

**Concurrent Session E**  
**Tuesday 1 September**  
**2.25pm – 3.15pm**



**Session 2**

**Corporate Governance in the Higher Education Sector: Optimizing the contributions of University Councils to Universities in Papua New Guinea**

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Corporate governance within the context of university governance is analyzed through agency theory. Agency theory talks about an intricate relationship between principals and agents which has to be managed through structures, processes and incentives that ensures that agents optimize outcomes accruing to principals who are essentially owners. Discussion around international board practices and practices in PNG shows similar challenges faced by university governance mechanisms. The end result of university quality outcomes have not been encouraging, resulting in recent state intervention effected through legislation for new corporate governance framework, reduction of council members and call for increased professional development through company directorship. University council members and Vice Chancellors do not have much option but to modernize governance in order to prevent losing credibility in the higher education sector in terms of their quality of graduates. Critical policy implications are drawn at the end as way forward for the PNG Higher Education Sector.