainly those from other professions are very useful, not just on the topics of peanut butter and so on, but to give a totally different perspective, and I'd also say to you that it is time we allowed people from different age groups onto our board so that we are basically tapping the thinking of generations.

David Gonski: The question of diversity in the stakeholders of the school and how that's reflected on one's board is also something when one's talking about governance that you need to look at. I've always found that alumni are extremely keen to have their say finally by being represented on the board of their school and indeed their university. In general, they provide a very useful link to the history of the school and so on.

David Gonski: My view is that they should be represented but not too many of them. Indeed, frequently I have to remind both myself, as an alumnist of my university and also others that I've seen on boards of schools and universities, that the wonderful ideas that we've honed over the last 20 to 40 years may not actually be that relevant to what's happening right at this moment.

David Gonski: There's been a great deal of debate over time and many of you'd be much better equipped than I to deal with it on the question of whether parents should be allowed to be on boards of independent schools while their kids are there in attendance at the school. I strongly believe that they should be. They're stakeholder vital to the success of the school and very contemporaneous in its operations, however, as what put to me by a former headmaster of an independent school, parents often are very contemporaneous in their knowledge, and even more contemporaneous in their conflict of interest.

David Gonski: His view was that it was better that they weren't on the board and that through the parent's association or whatever their view was put. I believe this is wrong and the better approach is to have parents on the board but at the same time to



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recognize that they may have a conflict in terms of their children, and particularly in terms of their view of their children's potential success.

David Gonski: It would be definitely my view that a board made up of only parents would be a very difficult one, I understand, and there may be schools represented here today that often schools are started by parents and it would be ridiculous then to say they shouldn't be on the board, and I exempt those, however, as a school matures and is able to stand on its own two feet, it would seem to me desirable that the board should seek the diversity that I've talked about, and indeed not have only parents who have such a close interest round the board table.

David Gonski: It's also been suggested ... which is often the case by the way in my other life in the arts, that some, if not all of the directors of an independent school should be prepared to raise funds for the school, and indeed I've heard many use the American maxim, give, get, or get off.

David Gonski: I subscribe strongly based on my belief on diversity that there is a place for some on the board who indeed are plugged into the community, or have the funds to provide additional funding, and who are able to advise the school and assist them when fundraising is a good thing. However, as is my view in the arts the maxim I referred to above is too sever, and can lead to a very bias view by the board, and in my opinion, not a very diverse set of representatives on the board.

David Gonski: This brings me to the question, what are the duties of those who are representatives on the board, i.e. those who are there because they are alumni, selected by the alumni, or come from the church that may be the basis of the school, or whatever, being nominated by, or voted for by, a group of people to sit on a board, et cetera, places a person in a very difficult position. I have no doubt that anyone appointed in that manner has an obligation first to the school as a whole, and with their fellow board members, to get on with the job and not be favouring any particular stakeholder or way of thinking.

David Gonski: This often raises the issue of why bother having a representative there if they can't act as such. A representative director in my view can definitely put to his or her fellow directors the arguments of those he or she represents, and they can monitor what's happening on the board having regard to what may be their issues and the things they wish to protect. What they can't do is favour those people who they represent and they certainly can't simplify discussion so that it comes back to the issues which are particularly relevant to their constituency.

David Gonski: It is interesting that I'm giving this speech in Canberra, but for those of you who are as old as me, and there's certainly one who sat down and said we sort of



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graduated in the same year, I recall many years ago that the senate of Australia had a woman who was elected because she was interested in nuclear energy. This is way back in the late '70s, early '80s, a clever woman who managed to look at the question of nuclear energy irrespective of what the issue was she was dealing before the senate.

David Gonski:

I dealt with her in the mid '80s on the question of restrictions on television licenses in terms of audience reach in Australia. How she managed to be able to reconcile that with nuclear energy was both amusing and extremely entertaining, but I put it to you ... by the way, she came to the right conclusion, that was the joke, but this must not be the way that a representative on the board looks at things. They have to look more broadly. They have to consider the resolution for all concerned, and whilst they may have to reconcile their own thinking and what those they represent may think of them, they cannot use it or indeed hijack the issue to their own ends.

David Gonski:

The question that often arises in relation to the makeup of the board is the length of time that people should stay on the board, now for those of you who're cynical, you might say I know all about that, because I just admitted I was on the board for 18 years. My own view, however, is the question of a particular person's length of service, unless they're not performing their duties, is not really of relevance. The more important question is, does the board, as a whole, have a diversity in length of service amongst its board members?

David Gonski:

To achieve such a well-structured board needs those who've just joined the board, those who've been on the board for a reasonable period, though not too long, and those who've got the history at their fingertips and have been there a long time. Clearly, the numbers that make up the extremities of these issues should be kept to a minimum, but having said that I know that a board made up of people who've just joined it is as dangerous, if not more dangerous, than a board made up of people who've been there a long time. Diversity is the essential thing, the individual's prowess must be gaged in what they do and how they contribute.

David Gonski:

I move now, if I may, and I know that they're many of you who are chairs here today, to the role of a chair at a school. I've previously said, and still believe it, that the role of a chair is one of the most misunderstood roles and not just in schools, but incorporates generally in Australia. So many people assume that as the chair presides over the board, which generally selects, at the very least, the head of the school, that the chair is the boss of the school involved.

David Gonski:

I actually don't think that in a well-governed situation the chair of the school is the boss. In my opinion, the chair of any board is less a boss and more like a



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conductor of an orchestra, his or her job is to make sure that everyone in the orchestra stroke board is heard, able to make their contribution, and at the same time, the chair must ensure that the orchestra plays in tune, and achieves the results for which it is there.

David Gonski: This means that a chair who only listens to his or her own voice is not effective, a chair who is too strong will not be necessarily likely to produce the correct results, and a chair who's too weak will also have problems. This is not to say that a chair should not be strong, in my opinion, a chair does need to conduct the orchestra with a firm hand. All must be heard but no one must be allowed to dominate. Discussions must take place but not go around in circles, and finally resolutions must be made one way or the other.

David Gonski: A board that doesn't come to a conclusion is a board that ultimately will be side-stepped. Viewed in this way the issues that a chair has to deal with at a school become much more limited, obviously, if there's a problem with the heads performance, a problem with the board, a problem with a board member, or a major relationship with a stakeholder, such as a government, or whatever, these are issues in respect of which the chair has to be front and centre.

David Gonski: However, issues affecting day to day operations of the school are not normally the purview of the chair, and he or she should not see themselves as generally an alternative port of call for disgruntled students, staff, and particularly parents. There is no doubt that a chair has an important role in setting the agenda of board meetings. In addition, the chair is responsible for making sure that relevant information is prepared and given to the board, which is not too lengthy but lengthy enough to provide the relevant details.

David Gonski: I should also add the chair has a ceremonial role. Over the years I've noted that some chairs prefer to be seen at everything, and others at nothing, I don't intend to do a poll in this room. My feeling is that the best chairs know exactly the events to attend and those that they shouldn't. There is no doubt that the chair has to remember that if one is at an event that may or may not assist the head and indeed the staff.

David Gonski: In my opinion, it often behoves both the head and the chair, that the chair discusses which events are going to attend, and gets the head's view before going, it doesn't mean you have to adhere to it, but at least talk about it.

David Gonski: The question then arises, how does a board work? In my opinion, the boards, and I've sat on many of them, that works best, is a board that works as a team. This does not mean everyone around the board agrees with everybody else, and



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indeed it doesn't mean that the board meetings are so well run that everybody just talks on command and indeed as little as possible.

David Gonski:

A good team in my opinion includes those who are noisy and those who are quiet, those who have definite opinion, and those who don't, a good chair facilitates participation by all members of the board and ensures that decisions are made in circumstances where all believe they have been heard. I believe very strongly in this regard in committee structures. I find a committee structure of the board has the following benefits, it allows members of the board to take a particular interest in particular aspects of the school's operations, and if that is matched with their expertise there is a great value in this.

David Gonski:

You all know of, and I'm sure of most of you haven't, auditor committees, and if you're lucky enough to get a wonderful auditor stroke accountant who has the proper qualifications and understanding, that's a place that they can give great benefit to the school and indeed great benefit to the subject matter.

David Gonski:

The second reason for having committees is that it is a safety check on the chairman. It allows another board member to chair a significant part of the operations of the school, thereby putting their slant, their emphasis, their focus, on that aspect, and all of us have biases in the way we look at things, and one chair is not necessarily going to look at everything in the same way as another.

David Gonski:

The third reason that I believe a committee's structure is good, is it allows members of the board to develop their chairing skills, it also allows members of the board to be seen in a chairing role, so as to assist in succession planning. In my opinion, a good committee structure can also allow school to allow others who are not on the board to contribute through being members of the committee in particular areas of expertise, such as for example, planning, such as finance, and indeed many other areas.

David Gonski:

This has the added advantage by the way of giving you a catchment area for people who might one day be the right people to come on the board. As far as I'm aware most school boards have ordered committees, in my view however, in addition you should consider, you don't have to take them all, three other committees, namely a risk and safety committee, a finance committee, and a fundraising committee, and I accept that many of you have a separate structure for fundraising, so you might have it in a different way anyway.

David Gonski:

Some may argue that audit and risk come together nicely as one committee, this makes some sense, and I've sat on many audit and risk committees, however, an audit committee, by definition, is linked to accounting requirements, and almost definitely looks backwards at what has occurred



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rather than looking at the way forward. The risk committee should be looking forward, trying to identify what are the risks of the school, how they can be ameliorated in the future.

David Gonski:

This often requires a different set of skills to those associated with accounting and audit. I've become quite a devotee also of finance committees. Some like the idea of linking the finance committee to the audit committee, but the finance committee can be an enormous help to either the head or the registrar, or the equivalent, and given the complexities and involvements of finance these days I believe it justifies a separate committee, which in turn can bring the necessary expertise and focus to the subject.

David Gonski:

I hear a lot of discussion these days about board papers. Recently, one of my friends whose on a school board in Sydney mentioned to me that the board papers he'd received over the weekend for an independent school had reached over 300 pages. In my view, lengthy board papers do not usually equate with providing all the necessary information, and indeed often show a lack of understanding of the issue by the staff preparing the documents and often, sadly, a laziness.

David Gonski:

The example I always give in this regard comes from when I was on a government board about five years ago. The entity I chaired there decided to lease a further floor in a large office building in the CBD of Sydney. Rather than getting the board's approval by providing a summary of the lease our company's secretary preparing the board papers gave us the entire lease. It numbered 327 pages including surveys of the building, title documents, and a history of the building's ownership back to 1900.

David Gonski:

You could say this provided excellent amounts of information for any discussion on the lease and left out nothing. I decided I was so bemused by this to do a poll of the board as to who had actually read the lease, no one had. I confessed I turned the pages, most of the board said they didn't even bother. Many have asked me over the years how to actually work out what is important in board papers. Often it means common sense but the absolute thing we have to look at is what information does a board need to make a decision and to make sure that we're not snowing inadvertently the board member by too much information and leading people, frankly, in areas which are not the subject of the resolution.

David Gonski:

Many have asked me over the years how do people coming onto boards who've never been board directors before, some of them by the way not even in business before, can work happily on a board? Quite often, by the way, in my experience these members turn out to be the best, however, I do note that the



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Australian Institute of Company Directors provides excellent courses for those that wish to learn and understand more about being a director, and I have found, and I do do it at the university, that assisting financially to some degree, the payment of fees to attend such a course is a very good investment, particularly when you're dealing with somebody who clearly is going to be a good contributor, and be on the board for a while.

David Gonski: The best working board understands that the head runs the school, and that they're there to assist the head, and at the same time to monitor how he or she carries out their duties. The board should never micro-manage the school, and at the same time must make sure it's not so hands off that the head can do whatever they wish.

David Gonski: The art of finding this right blend is the art we have to work towards and no one can tell us exactly what is right. One of the biggest jobs that a board does is to hire or find the head of the school. This often revolves around the very difficult question of, what sort of a person are you looking for to be the head of the school?

David Gonski: The first distinction, which comes up a lot is, is one looking for a head who's esteemed in education and has a prowess in that, or a head that's more of an administrative person, i.e. a chief executive?

David Gonski: There are obviously other questions of whether one needs a dominant person or a more unified person, the answer to these questions are the most important that we as boards make, and it depends very much I put to you, not on what the school should've had last time, not on what the school should've had many years ago, but on what we truly believe we need in today's situation and the trajectory that we want to take the school.

David Gonski: However, let me just give you a little bit of insight into it, firstly, the choice between the two, the executive type, and the person who has a prowess in education, has often been in my opinion wrongly decided upon, and there may be some here today who have what is does in the arts, namely both. A person who's esteemed in education and a person who's a CEO type and they work together equally. I would be very interested if you do have such a school, after this speech in letting me know if it's been successful, because if it has it's the first time I've ever heard it.

David Gonski: In my opinion, there needs to be one boss in a school, and in my opinion you have to make a decision given the trajectory of the school at the time, which one you prefer. If you get someone with great prowess in education then maybe you need to appoint somebody, if you can afford it, who will do the more



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executive roles below that person. Alternatively, if you choose the CEO type it's essential, and you find a member of staff, or get someone from outside, to be the esteemed educator within the school, but that person would report to the head.

David Gonski: One has to determine which is right but one needs one boss. If one does choose an educator the second question, which many of you may have dealt with, I have, is the question of whether the educator should be allowed to teach? Recently, I had a discussion with a chair and my independent school who felt it was inappropriate and that the head was far too busy to do that. My own view is that if you want someone who is an esteemed educator, if they're not allowed to apply their trade you've just in my opinion done a bad trade.

David Gonski: In my opinion, if they wish to teach they should be allowed to, and it is my feeling as I've looked around that those heads who teach see an insight into their own school which they don't get in their office, which they don't get round the board table, and in which they don't even get strolling the corridors and the playground of the school.

David Gonski: One of the most vital relationships in governance of any enterprise and particularly in relationship to the school is the relationship between the chair and the head. In my time I've seen entities almost grind to a halt because the chair wants to do the chief executive's role, and generally, and not unnaturally, the chief executive wants to do the chief executive role too.

David Gonski: If one is seeking good governance these roles must be separate. In my view, a good chair has to have a schizophrenic relationship with the head. On the one hand it is vital that the chair nurtures and assists the head in what he or she has to do. On the other, the chair on behalf of the board has to monitor the operations of the head and indeed there may come a time sadly where the chair has to terminate the head if he or she fails in their mission.

David Gonski: It follows that a chair that's too friendly with the head can't discharge the duties required. On the other hand, a chair that hates or is envious of the head can't operate either. This relationship requires nurturing and a lot of discussion between the chair and the head, in my opinion, I have two I think tricks of the trade to assist, and probably each of you who are chairs will have your own.

David Gonski: The first is nominate as chairman a time every week for a meeting with the head, even if neither of you have anything to discuss, it's a beautiful focus to make sure you can keep the work of the week to talk about at that time. And second, it allows, even if there's a vacuum of time, a discussion of things on the mind, particularly of the head, but also of the chair. And the second trick of the



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trade is have a session round the board table without the head there at the end of every meeting, and it's important to do it at the end of every meeting because then they'll know you're not necessarily thinking of sacking them because you're doing it every meeting, to talk about how the relationship is going between the chair and the head, and encourage one's directors if they've heard something, if they're concerned about the way you as chair are dealing with things, to talk about things.

David Gonski: When we talk things out we improve our presentation, and our way of doing things. Over time, many have asked me, what does nurturing of the head mean? I'd like to give you some views on that if I may. In my view, unless either the head has lost the respect of the chair, or the head has done something manifestly wrong, the chair should normally seek to support the head when questioned on a decision of the head by the community.

David Gonski: Obviously, you can debate it behind closed doors with the head, but your support is needed, the head should expect this, be able to rely on it, and unless there's some incredible breakdown, should as I say be able to count on the chair. In my opinion, the chair should act as mentor to the head. I do realize, and both should know, what the expertise of the chair is. For me, to basically tell a head how to run, whether it be a university, or indeed a school, is ridiculous, I'm not a teacher, but on the other hand I do understand the community and I've been around in business a long time.

David Gonski: These are the things that I can help on. The chair in my opinion should have a vital interest in the professional develop of the head, encouraging them to get out and continue their education program for themselves and also to assist the head in broadening their contacts and their minds.

David Gonski: One of the worst thing that happens and many of you have probably had the experience in some way or another, is when you are the boss, often the [inaudible 00:41:00] become believable, you walk around believing that you are wonderful, and the best thing to do is to get out into the community and realize there's lots of wonderful people out there, so that one's own instincts of how one does things can continued to be questioned. Finally, in terms of nurturing I believe the chair should watch out for, and question, the wellbeing of the head.

David Gonski: There is no one usually above the head, just pressure, and it seems to me the chair should be noted whether the head is taking holidays, whether the head is working too hard, whether the head is getting too bogged down in some aspects of the school rather than looking overall. This is the role of a nurturing chair.



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David Gonski: One of the things that I found pretty well in all the businesses that I've been involved in is that even the best run businesses have pressure on them to perform in the short-term and do so often without looking to the long-term. I put it to you that one of the major thrust of being on the board of an independent school is that you have the ability to look to the long-term. It doesn't matter what's happening on the tweets that day, it doesn't matter what's been spoken about in the corridors or out their out on the playing field.

David Gonski: It's your role to hold the long-term-ness of that school, and I believe central to governance is being the keepers of the long-term.

David Gonski: Over the years I've become particularly a convert to getting the board looked at by an independent appraiser on a regular basis, whether it's two years, which we do in business, or three years and four years, that's up to you, but we are a team, that's my point of a board, and often teams get into bad habits. They've stopped thinking about things, et cetera, because they know they can do it.

David Gonski: Bringing in an outside appraiser allows each of the board members, and forces them, to think about what's going right around the board table, and what's going wrong? And often, you can find out immense things by this, and I would urge you to think about it.

David Gonski: I'd like to say something about the concept of independence. Many people talk about independence all the time, is a board member independent? Has a board member made a decision with independence? And so on. I wish to put it to you that in schools, obviously, independence is often under threat, as I've already mentioned. Often stakeholders are being represented by them or they have kids there, and whatever.

David Gonski: My feeling of conflicts of interest is not so much that a person has a conflict of interest, but that you know about it. I fear much more secrecy than I do a conflict of interest. In all my experience, when I know someone has a conflict of interest I can deal with it. When I don't know that's when the problem occurs.

David Gonski: I would put to you that independence is very important but understanding someone's independence is even more important, and in my experience many, and I actually hinted at this earlier, many who've got a conflict of interest are the best directors of a school, because they're vitally interested, and you just have to understand where their conflicts are.

David Gonski: Finally, let me come to the question of what makes a good director? And by the way, I believe everybody's got their own view on this, and I'm sure they'll be



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many who disagree with mine, but let me give you a few things that I looked for good directors, particularly of schools, and not-for-profit.

**David Gonski:** The first, as I say, is a person who adopts an independence of mind. I believe it's absolutely important not just for those who've got conflict but those that even don't to be broad and independent in the way that they approach decisions around a board table.

**David Gonski:** Second, I prefer the professional type of approach by a director than the person who is there just for a good outing, or believes it's the accolade that they're entitled to because they're a distinguished old boy or girl, or whatever. I've met many of them and I would really like to find some other sort of award for them from the school than offering them a long-term contribution round the board table.

**David Gonski:** As all of you know, otherwise you wouldn't be here today, being a director of a school is a job that requires input, patience, involvement, considerable time and dear I say it absolute devotion. If have people who don't have those they're not good directors.

**David Gonski:** My third thing is that we need team players, and before you send the Jaffas my way I don't believe a team player is necessarily a person who just agrees with what I say, or indeed what the majority say. A team player is somebody who really looks to the team moving forward but still puts forward their view, not petulantly, but indeed constructively without recrimination but indeed with the joy of trying to move a resolution in the way they believe genuinely it should be.

**David Gonski:** I also believe that a director of an independent school to be good, knows his or her place. It's really hard, and you'd all know that, when you're part of the school community to also be a director of the school. I remember all my new found friends when I became chairman of a boy's school where my two boys went. I've got to say when I step down as chair I lost a few of them.

**David Gonski:** I admit to you I found it quite difficult as a parent going to the sporting things that I had to go to as a father, people approached me undoubtedly trying to find out what was going on at the school, or indeed to advance the standing quite often of themselves by the way, but also often about their children. The best director knows when attending a school function that he or she is generally their as a parent or a member of a community, not as a director.

**David Gonski:** In my view, the best director makes that very clear, not just to everybody who becomes your best friend, but indeed to your best friends, they're the artist that are involved with the school.



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David Gonski: Finally, I believe in the question of, “Who's a good director?” I believe that a great director doesn't seek to foist on the school, nor the board, a particular way of thinking that comes from his or her day job, and here, and I can say this because I am from business, I have been on many boards where business people particularly give you a lecture on how important KPIs are. I've sat through so many meetings we're we've tried to work out KPIs for school and education based situations.

David Gonski: I think it's good to have KPIs, I'm not against them, but to be too resolute that there must be a KPI for everything worries me in the context of a good school. In my opinion, sometimes KPIs can't be used, and sometimes care, heart, and perhaps even the time's soul is more important, and at times business people have to sit back and realize that maybe there's something a little higher here than the KPIs.

David Gonski: Let me finally say to you that despite the difficulties that I've raised and what I've talked about, my eight years as chairman, and 18 on the board, were some of the most fantastic years of my professional life, and running and being involved in the school is a great privilege and one that I found absolutely joyful. My suggestion to you is take governance very seriously and if you do, even if occasionally we get it wrong, I believe you too will have the joy that I had. Thank you.

R Morecroft: Thank you very much indeed, David Gonski, for those very practical insights dealing with the issues of governments, very practical suggestions, very clear advice, ranging from ... you know, that magic range of numbers of board members from 9 to 11 or that weekly meeting that's so important between the chair and the head.

R Morecroft: And now, there is an opportunity as David has indicated frequently during his speech, many of you will be dealing with many of the issues that he's been considering, and now is an opportunity for you to be part of that conversation, so without me even asking for questions, a hand has immediately gone up at the front, and once again, we'll have microphones heading towards people, somebody is coming down now, thank you Kira.

Simon Shepard: Simon Shepard, Westminster, David thank you very much for being here today. As a forward thinking chair and looking into the future, and being that sort of chair, hypothetically speaking, what would you be forward thinking about funding now?

David Gonski: I would put to you that is the most devious question ever, and I should also say, is Westminster a newspaper? Can I say this that I'm not going to obviously



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comment on the funding by governments and whatever, but I would just put as a chair of an independent school that obviously government funding is vital and important but it's only one stream of funding, and the most important thing I found was actually two things, one was to look at funding generally, and into the long-term, and whether it was producing fairness, and fairness in terms of who could come to the school, obviously fee rates and so on, and the second thing I found as a business person was bringing one's nous without affecting the education side of the school to the expenses.

David Gonski:

It was amazing when I first got to the school, wonderful school, very professionally run, how I was able to at least question some expenses which could maybe be saved in order to give us some money back to allow for other things the school wanted to do.

R Morecroft:

Thank you very much for the innovative thinking that went into the construction of that question, but we have another question coming up straight away.

Julie Greenhous:

Yes, thank you David. Julie Greenhouse from Meridan School. Given the potential length of board papers, the time involved in meetings, mandatory governance training, the risk associated with being a member of a school council these days, do you think that independent schools will struggle to find people who are willing to be on boards?

David Gonski:

Can I firstly say, I thought you were going to ask the question whether we should pay fees, which we can talk about to directors, but on the question I've got to say I'm amazed and pleasantly surprised that no matter how difficult boards become people want to do it, and the reason they want to do it is what I said right at the end of my speech, it was one of the most rewarding things I've done, you want to make a contribution, there is no better way of making a contribution than in education, and independent school is as good a place to start, and so I say that.

David Gonski:

The second thing is, which maybe I will just ... on the question of fees for directors. It is becoming a much bigger job. I don't actually believe in paying fees to directors, I believe you lose some of that independence when you're paid, the beauty is you come and bring your heart as well as your brain, and you might say that's easy, maybe I can afford it, others can't, but I do believe, by the way, that schools must allow some expenses, I mean, if people have to travel for miles they should be helped there, and particularly if they have to stay overnight, if it's a boarding school somewhere or so on, you know, there's a lot of expenses involved, they should get that back.



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- David Gonski: On the question of whether there should be insurance, schools should have insurance, and I know this organization does something about it, there's no doubt one should look at that. And the final point I'd make is when it's difficult often it brings those juices going and makes it even more rewarding.
- R Morecroft: Thank you. We have another question straight away down at the front. Oh, I'm sorry you already have the microphone? Terrific. We'll come to you very shortly.
- H Weissenberg: Hello David, Helen Weissenburg, running the board chair at John Paul College. I'd like to share your speech for my director's so thank you very much. My question is we're going through a dilemma about whether we need a deputy chair, so I'd just like your thoughts on that?
- David Gonski: That is a difficult question, it really is, firstly, can I say circumstances do change and for example if your chair, outstanding as the chair may be, can't be at all meetings and is required to do lots of things that the chair can't do because they've got a big position or whatever that it may be having a deputy is a good idea, personally, I don't usually go for deputies, the problem with that is, is that you're showing that somebody around the board table has either your own eye if you're the chair or indeed the board's eye as your successor before the time has come.
- David Gonski: I believe in having a deputy if it is required, if it isn't required the chair is there as the time, this probably is the case, and is right on top of their game, I wouldn't bother.
- R Morecroft: Thank you. We had somebody just on the front table here.
- Claire Pole: Thank you David for coming today. Claire Pole, I'm a council member at PLC in Perth, just would like to hear your views on the frequency of council meetings?
- David Gonski: That's also a very good question. Can I say there is a feeling often around the board table, particularly by new directors, that's the interesting thing that one should meet very regularly, I'm not sure about that, I think it depends on where the school is and what's happening, I have been on non for profits that have needed to meet every second week because frankly our balance sheet was so appalling that we had ... I should quickly say it wasn't the school I was chairing at, it was actually an arts organization that is doing really well now, but every second week we met and a lot of it was taken up sadly by whether we could meet the checks that we were sending out and the money that was coming in.
- David Gonski: If you don't have that I honestly believe that a board has to rise in terms of what it's looking at, and the more often you meet, often the more into the trenches



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you go, my view is obviously a minimum would be four times a year, quarterly meetings, that's probably not enough, but every second month might be good, monthly, it depends on if you've got a lot to talk about, I think the board has to define what we are doing as a board, and if the school is running well the head's been there a couple of years, I'm likely to need a new one straight away, things are going fine.

David Gonski: I think you could elevate your thinking and do it once every two months, but if it's a disaster you should do it more regularly. The other point I'd make is putting directors meetings in the diary is very important but a board should have the ability to meet on a few hours' notice, and if not everybody should be there, there should be a mechanism for being able to get to them just to get their view. That's what we're there for, we are directors 24 seven.

David Gonski: And often it must've happened where something has to be decided straight away, the head should not say, I'll get the chairman's view, we can't get the board together, that is bad governance, good governance is if it's a matter for the board you get them together out of session.

R Morecroft: Yes, thank you. We have a question at the back. Thank you, Sir.

Michael Jones: Michael Jones, Snowy Mountain Grammar School, thank you David. My question is you talked about the bringing new directors onto boards, and also the vast experience of directors from other boards, which used to be part of school boards, can you suggest who is responsible for, and what are some of the best ways of helping new directors understand the greater good of schools?

David Gonski: That's a very good question. Can I start by saying, by the way, inherent in that question is how do you choose new board members? And I strongly believe that the chair should keep a list even if you don't need new members. If you're like me when you need a new member you just can't remember all those 15 people you thought was great in the last year or two, put them down on a list of things and keep that list going, if the chair doesn't want to do it, nominate a director to be the keeper of that.

David Gonski: In business, we all have nominations committees, I'm not sure schools need those but that's the way we keep the list going, and by the way, you keep the interest of the potential people by making sure they're invited to the school, making sure you talk to them from time to time, no promises, and just see whether they're any good. On the question basically of how do you induct directors onto a board that's a difficult thing.



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- David Gonski: I believe in proper induction, which means that the person should come out to the school for half a day, a day, before they take their seat and somebody, or somebodies, should take them through aspects of the school. At the university every two years we get new students onto our board and we have changes of staff. We have a day every second year where I address it at the beginning as chancellor, then the vice chancellor gives his vision, the head, and then we get the financial people to take them through the balance sheets, and we get some of the academics to come in to talk about where we see the university going, that's not to make them, what's the word, think the same way as we do, but to at least give them the benefit of our thinking from whence they came jump.
- David Gonski: Induction, and this is the essence of your question, is incredible important. I believe conferences such as this are vital and as I said earlier I compliment all of you, all of you who are busy, I know, to give away a day of your time and certainly to listen to somebody like me, but having said that one needs to think through what one's doing and regular education of oneself is important.
- R Morecroft: Thank you. We have a couple of hands here. I think the gentleman in the middle was probably first and then we'll go to the gentleman close to there, thank you.
- Mitchell Wells: Thank you David for that excellent presentation. Mitchell Wells, Chair of Council at Guildford Grammar School in Perth. Just wanted your comments and insight into the propensity and something that we have agonized on council over which is parents wanting to be consulted on everything, and to give that some context, we've made a number of big decisions at Guildford, in recent years, I suppose the latest of which was our senior school becoming fully co-educational, and obviously we had some pushback on that from parents that felt that they should've been consulted on that.
- Mitchell Wells: Our perspective was as a council, and we took independent advice on it, was that you can't handle certain decisions like that, it's a much more complicated decision than parents might think at first sight.
- David Gonski: I think that's a wonderful question by the way, but that doesn't just apply to schools when you think about it. All of us in business, and we can't do a plebiscite of our customers each time we do something, we have to make decisions, in terms of schools it's not just the parents that are the only interest although they obviously the current customer, as is their child, of the moment. You've got the old boys, old girls, and you've got all sorts of other stakeholders often from faith-based and so on.
- David Gonski: It's your job to make the decision, and my feeling is you have to look at it first, you have to do your homework on it, and if you have made a decision, then you



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have to work at how you sell it, because I don't think we can be tyrannical about things, particularly not in the day and age of tweets and so on, so a good school board, particularly if they're going to go co-ed decides this is the way to go, and perhaps decides before we make the final decision let's have a session of the school and let the parents have their say.

David Gonski: Let's do all sorts of other wonderful things through emails or whatever, talk it through, and if still it's your decision, go ahead, then if there's a big group that don't like it, sit about, explaining why you have decided to do it. It's not an easy job being a director, there are many decisions that you make that immediately don't feel that everybody's going to want.

David Gonski: The one thing I'd urge on all of you, and I'm sure you know that, is often short-term popularity doesn't actual make for great long-term decision making.

R Morecroft: Thank you. Gentleman just here next to the aisle. Thank you, Sir.

Ken Jolly: Thank you David, second time I've listening to you in a month, and I appreciated both of those addresses. I'm Ken Jolly from Central Coast Grammar School in New South Wales, and I'd like your opinion on the establishment of skill's matrix for board of directors, we found it useful, I'm interested in your opinion, thank you.

David Gonski: Thank you. Can I say I'm a great believer in skills matrix, but then you haven't told me what your skills matrix is, there are some that are totally useless, for example, I remember a not-for-profit board I was on, we decided we're going to have a skill's matrix, so we went around to all the men and women on the board, and said, here are 15 things tell us what you're an expert in, all the men came back that they were experts in all 15, and none of the women were experts in any of it, and yet they were probably the best directors, so I think that was a useless exercise, I think a skill's matrix has to be something that evolves, so every couple of years you say, you know, we need expertise in IT, we need accounting expertise, we need someone whose got an educational background but isn't going to double guess the head and so on.

David Gonski: You actually put those boxes in and in choosing new people, or in focusing on the ones that are there, you actually use the skill's matrix, so I think you need to spend a lot of time developing the skill's matrix and then I would definitely believe in using it.

R Morecroft: Where is our next question coming from? A gentleman just over here thank you, Sir. If you could bear with us while the microphone heads your way, thank you.



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- David Smith: Hi there, David Smith, from Clarossy Anglican School in New South Wales, just the question two ago, you were talking about board communication, often boards want to be up front with written communication to parents and stakeholders, often there's a complexity between management decisions and board decisions, do you have any thoughts or ideas on that? Should the board be silent, management communicates, or what's the role of the board there?
- David Gonski: Yes. I think consistent with what I believe firstly, being totally silent is a mistake, right? And by the way, that goes for commercial enterprise as well. I can't think of any commercial enterprise that can totally shut up and not deal with its customers.
- David Gonski: The second question is the more difficult one that you raise, which is who communicates? As I said in my speech the day-to-day operations of a school is the purview of the head, and if there's a board you don't believe the head is up to it, it's time you got a new head, it's not time for the board to start doing it, so the head must communicate, and most schools have newsletters, most schools have parent assemblies where they come and so on, that's very important.
- David Gonski: Now, there are issues that a board has to deal with its clients on, it's customers, it's parents, and so on, such as, dare I say it, increases of fees, and so on. This is something that one shouldn't try and hide and just send out a note, oh, by the way the fees have gone up 100% this year and the board will be away for the next three months. I think you've got to educate one's constituency, explain why the fees are going up, explain why you've done that, and particularly by the way some of the parents on the board might actually like to put in why they understand even though they're paying those fees, why they're going up.
- David Gonski: My view is one has to correspond but one leaves day-to-day to the head, there are stakeholder issues that sometimes have to be dealt with and the board should think of doing that. The final thing I'd say is I know there're a couple of schools in Sydney who send out the minutes of the meetings to ... I think that is a ridiculous idea, and I hope they're not here today but if they are they can tell me why it's such a good idea, I don't believe, by the way, in saying, we had a meeting last night and we dealt with the following 17 things, if there is an issue that the school community are wanting to know about then obviously the chair might write a letter, saying at a meeting the other night we decided we're going to start to be co-ed or whatever it is, that's a different issue, but leaving the door open on all issues stultifies discussion round the board table.
- R Morecroft: Just before we move to our next question I think at one stage David you wondered whether there was anybody in the room, or anybody representing a particular in the room who had an equal education and essentially business or



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administration based dual-head, and I'm wondering whether anybody would like to either respond to that concept or indeed say that they had that and it was working wonderfully? Is anybody's school in that position and would they care to comment?

R Morecroft:

Thank you, Sir.

Frank Conroy:

Frank Conroy from Oxley College in Bowral. I believe and I'm sure David you do too with your corporate experience that over time the head, or the principal, will be counselled by you, and encouraged by you, and mentored by you such that after three to four years that person has that mix between the CEO and the educator, and the last heads that I've been responsible for that's certainly been the case.

David Gonski:

Frank, you are absolutely right, and Frank was one of the preeminent CEOs in Sydney some years ago so he knows what it's like not being the boss, you've got to be in control as the CEO, can I say there are many things that come up and I don't mind mentioning in the case of my university we appointed the most wonderful vice chancellor, Fred Hilmer, and he didn't have a PhD and as you know academics like PhDs, and so we were very careful that there was a person who basically had that credo, and did a wonderful job, and of course as you rightly say Frank after two years, and Fred stayed 10, he was Mr. VC and at night ... I think most people called him doctor anyway.

R Morecroft:

Thank you. Do we have ... yes, we have someone ready with the microphone, thank you very much.

Phil Grutzner:

Phil Grutzner from Carey Grammar, thanks David, you gave us a word of caution at the start of your speech about the all parent board, and then perhaps finished with a word of warning in terms of a business control board where a KPI for everything does not necessarily exist, care, heart, and soul is sometimes more important. I think around Australia we've had a number of spectacular values where it's all parents, or all business, is there a point in between and would you like to explore that notion?

David Gonski:

If I'm wrong I'm consistently wrong. I really believe in diversity, as I said, I believe in some parent body representation as parents, I believe in having some business people, but I also as I joked believe in having cardiologist, paediatrician, a balance of genders, and indeed ... if you have a big rural component it's good to have somebody from the bush to explain what actually is happening.



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David Gonski: I believe in diversity, that is the best thing on all boards, there is no doubt in my mind, and I would say though that the parent thing is quite interesting, my interest in school as a parent changed almost completely on the day my youngest son left the school, that doesn't mean that I wasn't interested in the school but my whole interest changed, and therefore I think it is dangerous to have a tightly parent thing, and as I explained, for business people we are trained in business and sometimes things like schools require something a little bit extra.

R Morecroft: Thank you. Just straight in the middle here. Thank you.

Helen Drennan: Thank you, my name is Helen Drennan, Principal of Wesley College in Melbourne, thank you too David for an outstanding presentation, I'm interested in the advice you might give to long-serving heads who guide their schools through periods of three, four, five, chairs of boards, would you maybe reflect on that and give us some advice?

David Gonski: I'm sorry for you. I mean it's a fantastic question, I have often thought, I must be honest, as I come into chair something I feel for the CEO, in my case vice chancellor, et cetera, they have to train another chairman, but I think that it's implicit on the chairs that we have to go in with our eyes open, and by the way I think it's also wonderful for a long-serving principal or head that basically you could have a new set of chapters with a slight different slant, so it gives you a renewed enthusiasm, so I think it's something just like in life, you've got to as they say, a new partnership, you work at it, I would work very hard before the meetings to see how things go.

David Gonski: There is a proclivity and I'm not saying at all it would happen at Wesley, which is such a wonderful school, but when people have been somewhere a long time, and I've been at places a long time, it's a most incredible thing to bring somebody in who's perhaps new, excited, got different ideas, their ideas may not be right but I urge that one should listen because often we get into our old habits, which worked well, but maybe we can make them a bit better.

R Morecroft: Thank you, Sir. I think we will have to make yours the final question because Mr. Gonski has to hit the road very shortly, but thank you very much indeed.

Greg Price: Thank you David for your address. Greg Price from New Haven College, board chair. David, would you please tell us what you would be telling your board at your next meeting if you were chair about the landscape going forward, funding?

David Gonski: Are you also with Westminster?



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David Gonski: Look, to me, a board has got the role of helping to steer the school through whatever seas that school has to float through, so the first thing I'd be telling my board is exactly as I see it, and exactly as I believe it to be, and if I'm not in a position to actually know what's happening I'd find out from AHISA or whatever it is who's got some knowledge so I can brief the board completely.

David Gonski: I would make sure that my board knows as much as I do because it's with their help we've got to navigate whatever happens. In terms of a forecast, as chair, I'm relieved to say to you, you can't give a forecast, you may not be chair for very long if you do.

David Gonski: My view would be you just bring everybody up to date, talk about it, and you know, one of the good questions to ask one's board is here we are, this is where we're at, what's important to each of you about where we're at? And as a chair coalesce what should we as a board be doing about it? And you never know. Ideas might come that weren't in one's own thinking or indeed in the thinking that you had before you got to the meeting.

R Morecroft: Thank you, well a wonderful concluding remark and I think what we've seen in David Gonski's presentation is not only the clarity of his professional overview but also the depth of his very personal commitment to this sector. He's spoken to us with great generosity, with a lot more time than I think he was originally he was asked to commit, and we're greatly appreciative of what he's brought to us today, so would you please thank David Gonski.