

Final Report and Principles | Expert Council on University Governance

2025

The Hon. Jason Clare MP
Minister for Education
Parliament House
Canberra ACT 2600

Dear Minister

Report – Expert Council on University Governance

On 23 January 2025, you established the Expert Council on University Governance to develop new university governance principles (the Principles) and recommendations for Australia’s public universities in the context of the 10 priorities for reform, agreed by Education Ministers to strengthen university governance, and Priority Action 5 of the Australian Universities Accord Interim Report.

I am pleased to present the Report of the Expert Council on University Governance, including the Principles that have been developed and endorsed by all members of the Expert Council.

In addition to the Principles, the Report includes key findings, commentary and recommendations to give effect to the Principles, and to strengthen governance more broadly. These are provided on behalf of the three government appointed members of the Expert Council. The Principles should be read and considered in the context of the broader Report and its findings.

A key finding of the Report is that strengthening culture is key to sustainably lifting the governance performance of universities. This will take time however, we are confident that the Principles provide the right foundations and direction to achieve that. We encourage universities to proactively and genuinely adopt and implement the Principles in the context of the issues identified in the Report.

We would like to thank all members of the Expert Council for their time and contributions, and all of those who met with us and provided input to our deliberations. We appreciate the support that was provided by the University Chancellors Council in making Jasmine Johnstone available to provide exemplary secretariat support. We would also like to thank the Department of Education and advisors.

Yours sincerely



Melinda Cilento
Chair
Expert Council on University Governance
15 September 2025
On behalf of Sharan Burrow and Bruce Cowley

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Part 1: Report of the Expert Council on University Governance

Authored by Melinda Cilento, Sharan Burrow, Bruce Cowley | Government-nominated representatives on the Expert Council on University Governance

August 2025

The Expert Council on University Governance

The Expert Council on University Governance (the Council) was established by the Education Ministers Meeting (EMM) in 2024. The Council was implemented to support the strengthening of university governance as one of the Accord Priority Actions identified in the July 2023 Interim Report of the Australian Universities Accord (Figure 1).

The objective of the Council has been specifically to develop and draft University Governance Principles and Recommendations for Australia's Public Universities (the Principles) using their governance or sector-based expertise, per the Terms of Reference (Appendix 1). The Principles were highlighted to include the 10 priority areas (Appendix 2) and the key risks identified as part of the Accord by Ministers (Appendix 3).

Membership of the Expert Council comprises a Commonwealth-nominated Chair, Ms Melinda Cilento, two State and Territory Education Minister nominated experts (government-nominated), Ms Sharan Burrow AC and Mr Bruce Cowley, and representatives from each of the following organisations:

- University Chancellors Council
- Australian Institute of Company Directors
- Governance Institute of Australia
- Australian Indigenous Governance Institute
- Law Council of Australia
- Tertiary Education Quality and Standards Agency
- Universities Australia

In addition, at the discretion of the Chair, an independent expert was engaged throughout the process in The Hon. Mr Robert French. Background information on the government-nominated members, including the Chair, can be found at Appendix 4.

From its establishment in January 2025, the Expert Council undertook to prepare its report and Principles for the Education Ministers Meeting by mid-2025. The Principles (Part 2) have been developed with endorsement of the Expert Council as a whole. This report, and the commentary and recommendations that accompany the Principles, reflect the views and findings of the Chair and government-nominated experts. Throughout the report, the Council will be used interchangeably to discuss the findings of the full Council through the Principles, and the government-nominated Council members in their report findings and recommendations.

Figure 1: Priority Action 5 (Accord Priority Actions)

Work with State and Territory governments and universities to improve university governance. This measure will help improve the capacity of universities to strengthen responses to issues including industrial relations compliance, workforce management and student safety. The Government has announced support for this action.

Source: Commonwealth Department of Education Website (Accord Priority Actions)

Approach to the work of the Expert Council

The work of the Council has been undertaken, and should be seen, in the context of the broader reform focus on the higher education sector in Australia. This report and the Principles proposed represent one piece, albeit an important one, of a broader set of reforms that are critical to lifting the performance and outcomes of Australia's public universities.

This report draws on and reflects the findings and recommendations of Australian Universities Accord (The Accord) Interim Report, which prioritised a focus on university governance, and the Final Report, without seeking to repeat them. In undertaking its work, the Council has also considered the University Chancellors Council (UCC) existing voluntary codes, the ASX Corporate Governance Council Principles (4th Edition), the Australian Institute of Company Directors Not-for-Profit Governance Principles, the Higher Education Standards Framework (Threshold Standards) 2021, the proceedings of the Senate Inquiry on the Quality of Governance in Australian Higher Education Providers, relevant reports of the Fair Work Ombudsman, and other external reports and publications, including the recently produced Nixon report, on governance-related matters relevant to public universities.

The Council's work has been framed by its strong support for and commitment to enabling the vision outlined in the Accord Final Report (Figure 2). Australia's public universities and their performance are critically important to Australia's future prosperity, and governance is critically important to achieving and sustaining the performance expected of Australia's public universities. While reflecting and responding to current circumstances and concerns regarding public university governance, the work and the Principles developed by the Council are forward looking. The Principles aim to provide a framework for a sustainable lift in governance across the sector, enabling continuous improvement and, importantly, supporting priorities for the sector, including greater participation of currently under-represented groups across education, research, leadership and governance in public universities.

Figure 2: Vision for tertiary education in Australia

Our vision is to grow and strengthen tertiary education in Australia over the next two decades so that all Australians have the opportunity to obtain the knowledge, skills and understanding to create and thrive in the jobs of the future. Australia needs this expanded tertiary education system to help achieve skills through equity and excellent, fit-for-purpose research, enabling more people to help meet the challenges facing our nation, region and world. Education, research, innovation and society-wide partnerships are vital for Australia's economic prosperity, democratic cohesion and environmental sustainability.

Source: Australian Universities Accord – Final Report

To inform its work the Expert Council sought submissions and has engaged extensively in stakeholder consultations, including with a strong focus on the staff and student experience in governance processes at public universities. Throughout consultations a high degree of concern was expressed regarding confidentiality and the importance of not enabling views to be attributed to an individual or traceable to a particular university. Reflecting concerns for confidentiality, our findings focus on high level themes and avoid reference to specific examples.

The public university landscape: considerations of scale and diversity

Public universities are significant institutions in Australia and provide the backbone of Australia's higher education system, accounting for around 90 per cent of higher education students. The Accord, and the sharp focus on the need to lift productivity and innovation in Australia, reinforce the need to continue to lift the higher education intake and graduation rates.¹ Australian universities are inarguably large, complex organisations, with substantial budgets and diverse stakeholders. Even when recognising their global scale of operation, Australian universities are considerably large, relative to their overseas counterparts.

In Australia, there are 39 public universities². These range from the long-established, research-intensive universities, through to newer universities developed to meet a particular skill or niche, or to serve a particular region or community. Dual-sector universities (of which the sector has six) provide both tertiary and vocational education to support diverse groups of students. Our universities serve over one million students (a vast majority domestic), employ well over one hundred thousand staff, and have a significant footprint, with over 300 physical campuses operated by public universities across the country. Student residence varies across campuses, with some universities having significant student residence on university campuses, and others having very little.

Funding for public universities derives from a combination of sources, including Commonwealth grant funding, student fees (including through the Higher Education Contribution Scheme), research funding and international student revenues.

Throughout our consultations, universities strongly emphasised the diversity of the sector across many dimensions, and the need for this to be reflected in the Expert Council's deliberations and the Principles.

Public university purpose and governance

Public universities play a critically important role in the Australian economy and society. In considering the purpose of public universities in Australia, it is important to note that the enabling legislation for each university outlines the purpose or mission of the university, and that these purpose or mission statements can vary across jurisdictions.

Generally, the central purpose and function of universities can be summarised as the pursuit of knowledge through research, and its transference through teaching and scholarship. Consistent with their role to serve the public good, Australian public universities benefit from the financial support of the Australian public, notably through various forms of Commonwealth funding. Their performance has a significant bearing on areas of national

¹ See Australian Universities Accord – Final Report (2024) and

² At the time of this report's publication, there are 39 public universities in Australia, with the Adelaide University officially considered a public university and both University of South Australia and the University of Adelaide still finalising their operations. From the finalisation of the merger, there will be 37 public universities in Australia.

importance. These areas of importance include, the public good of education as an enabler of individual opportunity and social mobility, inclusion, participation and creativity, the generation of skills, knowledge, research, innovation and productivity, and the strengthening of ties within the Australian community and, increasingly with international communities.

Graduates from universities underpin the current and future success of the nation, bringing important skills and knowledge, and occupying leadership roles across society in all sectors. Universities are also responsible for the vast majority of Australia's discovery or basic research, laying the groundwork for innovation, industry transformation, and long-term productivity gains. They are an important and growing contributor to the Australian economy directly, generating significant export revenue and creating jobs and demand for goods and services across our regions. Ensuring that universities are operating well and delivering excellent outcomes is therefore in the national interest.

As statutory bodies, established by State, Territory, or Commonwealth legislation, governance and accountability requirements are imposed on public universities under their individual Acts of Parliament (enabling Acts). All universities are subject to accreditation-based regulation by the Tertiary Education Quality and Standards Agency (TEQSA) and are required to comply with the *Higher Education Standards Framework 2021* (Threshold Standards) which includes the area of university governance (Domain 6).

For reference, Figure 3 (below) highlights the definitions of governance outlined by TEQSA.

Figure 3: Definitions of governance

Corporate governance is defined as: *the framework of structures, rules, relationships, systems and processes of an entity through which:*

- *corporate directions and targets are set,*
- *authority is delegated,*
- *organisational performance is monitored,*
- *risks are identified, managed and controlled,*
- *organisational accountability is maintained,*
- *corporate culture is developed and influenced.*

Academic Governance is defined as being: *concerned with the integrity and quality of the core higher education activities of teaching, student learning, research (including research training) and scholarship. It refers to the framework that regulates a provider's academic decisions and quality assurance, incorporating policies, processes, definition of roles, relationships, specifications of delegations, systems, strategies and resources that ensure academic quality and continuous improvement.*

Source: TEQSA Guidance Note – Corporate Governance, Version 2.4, TEQSA Guidance Note – Academic Governance, Version 3.1

Sustainable university performance, particularly in rapidly changing times, is enabled and underpinned by good governance practices that include and extend beyond many of the aspects incorporated in the current legislative and accreditation standards processes that apply to public universities. To support sustainably strong performance by universities and the aspirations of the vision articulated in Figure 2 above, governance frameworks must:

- ensure that academic performance and reputation are supported,
- align with the public purpose and public good dimensions of universities,

- monitor and maintain student and staff safety and wellbeing, and
- be effective in enabling strong commercial and business outcomes, reflecting the large and complex organisations that universities are.

In practice, while the university governing body is accountable for the performance of the university, good governance at universities must incorporate and reflect a strong and effective tripartite relationship with university senior management (led by the Vice-Chancellor) and the academic governing body. The balance in this tripartite relationship and how it is understood and implemented in practice is a critical and unique dimension of university governance. Perspectives on how well this is, or is not, being achieved in practice were raised by key stakeholders throughout the Council's consultations.

Stakeholder engagement: key themes and perspectives

There was a high level of interest and engagement across all stakeholders throughout the consultation process, albeit with many noting the amount of consultation and inquiry that has been undertaken across the sector over the past 18-24 months. Notwithstanding the tight timeframes for its work, the Council, collectively and individually, dedicated considerable time to meeting with stakeholders.

The Expert Council commenced engagement with key stakeholders by inviting formal written submissions to inform the Council's work. In addition, roundtables were held for key stakeholder groups as noted below. The Chair and other members of the Council held additional meetings at the request of stakeholders. Regular consultation was undertaken with the NTEU and National Union of Students (NUS) to keep them abreast of the Council's work and emerging issues.

Below is a summary of the key issues raised across these consultations and submissions. This summary is not intended to comprehensively describe all views received, rather it seeks to highlight themes that informed the development of the Principles.

University leadership and management

In addition to submissions received, separate roundtables with Vice-Chancellors and senior management (including university secretaries and governance directors) were convened. The Chair and other Council members met one-on-one with more than a dozen Chancellors and Vice-Chancellors, as well as with the UCC and UA. The Council provided an opportunity for the UCC Executive and UA Board to provide their feedback on the Principles with a high-level verbal overview to the draft Principles. The Council has also benefitted from the participation and engagement of representatives from both UA and the UCC.

Several university submissions to the Council contained recommendations for the work of the Council. These have been considered in the drafting of the Principles.

Provision of context

From the onset, university leadership and management were eager to ensure that positive aspects of public university performance and outcomes were not ignored. Many participating in the consultations pointed to specific areas of review or actions that had been undertaken in their institution in response to issues identified in the Accord, and through other processes, with note that these actions have not yet had the chance to settle for impact. Examples of change and uplift were shared with the Council from different institutions, with Universities Australia providing some specific case studies from their membership.

All representatives of university leadership and management raised the diversity of public universities and the need for the Council's approach and principles to reflect and support that diversity, without hindering or opposing limitations on it.

Some made the case that universities already achieve a high standard of governance, and that an improved understanding, communication, and acknowledgement of this is required.

Most highlighted the complex legislative and regulatory compliance requirements that universities are subject to – noting that these should provide comfort on the level of governance. The cost and burden that attaches to these requirements was highlighted as an area that should be recognised and considered with care. Challenges specific to dual-sector universities, and their additional regulatory requirements, were further noted. Many drew attention to themes highlighted in the Accord Final Report and how these have significantly hampered the governance of public universities, including:

- frequent, fragmented and unpredictable policy and funding changes,
- government underfunding of critical activities,
- unintended consequences stemming from policy and funding changes, and
- inconsistent, complex and duplicative regulations.

In highlighting the Accord final report, there was emphasis that best practice governance on its own will not address the underlying causes of challenge for the sector.

In consultations undertaken, there was an underlying sense of grievance in being unfairly targeted, including on issues like wage underpayment that are not unique to the sector. Some stressed the need to clearly identify the ‘governance problem’, focus on materiality, reduce duplication, and streamline requirements for universities. Reference was made to the latest UCC Code of Governance Principles and Practice (December 2024), with a view that compliance with this code should be sufficient to support the assertion of best practice governance within the sector.

While some individuals and submissions reflected on the need to improve governance and identified areas for improvement at their university or across the sector broadly, the engagements undertaken by the Council’s government-appointments revealed a defensiveness towards its work, alongside a strong inclination to conclude that the most egregious governance failings observed did not apply to their university.

Composition of governing bodies

The importance of governing body diversity was acknowledged and strongly supported. The challenges to achieving diversity, while meeting the required skills and expertise needed was noted, particularly with regard to the governing body appointments, government/ministerial appointments, and elected or representative member positions. The differing legislative requirements can make this harder or easier for universities. The ability for universities to achieve the combined diversity objectives articulated in the Education Ministers 10 Priority Areas (Appendix 2) in practice was questioned by many, given the relatively small number of appointments that fall to the governing body in some jurisdictions.

In addition to broader diversity objectives, submissions referenced the importance of:

- university expertise and the need to achieve the right balance between academic/education, and corporate expertise, and
- knowledge specific to the unique characteristics of individual universities (for example, regional knowledge, networks and engagement).

A few submissions highlighted the adoption of best practice recruitment processes in their appointment of members to the governing body. Some pointed to their state government guidelines on appointments to governing bodies.

The importance of governments having regard to diversity objectives as well as a university's skills and experience matrix and skills gaps, was identified as an opportunity to improve governing body performance. There is desire for Ministers and government to consult with the governing body when making appointments, ensuring that the governing body has the appropriate skills, independence, and diversity it requires to fulfil its purpose.

Elected and representative members of governing bodies

While there is overall support for student and staff representation on governing bodies, managing the effective engagement of these members of the governing body was raised as an important issue in submissions and consultations alike. There are several dimensions to consider within this, including:

- the challenge for those less experienced in governance to contribute effectively and constructively in deliberations and decision making, especially in the case of students who generally have shorter terms than other members (in some cases as short as one year),
- presumptions of conflicts of interest associated with the participation of staff and students particularly when the governing body is dealing with matters affecting staff or students, and whether the obligation of all governing members to act in the best interests of the university 'as a whole' was understood and adhered to, and
- the tensions between being a represented/elected member answerable to those you represent and the preservation of confidentiality (often with an implicit presumption that confidentiality would not be maintained).

The Council heard very different attitudes and approaches to responding to these challenges from university leadership and management, ranging from very open, proactive and supportive; to adversarial, passive and closed; and in between.

It was noted that not all potentially valuable university council members will have formal governance training prior to joining and that this needs to be responded to in a timely way to enable effective participation. Providing opportunities for elected members – both student and staff – to participate in and sit on key governance committees across the university, including in the lead up to joining the governing body, can assist in building governance skills.

Governance processes and transparency

It was evident in the discussions and submissions that the maturity of governance understanding, processes, capability, and resourcing varies considerably across the sector. The Council observed evidence that clear governance failings were either not acknowledged or understood as governance failings, and instances where accountability was downplayed or softened. As one example the idea that wage under-payments represented a governance failing was disputed, while others noted that the issue has been 'dealt with'.

The prevalence of discreet processes and decentralised legacy systems, a 'set of cottage industries', was identified as a challenge to integrating controls for governance, and the

challenge of the governing body maintaining strategic oversight while also addressing complex and significant regulatory requirements was called out.

The importance of transparency was clearly identified and supported. However, there is a sense among some universities that meeting and reporting against regulatory and legislative requirements, including via the publication and tabling of annual reports, equates to keeping stakeholders informed of key developments in a clear, understandable and timely way. In contrast, several submissions highlighted the need for universities to and improve access to information, and their reporting and accountability to the communities they serve, including students, industry and the broader community.

Overall, the Council's discussions raised questions about the extent to which there is consistent and meaningful proactivity across the sector in identifying, understanding and effectively managing risk broadly, including financial, regulatory and legal, academic, reputational and relational risks.

Remuneration

The need for rigorous and transparent remuneration strategies and policies was accepted, with several submissions detailing approaches taken to improve transparency and confidence in these processes across institutions.

The appropriate level of remuneration for the Vice-Chancellor and the university executive (referred to together as senior management), is a clear point of focus and contention at present. There is some appreciation of the need for remuneration outcomes and structures to reflect the public good component of the role, and the fact that public universities are financed with public funding. There are also some who believe that given the magnitude and the growth of revenues that universities need to secure from non-government sources, including from international students and for institutional research, the extent of public funding should be less relevant to the determination of salaries of senior management.

There are different views on how best to address the issue of remuneration although there is broad interest in clearer guidance or consensus on how to move forward. The UCC shared its *Code of Executive Remuneration Principles and Practice for Australian Public Universities* with the Council, which was updated in July 2025. This code clearly seeks to respond to concerns raised in this area, and aspects of this align with the commentary and recommendations made in this report.

There is not a consensus in favour of linking university remuneration to that of senior public servants or the adoption of remuneration bands for the sector. Some argued the latter would need to be so wide as to be impractical given the diversity of the sector.

The UCC released a public statement in July 2025, noting they had written to the Education Minister in support of the Commonwealth Remuneration Tribunal being given responsibility for providing guidance on appropriate remuneration for Vice-Chancellors. Many appear to be comfortable with some reference to remuneration being set by the Remuneration Tribunal, but it was emphasised that the Chancellor and governing body need to remain accountable for the structures and remuneration outcomes set for the Vice-Chancellor and senior management.

The appropriateness and benefit of material variable incentives in remuneration packages at public universities was questioned and generally not supported.

While much of the public commentary on remuneration focuses on that of the Vice-Chancellor, concerns regarding the structure and level of remuneration and the connection to performance extend to the Executive group or Senior Management of the university.

Academic Leadership

Members of the Council participated in a roundtable with those who Chair Academic Boards or Senates, and Academics who are elected as part of their university governing body. This group showed a keen interest in the work of the Council, and a strong desire for academic leadership's inclusion and greater involvement in university governance. This reflects concerns that academic risks could be better managed and understood by the governing body, and that academic perspectives could contribute positively to the broader governance of universities. The importance of academic skills and experience to be able to effectively identify, assess, and manage academic risk was stressed.

Feedback also pointed to concerns that measures of academic risk are limited or narrowly defined, and that the monitoring of risk is static rather than dynamic.

A lack of engagement of governing bodies was emphasised, including in terms of:

- the limited time dedicated to the reporting and consideration of academic risk at governing body meetings,
- the lack of engagement by members of the governing body on issues of academic risk, and
- the lack of participation by members of the governing body in meetings of the academic governing body (academic board or senate), even as observers.

These issues contributed to heightened concerns among academics about the disproportionate responsibility they feel they are bearing as the only members of the governing body with detailed knowledge of academic risks.

Some questioned why Chairs of the academic board or senate, who participate in the governing body, were not supported or nominated to be members of governing body committees. Particularly highlighted were those committees that deal with university-wide audit and risk matters, where in some instances these individuals were prevented or discouraged from joining, despite a lack of academic risk oversight on these committees.

A lack of transparency and inadequate detail in reports provided on the activities and deliberations of non-academic committees of the governing body, make it harder for academic representatives – and in some cases, Chairs of the academic board/senate – to participate fully in the deliberations of the governing body. There is a view that much of the decision-making of the governing body is disproportionately driven by professional or managerial staff and perspectives, with the valuable role of academics in understanding the 'real business' of universities under-valued and under-represented in decision-making.

It was highlighted that greater transparency regarding accountability and performance broadly would assist in building trust across academic leadership in the executive groups/senior management of universities.

It was noted that consideration of the student experience often falls to the academic board or senate, and the risks that attach to the failure of the governing body to devote appropriate time to these considerations and related consultations. The observable problem of student mental health was identified as a key factor impacting student experience and to students dropping out of subjects and courses.

National Tertiary Education Union

Regular meetings were arranged between the National Tertiary Education Union (NTEU) and the government-appointed representatives of the Council. The Council received submission content from the NTEU, and additional research and commentary was provided to support and inform the Council's work. In consultation with the NTEU, an additional roundtable focused on staff who were governing body elected members at public universities was convened. This session was held with only government-appointed representatives of the Council noting concerns for confidentiality.

The deep and obvious concern, anxiety and stress regarding their experiences, and fear and apprehension around potential adverse consequences associated with sharing their perspectives with the Council was stark. The language used to describe their experiences on university governing bodies was similarly confronting: with references to bullying, harassment, intimidation, and vilification. This degree of personal concern and anxiety is an important and severe indicator in the breakdown of trust that has occurred both within universities, and across the sector, as is the belief among some that disagreement with university management, or the governing body, is unwelcome – if not actively discouraged.

The criticality of ensuring appropriate staff representation on governing bodies was emphasised, noting that not all jurisdictional legislation mandates this, and that differences exist in the mandating of staff when it does occur (for example, some jurisdictions outline a professional and an academic staff member to be elected, whereas some refer only to staff). Staff identified many ways in which they and their counterparts are not enabled to effectively participate in decision making. They reported that conflicts of interest are regularly cited as a reason for:

- not sharing information or papers,
- restricting participation in some agenda items and discussions, and
- restricting participation in or attendance at committee meetings.

There was further report to a culture of exclusion in their engagements on governing bodies, and a lack of genuine curiosity about the staff perspective and voice, including not being able to participate in 'in camera' sessions and being afforded limited (if any) time to speak and ask questions.

Staff noted that while there are in camera sessions, they are often excluded, and that there are not typically routine in camera sessions where the Vice-Chancellor or senior management are excluded to enable staff and student elected members to provide frank feedback and perspectives on management performance and priorities. Overall, there is a sense that the papers and discussions are carefully structured to move the agenda of senior management. Elected governing body members find it difficult to get items on the agenda of

the governing body's meetings, to change minutes, or request more information to be included in meeting records.

For those elected representatives on the governing body, union membership is seen to create additional and specific problems regarding perceptions of conflicts of interest and confidentiality. One union member who is a staff member on a governing body noted they are often specifically excluded from discussions, while non-union staff are not.

Staff noted they feel ill-equipped to represent the collective view of the university workforce – an issue that was highlighted by students in their consultations as well. A clear desire to consult with the constituency who elect them was underscored. In addition, it was noted that participation on the governing body, while important, should be seen as only one aspect of understanding and engaging with the views and priorities of the workforce broadly – with a desire for more genuine and meaningful engagement to come from the governing body to the wider staff community.

Staff outlined an inability to participate in committees, or observe proceedings of committees of the governing body, coupled with inadequate committee processes or minutes provided. This has an adverse impact on staff being able to express informed opinions on positions advocated by committees for formal approval by the governing body.

Most staff noted that they are not remunerated and that time allocated for 'service' under their employment terms is insufficient in many cases to cover the work of the governing body in addition to other responsibilities. For professional staff, governing body membership is on top of their day-to-day responsibilities and is not always appropriately reflected or acknowledged in job descriptions. In addition, the timing of paper circulation, the volume of papers, and the scheduling of meetings often fails to consider the academic calendar and associated workloads of professional and academic staff alike.

Staff reported that they feel powerless to challenge the Chancellor, or the Vice-Chancellor, and that channels to raise concerns or complaints with confidentiality around Chancellor or Vice-Chancellor conduct, are limited, or non-existent. For some individuals, given that they are not remunerated for their work or time on the governing body, it is unclear whether issues that occur as part of their work or time on the governing body can be raised with the Fair Work Ombudsman.

Staff noted that provision of formal and informal governance training, mentoring, and regular interaction with the Chancellor and other members of the governing body, all support more positive and constructive participation in the governing body. They noted that training for all members, including on the corporate and academic operations of universities, should be provided.

The Council also notes the receipt of the recently released survey of the NTEU summarised in their report *The 'Bell Curve' of University Governance (July 2025)* (Figure 4).

Figure 4: Conclusion of the NTEU Report

“the best way to describe the reporting by respondents is that there is a ‘bell curve’ in university governance, with very few instances of what would be deemed as appropriate (or ‘good’) governance, under which exists a spectrum of ‘governance grades’ that concludes at an end point of very poor institutional governance practice and cultures.”

Source: NTEU Report, *The Bell Curve of University Governance* (July 2025)

Student Representatives, and the National Union of Students

The Council met regularly with the NUS to obtain their perspectives and feedback on the Council’s work. In addition, the Council consulted with student representatives on university governing bodies – undergraduate and postgraduate – through a roundtable session. An additional session was requested and held with the Council of Australian Postgraduate Associations (CAPA). International student groups provided submissions to the Council, and the student roundtable consisted of both domestic and international students.

There is a clear diversity of models for student involvement in university governance, with varying degrees of effectiveness across the sector. It was emphasised that the students who participate in university governing bodies should be elected by their student peers, and not appointed by university senior management.

Key issues raised were consistent in large with the issues raised by both the academic and professional staff, and the NTEU, including:

- exclusion from certain discussions and committees based on perceived or assumed conflicts of interest,
- withholding of papers and information based on perceived conflicts, and
- concerns regarding confidentiality.

Students similarly expressed concern around their ability to represent the diverse views and perspectives of the student body. The governing body often seemed to make the assumption of a degree of homogeneity of views and circumstances across the student body that is not the case in practice.

There are limits on elected student members of governing bodies, in terms of their ability to understand and reflect the range of practical concerns and experiences across the entire student population at their university. A lack of resourcing available to students for formal engagement and to develop positions on issues of university governance and strategy was raised.

The further issue of universities obtaining feedback from students themselves, rather than allowing students the autonomy to undertake this exercise, was raised. An example of a Student Association not being allowed to undertake their own surveys was raised, and for the

university who sent the survey on their behalf, questions were removed without consultation. The need for broader processes for regular student engagement, including student-led engagement, was supported and encouraged.

Students noted that governing bodies can be intimidating and that it is hard to question or challenge experienced members. Exacerbating this is limited duration of student terms, and limited formal governance training in many cases, particularly prior to the student joining the governing body. While longer student terms are preferred, this presents challenges, given the duration of courses, pressures of study, inability for first-year students to join in some jurisdictions, and the need for the student to be an active student for their entire term. Postgraduate (research) students who were able to take up longer terms on the governing body commented on how this boosted their confidence and ability to engage and add value to the governing body's deliberations. Achieving an overlap of student members helps less experienced members to engage more quickly and confidently in the work of the governing body. Where practical, longer terms for student members are supported.

Students confirmed that the culture of the governing body and the attitude and approach of the Chancellor plays a central role in enabling a positive student experience and contribution. The proactivity, openness, and leadership of the Chancellor is critically important to making students feel welcome and valued, and ensuring their voice is enabled and heard. Both positive and negative accounts of this were heard by the Council.

The importance of ensuring international student views are understood by governing bodies was further raised, with confusion around whether all international students are able to lodge complaints with the National Student Ombudsman (NSO). There is also an uncertainty as to whether the duties and obligations of governing body members prevent student members of the governing body from taking complaints to the NSO.

Discussions with students and representatives of the NUS also drew attention to issues which are dominating the broader student experience currently. Chief among these are: cost of living pressures, mental health and wellbeing, housing, and food security. A lack of adequate resourcing of student support services was also identified in submissions as a key factor impacting student wellbeing and experience. Addressing these issues directly is beyond the remit of our work, however, these issues should be able to be raised for consideration by and at meetings of the governing body and/or its committees.

Tertiary Education Quality and Standards Agency (TEQSA)

In addition to the submission received from TEQSA, the Council has benefitted from the participation of its Chief Executive Officer, Mary Russell.

TEQSA's submission to the Council notes that recent issues highlight the need for governance, oversight, and assurance mechanisms in Australian universities to be strengthened. These issues include systemic wage underpayment, gender-based violence, and community concerns about responses to racism on university campuses. Stronger, more effective governance will support Australian public universities to better retain and strengthen their social licence.

TEQSA raised concerns that were evident in the Council's discussions with university leadership and management, including that of poorly defined decision-making accountability and processes, insufficient identification and management of risks, a lack of transparency in reporting, and inadequate skills matrices to inform the composition of the governing body. In addition, TEQSA underscored the importance of civic leadership, social purpose, and stakeholder and community engagement. Finally, and unsurprisingly, the ability of governing bodies to ensure compliance with their statutory and regulatory obligations was stressed, with inclusion to:

- issues raised by the Fair Work Ombudsman,
- poor compliance with TEQSA's Threshold Standards, especially related to systems of reporting, student support arrangements, oversight of academic integrity, and self-assurance, and
- Acts of establishment that are no longer fit for purpose, with issues in relation to the definition of roles and responsibilities, inadequate processes for appointment to and performance of governing bodies and their members.

The TEQSA submission provided detailed advice regarding principles of governance that would support improved university governance and overall performance. The Council has carefully considered this advice in the development of the Principles.

Fair Work Ombudsman

The Council received a briefing and submission from the office of the Fair Work Ombudsman (FWO), primarily focused on wage underpayments in public universities. The FWO identified poor university governance processes and systematic issues within many of the universities found to have been underpaying employees across various categories.

The FWO observed failures to prioritise compliance with workplace laws, demonstrated by inadequate governing body and audit and risk committee oversight, and an absence of systems to identify compliance risks. This is, as described by the FWO, reflective of the absence of a strong culture of ensuring or challenging whether all staff are being paid properly. More specifically the FWO identified:

- inadequate governance and a lack of senior management oversight as common themes,
- the employment of a high number of casual workers, and
- a lack of investment in human resources functions, payroll systems, expertise and auditing.

This has meant that activities of academic staff were not adequately captured in contracted hours or workload models, that casual staff were found to be underpaid for the full scope of their teaching duties, and that professional staff were underpaid in relation to overtime, penalty rates and allowances. The FWO noted that:

- the scale of non-compliance highlights a missed opportunity by universities across the sector to ensure they had in place consultative mechanisms that would have assisted the prevention of underpayments,

- establishing formal mechanisms to embed consultation and collaboration can support a positive workplace culture that underpins compliance, and
- a lack of certainty regarding future employment, particularly for casual academic staff, contributes to a culture where employees are reluctant to raise concerns or where a systematic claims review approach is not adopted.

The sector has improved engagement and taken steps to address issues raised, in some instances including through enforceable undertakings. However, the FWO notes that sector-wide resolution of non-compliance and the underlying causes is not yet complete.

These findings highlighted systemic problems with how universities manage and monitor their employment obligations. The FWO directed the Council to recent enforceable undertakings entered into by public universities.

National Student Ombudsman

The office of National Student Ombudsman (NSO) provided a summary of their focus and complaints received to date in a briefing to the Council. The latter pointed to thematic issues related to culture and responsiveness of universities to student concerns raised. The NSO is dealing with issues and complaints that ought to be readily responded to, and easily addressed, within university processes and systems.

Issues coming to the NSO highlight that students do not know when, where, and how to lodge complaints and who to trust in trying to figure that out. They also highlight that university systems are failing to hear and respond to the genuine concerns being raised by students through their normal administrative and complaints mechanisms. The NSO concluded that universities are failing to improve 'back of the house' administrative processes and systems that would have a significant positive impact on the experience of students. The inability to resolve matters such as fee payment plans, by the university is also demonstrative of policies that are failing students, with broader potential impacts, including on student wellbeing.

While many universities have recognised the need for improvement, they should focus on:

- providing opportunities for students to make complaints, including an external whistleblower line,
- simplifying and illuminating complaints handling and response processes,
- procedural fairness,
- better understanding student needs (like long waitlists for counselling services and the impacts this has on students), and
- monitoring complaints over time as a measure of governance performance.

Additional Considerations

First Nations voice and representation

The Accord reports make clear “*the vital need to centre the experience of First Nations peoples in higher education*”³. This philosophy should also apply to the approach to university governance. Recognition of the historical and ongoing contributions of First Nations peoples in the Australian higher education system helps to ensure that Indigenous peoples self-determination is woven into the fabric of the governance framework. While the Principles proposed by the Council seek to enable improved governance across all facets of diversity, there are unique cultural contexts that apply regarding Indigenous peoples and communities that require specific and separate consideration. The Australian Indigenous Governance Institute (AIGI) notes that, while every Aboriginal and Torres Strait Islander group has a unique culture, there are important shared cultural features, such as:

- networked systems of kinship and family support,
- deep connection to Country,
- value of ceremony, traditions and ritual,
- respect for law and the authority of Elders,
- respect for women’s and men’s areas of knowledge, and
- mutual responsibility and sharing of resources.

The genuine inclusion of First Nations’ peoples’ perspectives, values, and knowledge in university governance, including through representation on governing bodies, is a key priority outlined by Education Ministers (Appendix 2). To ensure positive outcomes and increased diversity of perspective and representation, selection and appointment processes should be culturally grounded and respectful. This includes, for example, enabling Traditional Owner led processes or endorsed nominations. To support this, the skills and experience matrix that informs appointments should include Aboriginal and Torres Strait Islander cultural knowledge and lived experience that aligns with the university’s cultural and geographic context.

An inclusive and respectful approach and culture supports all members of the governing body to contribute effectively. In this context it is important to recognise the need for culturally safe governance processes, including culturally safe governing body reviews, to enable the participation of First Nations’ members, including respectful meeting protocols and relevant support mechanisms. More broadly, there are existing Indigenous rights and governance models and structures that can be drawn on or incorporated, to ensure that First Nations’ knowledge holders and Elders are actively involved in decision-making, and recognised as critical to university governance. These approaches build trust and improve outcomes for staff, students, and the community.

³ The interim report of the Accord notes: “Knowledge, understanding, education and scholarship produced by First Nations people, along with commitment to their success through education, employment, research and community partnership, needs to be at the heart of the Australian system of higher education.”

First Peoples communities, including Traditional Owners, Indigenous students and staff, are important stakeholders for universities. Engagement should be underpinned by transparent, culturally respectful processes and feedback loops. The development of formal processes for this engagement, which could include annual reporting to First Nations stakeholders, for example, can build support for and trust in engagement. Clear reporting against indicators for Indigenous governance outcomes can further build this trust, with outcomes such as Indigenous student/staff experience, research partnerships, and community engagement.

Stakeholder engagement, academic practices, and governance approaches should consider Indigenous data sovereignty. This involves universities ensuring that Indigenous communities control the data about their people, lands, and culture, particularly when conducting research. It also means that data collected by universities about Indigenous peoples should only be used in a manner that is aligned with Indigenous cultural values, ensuring privacy, and ethical and cultural considerations, are prioritised. There are significant risks attached to the poor management and oversight of these processes, including for the maintenance and building of university social licence. Linking to recognised frameworks such as the Maianayri Wingara Principles can strengthen authority and consistency.

Indigenous representation in university leadership and teaching contributes positively to lifting Indigenous student participation and outcomes. A respectful, safe and culturally supportive workplace is critical to that. Responsible approaches to workforce and remuneration should take into consideration Indigenous pay and promotion equity, and culturally inclusive employment practices.

Finally, fostering a culture of inclusion across all facets of campus life is critical to enabling improved First Nations representation and outcomes at universities across Australia. Doing so must include proactive attention to eliminating racism in all its forms. For too many First Nations peoples, racism is a frequent lived experience. Universities cannot assume they are immune to this. Ensuring governance processes are informed by cultural considerations will play an important role in helping to enable Indigenous students and staff to succeed in our universities, and supporting Indigenous inclusion and representation in university governance.

COVID-19 Impacts and Cost of living pressures

Universities and their communities are continuing to grapple with the after-effects of the pandemic and acute cost of living challenges. Both are impacting staff and student experiences and engagement. The shift to online learning through the pandemic has reshaped the way in which higher education is delivered, how students are engaging in their studies and the campus experience for students. Many universities are continuing to grapple with this challenge. Acute cost of living pressures, food insecurity, and access to affordable housing are resulting in many students having to hold down multiple jobs and/or undertake long commutes to campus. Both are impacting the ability and motivation to attend campus and increasing the value of flexible and online participation. As students contend with these and other challenges, the need for support services has grown. The lack of access to timely support, including counselling services, was identified in discussions and submissions as an important factor impacting student wellbeing, engagement, and outcomes.

Reflections on stakeholder engagement and feedback received

Australia has globally competitive public universities delivering quality education and research for both domestic and international students alike. Our public universities play a key role in our economy and society and everyone we met with is committed to the sector and the important role it plays.

It is clear from consultations that there are many people working in the sector who care deeply about the experience and wellbeing of the university community, and are concerned with maintaining the calibre of education and research. The Council heard examples of good governance, and of the challenges of navigating complex, rapidly evolving and growing regulatory requirements, against the backdrop of challenging operational and financial conditions. There is no doubt that governing public universities today is a complex and challenging task. While acknowledging this, it is also clear that misalignments have emerged between the way universities are being governed, and community and stakeholder expectations. These misalignments are particularly important in the context of priorities for the sector, including the focus on increasing the participation of traditionally under-represented groups.

Based on consultations, frank discussions, and engagement, it is clear there remains a critical need for a further demonstrable uplift in governance culture and practices across the public university sector to underpin improved performance, and to proactively respond to the concerns and expectations of key stakeholders. This view is confirmed by an observed lack of trust across the sector about the motivations, actions and behaviours of fellow members of the university's community, and of other key stakeholders, including government and ministers. Throughout consultations mistrust between senior management and staff, scepticism about the contribution of staff and student representatives in all aspects of university governance, deep concerns about confidentiality and conflicts, and limited attention to the perspectives of key stakeholders, including government and regulators, were communicated and heard.

Mistrust has been exacerbated in the broader community by traditional and social media commentary and reports querying the effectiveness of university governance. This includes reflections on the poor handling and communication of issues such as student safety, racism, campus protests, the levels of university executive salaries, and wage underpayments. Mistrust in turn, has strained relationships across the university community, and in some instances is further undermining open communication and engagement.

Unfortunately for the work of the Council, many of the submissions received from universities failed to engage proactively and genuinely in addressing areas of weakness and or in identifying scope for improvement in governance practices and outcomes. Instead, submissions and commentary focused on describing existing legislative and regulatory requirements and burdens, the challenge of engaging some stakeholders, and how their governance performance was both sufficient and appropriate. While recognising that many universities have and are continuing to address areas of concern, and made time to participate in the Council's consultations, the level of positive and proactive engagement in

the genuine work of the Council and how it might address some of the sector's governance challenges and improve trust and confidence, was not at the level hoped for.

Notwithstanding emerging examples of poor governance and culture (for example, the 2025 Nixon Report) universities tended to adopt a posture of confidence in their processes and systems, rather than contemplating 'what if' or 'how' issues might emerge or present at their university.

There was a persistent theme across many consultations pointing to a prioritisation and primacy of the views of management over other voices on the governing body, and of financial or operational objectives over broader purpose. Consistent with this were concerns and evidence of inadequate or immature risk management processes, with insufficient attention paid to non-financial risks, such as those attached to the broader purpose, reputation, and social licence of the university. The financial, academic, and broader purpose objectives of the university must work in concert, to deliver the balanced performance expected by stakeholders.

A culture of integrity, acting transparently, genuine inclusion, respect and engagement is critical to enabling a university's purpose. In contrast with this, the Council heard of many instances of exclusion and a lack of openness in governance processes and meetings, including through the operation of the governing body and notably in the context of the participation of representative members. Given concerns regarding confidentiality, it was not possible for the Council to confirm these reports on all fronts. The Council also heard that some governing bodies and/or senior management hold a presumption that staff and student representatives are not motivated by the interests of the university overall. This sentiment was observed in the Council's discussions with representatives from university leadership and management. What was particularly troubling, were reports that these presumed or perceived conflicts of interest have been used as the basis for exclusion from discussions, decision-making and the sharing of certain information.

Very broad interpretations of what constitutes a conflict of interest to exclude student and staff members from participation in discussions and to withhold information and papers in anticipation that they might breach confidences, are unhelpful and not conducive to a collaborative and trusting environment on governing bodies. If governing bodies of universities are seen to be unprepared to openly, proactively and effectively engage with genuine points of difference and conflict across members of its governing body, it is perhaps not surprising that there are concerns regarding the management of significant and high-profile conflicts on university campuses.

The overarching conclusion is that in addition to continuous improvement in processes and policies to reflect best practice in governance, a broader and more significant cultural shift is required, led by the Chancellor, Vice-Chancellor, and governing body, down through the entire university community. This includes the Chancellor and governing body accepting responsibility for, and being transparent about, all aspects of the university's governance and broader performance, notwithstanding the challenges and complexity of the environment in which they are operating.

Priorities for trust re-building for universities and university governance

It is clear from consultations that trust for public universities, how they are governed, how they are managed, and between key stakeholders within the university community, has eroded. The work of the Council in developing the Principles is focused on how improved governance can contribute to integrity, transparency, performance, confidence, and trust in universities and the sector broadly. While implementation of the Principles individually at a university level, and collectively as a sector, is important, the following themes – or priorities – provide an important summary of broader issues that are impacting trust. The Council encourages universities across the sector to lean into these priorities for improved trust and engagement.

Priority 1: Leadership and culture

The responsibility for integrity, transparency, improved performance and trust must start first with the governing body. Led by the Chancellor, the governing body and its members should model consistently the behaviours that support and enable respect, inclusion, transparency, openness, accountability and proactively demonstrate a genuine inquisitiveness around performance and improvement. The valuable role played by the governing body should be demonstrably supported by university management, including through timely, transparent, and open engagement and reporting. This ‘tone from the top’ culture is critical to shaping how the university community views and engages with the governing body, and ultimately its effectiveness.

It is important that through its tone and engagement, the governing body reflects the public purpose and responsibilities of the university, including its role in the broader education system, and the social licence of the sector.

Principle 5 addresses these issues directly. Additional detail is provided in the supporting commentary. The importance of culture, purpose, and the public good function of universities is also reflected in Principles 1, 2, 4, and 7.

Priority 2: Accountability

Communicating and demonstrating accountability for performance and outcomes is key to building and maintaining confidence and trust. Improved clarity of roles and responsibilities across the governing body, academic body, and executive management, and ensuring that these roles and responsibilities are understood, communicated and respected, is critical to strengthening accountability in practice. Reporting clearly on performance against strategic objectives and annual plans, and linking any variable remuneration to performance outcomes, are also important elements of transparency and accountability.

While recognising and respecting the boundaries of roles and responsibilities, strong tripartite university governance requires all arms of governance working well together. Respect for each other’s roles, perspectives, and insights, as well as information sharing and transparency around decision-making supports this.

Principle 1 addresses the accountabilities of the governing body and management. Principle 3 deals with Academic governance. Additional detail is provided in the commentary.

Priority 3: Inclusion and engagement

Diversity in the composition of the governing body, in terms of skills, experience, perspectives, gender, and culture, including First Nations peoples' representation, has an important bearing on performance and the quality of decision-making.

While composition of the governing body is important, it is not enough on its own. All members of the governing body need to be enabled to contribute effectively. An inclusive culture and proactive support are key to achieving this, particularly when prioritising the participation of traditionally under-represented groups in the governing body and at the university more broadly.

Enabling diverse voices to be heard on more contested or challenging issues is particularly important. This underscores the importance of ensuring that, even where a conflict of interest or intent may exist – perceived or real – exclusion from discussions or information is a last resort, and should be based on clear policies and processes, and open to challenge.

The responsibility that attaches to elected representatives, specifically staff and students, should be acknowledged. These representatives cannot and should not be expected to represent the views or perspectives of the entire staff or student body. This underscores the importance of regular and multiple channels of communication and engagement to feed into the university governing body, to ensure that the governing body understands well the perspectives of key stakeholders, especially staff, students and the university community. Informal engagement by governing body members in the activities of the university outside of formal meetings, and improved consultation mechanisms, provide for greater visibility of issues, a stronger engagement process, and appropriate responsiveness from the university.

Principle 6 addresses these issues directly, with additional detail provided in the supporting commentary.

Priority 4: Transparency

Sitting at the core of most of the key concerns regarding university governance is the issue of transparency, or more to the point, lack of transparency. Public universities are institutions in receipt of significant public funding, and with significant public purpose responsibilities. Consistent with this, there is a strong presumption of transparency and open disclosure regarding purpose, strategy, performance outcomes, and accountability, risk, and material issues that emerge (for example, regarding staff and student safety). This presumption applies at every stage of a governing body's decision-making process and requires early and ongoing communication with staff, students and the university community.

As the complexity of university operations continues to grow, as the reach and diversity of participation increases, and against the backdrop of increasing external risks and uncertainty, the importance of transparency only increases. Allowing stakeholders to better understand the issues being considered and deliberated on, not just after the decision has been or is

about to be made, enables better engagement and could positively support the quality and value of stakeholder engagement.

It is hard not to conclude that a lack of transparency and openness has played a key role in the observed erosion of trust within and towards universities. There is a clear expectation amongst key stakeholders, that universities can and should improve transparency, in all dimensions across all facets of their business and activities. Stakeholders expect universities to be transparent in a way that is accessible to them, not by making comment to the Annual Report or relying on Freedom of Information requests. Universities that embrace this stronger need for transparency, have an opportunity to use this greater transparency and improved communication to enable stakeholder understanding, build engagement, and support trust.

The overriding principle in all cases should be in favour of transparency, unless there are legitimate and justifiable reasons related to personal or material commerciality.

Reflecting the importance of greater transparency for the sector, each of the Principles identifies requirements relating to transparent disclosures and/or public reporting.

Priority 5: Remuneration

The Council understands that Australia's public universities are large and complex organisations and that remuneration of Vice-Chancellors needs to reflect that. Greater reference to public sector benchmarks, clear justification for any variable remuneration and strong and demonstrable links to performance outcomes, as well as greater transparency around remuneration frameworks and outcomes are all important to rebuilding trust on this issue. The UCC have suggested that the Commonwealth Remuneration Tribunal be tasked with providing advice on Vice-Chancellor salaries. Others have suggested public benchmarking to similar public and for purpose institutions, or that remuneration bands be established. There is desire and support for Vice-Chancellor salaries to be more closely aligned to or informed by external public sector benchmarks. Further work is needed to understand how these could be applied in practice and the best approach, considering the diversity of the sector.

Regardless of the benefit of aligning salaries with external benchmarks or seeking formal advice on the appropriateness of salaries, the governing body should retain accountability for and ownership of this important decision, and for transparently communicating how remuneration structures and outcomes reflect the public good characteristics, priorities and expectations of the university.

A related issue is the appropriateness of external roles and remuneration. The Council notes many Vice-Chancellors and other senior leadership play an important role in supporting 'for purpose' institutions in the community, for example through their participation on governing bodies and committees. The Council also notes the value that can be derived for university leadership and the university from some commercial roles, for example the experience provided by participation on company boards. Recognising the responsibilities and expectations of Vice-Chancellor roles, any external roles need to be demonstrably in the interest of the university and agreed with and approved by the governing body considering potential conflicts, the performance of the individual concerned and their ability to continue to

deliver against expectations. As a general rule, significant external roles and remuneration should be by exception.

Principle 8 and its supporting commentary address the issue of remuneration frameworks, reporting, and governing body responsibility.

Response to the Priority Areas from Education Ministers and Terms of Reference

Priority Areas of the Education Ministers

In establishing the Council, the Education Ministers Meeting identified 10 priority areas to be addressed (Appendix 2). The priorities, and the proposed responses are outlined below. Reference is made to the specific Principle(s) that address the priorities identified, noting that in each case, additional detail is contained in the supporting commentary to the Principles.

Priority 1: Achieve a balance between higher education and other expertise on the governing body, with at least one non-executive member who has university leadership expertise from outside the institution.

- This is addressed broadly in Principle 2 which focuses on the importance of relevant capabilities and diversity on the governing body of the university and more specifically in the supporting commentary. This is analogous to having relevant sector experience on a corporate board, which is a widely understood and endorsed approach.

Priority 2: Improve structures and processes to ensure that high risk and high priority matters reflect consultation and engagement with the university community and have appropriate oversight and reporting to and by the governing body;

- Effective risk management frameworks that extend across financial and non-financial risks, including a role for independent assurance processes is addressed in Principle 7. Genuine and effective stakeholder engagement is a critical feature of many aspects of good governance and is addressed in Principle 6.
- Noting sensitivities that may pertain to the identification of material issues, risks or complaints, the role for confidential, independent complaints channels is also addressed in Principle 6.

Priority 3: Reflect the diversity of the Australian community, and the specific characteristics of the university community they serve, in making appointments;

- Effective policies and processes to ensure a diverse and appropriately comprised governing body and to enable individuals and the governing body collectively to fulfill their obligations is dealt with in Principle 2.

Priority 4: Achieve gender balance on the governing body in line with jurisdictional and Australian Government targets;

- Effective policies and processes to ensure a diverse and appropriately comprised governing body is dealt with in Principle 2, noting that founding legislation at the jurisdictional level (state, territory or federal) overrides the Principles. Membership of the governing body in and of itself does not assure that diverse perspectives are heard or given due consideration. The leadership and culture of the governing body are important factors and are addressed in the supporting commentary.

Priority 5: Have First Nations membership on the governing body, and separate, transparent processes to capture First Nations leadership and engagement on university strategy, policies and performance;

- Effective policies and processes to ensure a diverse and appropriately comprised governing body is dealt with in Principle 2.
- The unique context to and contribution of First Nations representation is addressed in a separate section of this report (above).
- Membership of the governing body in and of itself does not assure that First Nations perspectives are heard or given due consideration. The leadership and culture of the governing body are important factors and are addressed in the supporting commentary.
- In addition, one representative cannot reflect or represent the diversity of perspectives of all First peoples or communities, underscoring the importance of effective stakeholder engagement processes as addressed in Principle 6 and the supporting commentary.

Priority 6: Have one or more student members of the governing body, and separate, transparent processes to capture student input on university strategy, policies and performance;

- Effective policies and processes to ensure a diverse and appropriately comprised governing body is dealt with in Principle 2.
- Membership of the governing body in and of itself does not assure that student perspectives are heard or given due consideration. The leadership and culture of the governing body, induction and governance training are important factors and are addressed in the Principles and supporting commentary. Note that important issues relating to the duties and responsibilities of governing body members and how they relate to representative members is an important issue dealt with in detail in the supporting commentary.
- Student representatives on the governing body cannot represent the diversity of perspectives of the entire student body, underscoring the importance of effective engagement processes to capture diverse student perspectives, including across the under-graduate, graduate and international student experience, as addressed in Principle 6 and the supporting commentary.

Priority 7: Have one or more staff members of the governing body, and separate, transparent processes to capture staff and union input on university strategy, policies and performance;

- Effective policies and processes to ensure a diverse and appropriately comprised governing body is dealt with in Principle 2.
- Membership of the governing body in and of itself does not assure that staff perspectives are heard or given due consideration. The leadership and culture of the governing body, induction and governance training are important factors and are addressed in the Principles and supporting commentary. Note that important issues relating to the duties and responsibilities of governing body members and how they relate to representative members is an important issue dealt with in detail in the supporting commentary.

- Staff representatives on the governing body cannot reflect the diversity of perspectives of the entire university workforce, underscoring the importance of effective engagement processes to capture diverse student perspectives, including across the under-graduate and graduate experience, as addressed in Principle 6 and the supporting commentary.

Priority 8: *Require all new appointments to go through a rigorous and transparent selection process that utilises a formal and regularly updated skills, capabilities, and diversity selection matrix that is in line with their jurisdiction's requirements and directed to the selection of the person best suited to the position;*

- Effective appointment policies and processes are addressed in Principle 2.

Priority 9: *Require all governing body members to have, or undertake, training on the specific responsibilities and expectations of their role as governing body members, and separately clarify the way the role of governing body members is described; and*

- The importance of induction to the governing body and ongoing development for governing body members as they pertain to their duties and responsibilities is addressed in Principle 2.

Priority 10: *Demonstrate and maintain a rigorous and transparent process for developing remuneration policies and settings for senior university staff, with consideration given to comparable scale and complexity public sector entities and ensure remuneration policies and packages are publicly reported.*

- Effective and transparent strategies and frameworks dealing with remuneration and the workforce are outlined in Principle 8. More detail relating to the context in which remuneration should be considered is dealt with in the supporting commentary.
- Recommendation 8 addresses remuneration benchmarking.

Terms of Reference

In addition to the EMM 10 priorities, the Terms of Reference (Appendix 1) informing the Council's work also noted that the Council will:

- assess the extent to which elements of the current voluntary code are fit for purpose and whether they should be incorporated into the new Principles and Recommendations,
- identify additional Principles and Recommendations that may be required to address the priority areas,
- identify best practice across the university sector that should be implemented more widely,
- take into account the unique role and public purpose of Australian universities and best practice public sector and corporate governance (for example, the ASX Corporate Governance Principles and Recommendations),
- engage with experts and stakeholders as needed, staff and students and make connections with related work including the workplace relations expert engaged to work with UA, NTEU and AHEIA on priority issues, and
- consider existing governance, policy and regulatory frameworks.

In undertaking its work, the Council considered the UCC's latest voluntary *Code of Governance Principles and Practice for Australia's Public Universities (December 2024)*. We identified areas in which the code could be strengthened and improved, and this is reflected in the proposed Principles, which are intended to replace the UCC voluntary code.

The Council also drew upon the ASX Corporate Governance Council Principles, noting the important differences and context of university governance (including expectations that attach to public funding).

Some examples of efforts by universities to strengthen their governance processes were provided and where appropriate, reflected in the Principles. Promulgation of best practice in support of continuous improvement should be encouraged and is addressed in the recommendations at the conclusion of this report.

Consideration has been given to existing regulatory frameworks and bodies, as reflected in the recommendations at the conclusion of this report.

Desired response to the principles and additional recommendations

The Council strongly endorses a principles-based approach to enabling continuous improvement in the governance of public universities considering the diversity of the sector, the priorities for the sector as articulated in the Accord Final Report, the existing regulatory backdrop, and the rapidly evolving external context in which universities continue to operate.

The challenge is that in an environment of mistrust, some may question the efficacy of this ‘self-determination’ approach. To respond to this, first and foremost, universities are encouraged to proactively and transparently adopt the Principles. This includes demonstrably addressing the issues identified and strengthening policies and processes as outlined in the Principles, communicating clear gaps, and how these are to be addressed and over what timeframe, and whether and why different approaches are preferred, backed with clear reasoning. Transparency at every stage and reporting, coupled with open and positive stakeholder engagement should accelerate support for and confidence in the Principles and contribute positively to university governance.

While universities should be given time to develop and strengthen their approach to governance, failure to adequately adopt and report against the Principles must have consequences. To be effective, these consequences should be credible, meaningful, and escalating in significance.

Recommendation 1: The Principles are implemented through annual reporting monitored by TEQSA.

To support the impact of the Principles in practice, the Council proposes:

- a. Mandatory annual public reporting against the Principles on an ‘if not why not’ basis.
- b. That TEQSA be tasked with evaluating performance against the Principles, taking as context this report, its key messages and supporting commentary.
- c. That TEQSA be tasked with developing additional guidance to aid in the adoption and implementation of the Principles and reporting against them.
- d. That TEQSA report on universities’ performance against the Principles.
- e. Where performance against the Principles is deemed to have fallen short, TEQSA should seek a response from the university and provide guidance on issues to be addressed. Universities will be expected to have adequately addressed issues identified by TEQSA in their reporting the following year.
- f. Failure to address issues identified by TEQSA should result in an escalation of consequences.
- g. That further work is required to determine how best to give regulatory/legislative effect to this approach, TEQSA’s role and an appropriate escalation in consequences in instances where reporting and action against the Principles is found by TEQSA to be inadequate.
- h. TEQSA’s role in implementing the Principles and the scope for appropriately calibrated consequences in response to inadequate implementation of the Principles be considered in the context of the current review of TEQSA’s powers.

Recommendation 2: TEQSA is appropriately resourced for monitoring and evaluation of the Principles.

The Council considers that the Principles compliment and provide additional substance to TEQSA's existing accreditation processes and therefore that this recommended approach provides the best path to limiting any duplication in effort. Assessing performance against the Principles does present new and additional work for the agency that needs to be acknowledged and resourced. The Council therefore recommends that:

- a. TEQSA be appropriately and adequately resourced for this additional work.
- b. Consideration be given to appointing a small (paid) advisory panel with governance expertise to assist TEQSA in its work assessing performance against the Principles.

Recommendation 3: Education Ministers communicate expectations and consider reviewing their legislation and alignment with the Principles as applicable.

Noting the primacy of founding State and Territory legislative requirements for university governance, the Council recommends that:

- Education Ministers communicate clearly their expectations regarding adoption of the Principles.
- Education Ministers consider reviewing their legislation and regulations against the Principles and consider legislative reform to align with the Principles where that will reduce regulatory duplication and complexity and enhance adoption of the Principles. The size of many governing bodies, as dictated by legislation, has been identified as a challenge to best practice.
- Education Ministers consider mandating staff and student elected representatives on university governing bodies where it is not already legislated.

Recommendation 4: The Expert Council on University Governance be tasked with ongoing review and assessment of the Principles.

It will be important to monitor and evaluate the effectiveness and impact of the Principles and to ensure they remain relevant and up to date. It is recommended that:

- The Council be tasked with the ongoing review and assessment of the aggregate effectiveness of the Principles and with undertaking a formal review of the Principles every 4 years, or earlier at the request of the Federal Education Minister.

Recommendation 5: That Education Ministers consult on appointments to university governing bodies

To ensure that university governing bodies have the desired and necessary diversity, skills and experience, the Council recommends that:

- The Federal Education Minister seek the agreement of State and Territory Education Ministers to consider the skill matrix of the university governing body and consult with the Chancellor to guide Ministerial appointments to the governing body.

- Chancellors regularly meet with their Education Minister to keep them apprised of governing body membership (including early visibility of upcoming vacancies and the types of skills needed by the current governing body), risks, and areas of note.

Recommendation 6: That the sector evolves and promotes best practice in university governance

Noting the importance of promulgating best practice, the Council recommends that:

- Universities Australia consider and advance the positive role it can play in promoting information sharing on governance best practice including, for instance, showcasing examples of best or improved practice, such as those that were shared with the Council. Improved transparency should be an area of first focus.

Recommendation 7: Examine existing support for student and staff elected representatives on governing bodies and their capacity for consultation with the student body

The challenge of student and staff representatives in consulting broadly with their diverse constituents' points to the value in:

- Examining the adequacy of current supports for student and staff representative bodies to enable them to consult with the wider student and staff bodies and develop positions on issues important to them.

Recommendation 8: Education Ministers may give further consideration to remuneration benchmarking

Principle 8.2 provides a clear framework for strengthening the determination and transparency of remuneration outcomes. However, there may be benefit in more clearly and formally linking remuneration outcomes to external public sector benchmarks. Should Education Ministers wish to pursue this approach, the Council recommends that:

- The Education Department work with the UCC to agree a preferred approach and requirements for implementation.

Part 2: Final Principles of the Expert Council on University Governance

Endorsed by the Expert Council on University Governance | August 2025

Introduction to the Principles

These Governance Principles for public universities provide a framework for strengthening and continuously improving governance at Australia's public universities. The Principles set out the practices essential to good university governance and performance, for the benefit of universities and their diverse stakeholders now and into the future. While the Principles provide a framework of recommended governance practices for Australia's public universities, they do not mandate a 'one size fits all' approach.

Australia's universities are diverse, and each has its own unique circumstances and context. The ability of universities to take different approaches and learn from each other also underpins continuous improvement. Each university's governing body is best placed to determine and 'own' how the Principles should be applied to their university, having regard to its strategic priorities, circumstances and context. Any departures from the Principles will require the governing body to explain clearly and convincingly the circumstances and reasons behind that decision and how the university will seek to achieve the desired outcomes of the Principles.

This 'if not, why not' approach seeks to recognise the unique circumstances of each university, while ensuring appropriate information about the university's governance choices and commitments is readily available.

Reflecting the diversity of the public university sector, including in terms of governance maturity, the Principles are high level. Their success in lifting governance performance will depend critically on the intent and curiosity with which universities consider and apply them and similarly, and how proactive stakeholders are in using the Principles to shape their expectations and engagement with universities and the sector broadly.

Public universities are statutory bodies, established by State, Territory or Commonwealth law. Governance and accountability requirements are imposed under those laws and other laws of the States, the Territories and the Commonwealth which are of general application.

All universities are subject to an accreditation-based regulation by the Tertiary Education Quality Standards Authority (TEQSA) and are required to comply with Higher Education Standards Framework (Threshold Standards) 2021 (Threshold Standards) which embrace a number of topics, including, in Domain 6 of the Threshold Standards.

Corporate governance is defined by TEQSA as: *"the framework of structures, rules, relationships, systems and processes of an entity through which:*

- *corporate directions and targets are set,*
- *authority is delegated,*
- *organisational performance is monitored,*
- *risks are identified, managed and controlled,*
- *organisational accountability is maintained,*
- *corporate culture is developed and influenced."*⁴

⁴ TEQSA Guidance Note: Corporate Governance, Version 2.4 (26 August 2019) at page 1

TEQSA also defines academic governance in the following terms:

“Academic governance is concerned with the integrity and quality of the core higher education activities of teaching, student learning, research (including research training) and scholarship. It refers to the framework that regulates a provider’s academic decisions and quality assurance, incorporating policies, processes, definition of roles, relationships, specifications of delegations, systems, strategies and resources that ensure academic quality and continuous improvement.”⁵

The concept of independence is important in governance. For the purpose of the Principles, the following definition is adopted:

A member of the governing body is independent if they are free from any relationship or circumstances that could reasonably be seen to interfere with their ability to make impartial decisions in the best interests of the university. Independent members do not hold and have not recently held (for example in the last three years) management positions within the university, or have or have recently held material business or personal relationships that could be seen to interfere with their impartiality. Nor have they served on the governing body for so long that their ability to bring independent judgement to the governing body’s decision is compromised or could reasonably be seen to be compromised.

The Principles are intended to replace the UCC Voluntary Code and work with existing regulatory and legal frameworks and requirements.

The Principles reflect the substance of the deliberations of the Council on University Governance. If they are to be mandatory and administered by a regulator, then closer attention will be required in drafting requirements including to take into account existing legislation and regulation that applies.

⁵ TEQSA Guidance Note: Academic Governance, Version 3.1 (30 November 2023) at page 1

Principle 1 – *Accountability*: Governance structures and accountabilities are well-defined, effective and transparent

The governing body actively oversees the university's strategy, performance, risk management, culture and compliance consistent with its purpose and in the public interest, acting in the best interests of the university. The distinct roles and responsibilities of the governing body, academic body and senior management are clearly delineated, understood and respected.

1.1 – Governing Body

The governing body should:

- a. have a charter that clearly sets out:
 - i. the respective roles and responsibilities of the governing body, the academic body and senior management, including the governing body's responsibility for the university's purpose, strategy and long-term financial sustainability,
 - ii. the matters reserved to the governing body and those it has delegated to committees and the Vice-Chancellor,
 - iii. how the governing body, senior management and the academic body are to work effectively together to optimise performance with strong accountability,
- b. have an effective, transparent process for appointing the Vice-Chancellor,
- c. provide for adequate resources and processes to discharge its oversight responsibilities, appoint a university secretary that is accountable to it, through the Chancellor, on all matters to do with the proper functioning of the governing body, and
- d. disclose the governing body's charter and membership, the number of meetings it held annually and the attendance by members of the governing body.

1.2 – Governing Body Committees

The governing body should:

- a. have the committees it needs to effectively perform its role and discharge its responsibilities, and ensure that each committee:
 - i. has the expertise and independence it needs to perform effectively,
 - ii. is chaired by an independent member of the governing body,
 - iii. has at least two independent members of the governing body and at least three members in total with appropriate skills, appointed by the governing body,
 - iv. has a charter,
 - v. has effective, appropriately resourced and skilled secretariat support,
 - vi. works effectively with the governing body and with senior management, and
- b. disclose each committee's charter and membership, the number of meetings held annually and the attendance by members of the committee.

1.3 – Chancellor

The Chancellor of the university should:

- a. be appointed through an effective, transparent process,
- b. be a person of high integrity who is independent of senior management and of interests that could conflict with the interests of the university,
- c. have appropriate skills and experience to chair the governing body, contribute to its performance and steward a culture that is consistent with the university's purpose and values, and
- d. be accountable to the governing body.

1.4 – Vice-Chancellor, Senior Managers and Controlled Entities

The governing body should:

- a. expect the Vice-Chancellor and senior managers⁶ to understand and respect the oversight role of the governing body and engage with the governing body in an open and constructive manner,
- b. undertake appropriate checks before appointing a Vice-Chancellor or senior manager,
- c. clearly document delegations of decision-making power to the Vice-Chancellor, senior managers and others,
- d. hold the Vice Chancellor accountable:
 - i. through the provision by the governing body of clear and transparent expectations of what is required of the Vice-Chancellor, including on financial, academic, workforce and operational performance, with the Vice-Chancellor reporting back, at least annually, to the governing body demonstrating the Vice-Chancellor's performance against each of those expectations, and
 - ii. for ensuring that each senior manager is accountable through the provision of the Vice-Chancellor to them of clear and transparent expectations of what is required of them in the performance of their respective roles, with each senior manager reporting back, at least annually, to the Vice-Chancellor demonstrating the senior manager's performance against each of those expectations, and
- e. have and disclose a process for periodically evaluating the performance of the Vice-Chancellor and each senior manager, and
- f. require that any controlled entities of the university, including in other countries, have the governance structures, accountabilities, resourcing and capabilities needed to operate in alignment with the university's purpose, objectives and risk appetite.

⁶ In these Principles 'senior managers' means the senior executives of the university whose roles involve significant strategic or operational responsibility and are not covered by enterprise agreements. It typically includes direct reports to the Vice-Chancellor with executive-level leadership responsibilities. 'Senior management' means the Vice-Chancellor and the senior managers.

Principle 2 – *Diversity of perspectives*: Composition of the governing body enables purpose and performance

The governing body collectively has the skills, knowledge, capabilities, independence of mind and diversity of perspectives to perform its role and discharge its responsibilities consistent with the university's purpose and in the public interest. The governing body is inclusive and seek continuous improvement.

2.1 – Capabilities, Diversity, Renewal and Succession

The governing body should:

- a. agree and document the capabilities and perspectives it needs to perform its role effectively, including the collective skills, knowledge, and experience of its members,
- b. have an effective skills matrix that:
 - i. reflects a clear, shared understanding of the specific skills, knowledge, experience and perspectives it needs to perform its role and discharge its responsibilities,
 - ii. reflects the governing body's need for independent members with relevant experience working in the higher education sector,
 - iii. includes detailed skills and objective criteria for assessing the skills of individual governing body members, and
 - iv. is reviewed and updated at least annually,
- c. appropriately disclose its skills matrix,
- d. have a renewal and succession plan for members of the governing body, that reflects the skills matrix,
- e. have and disclose a transparent, rigorous, and merit-based processes by which its members, other than elected members, are appointed,
- f. make the skills matrix available to those responsible for appointing or nominating members to the governing body,
- g. recognise the value of diverse perspectives and respect the differing views of its members, including elected members, and
- h. disclose the term for which each of its members is serving on the governing body.

2.2 – Appointments

The governing body should:

- a. have a committee that supports appointments and changes to the governing body's membership, having regard to an agreed skills matrix.

2.3 – Induction and Development

The governing body should:

- a. ensure each member receives a comprehensive induction that meets their needs, taking into account their experience and knowledge (noting that all governing body members need an induction to perform effectively), and covers:
 - i. the operations of the university, its purpose, strategy, performance, objectives and key issues, including the work of the academic body,
 - ii. the university's governance, structure, accountabilities and workforce,
 - iii. the responsibilities and expectations of governing body members, particularly for those without governing body experience, and
- b. have an ongoing development program for all members of the governing body to ensure their knowledge of relevant topics is sufficient and up to date and monitor the development of skills and knowledge.

2.4 – Individual Members

The governing body should:

- a. provide each new member of the governing body with a document setting out their role and responsibilities, the Code of Conduct and the policy on conflicts of interest, and seek from each member an acknowledgement that they have read the document, and
- b. have a written policy on conflicts of interest that:
 - i. clearly identifies potential conflicts of interest or duty,
 - ii. explains how conflicts are to be managed,
 - iii. explains how decisions about conflicts and their management can be challenged, and
 - iv. is not inconsistent with legal requirements.

2.5 – Governing Body's Performance

The governing body should:

- a. seek to continuously improve its performance and that of its committees, through regular reflection, feedback and evaluation,
- b. foster dynamics grounded in mutual respect and confidence, with open, constructive discussions focused on the success of the university, with psychological safety and respectful challenge,
- c. ensure all members are treated fairly and with respect,
- d. schedule its meetings and the timely distribution of materials for consideration to enable all members to contribute effectively,
- e. have an externally facilitated review of the performance of the governing body, its committees and the Chancellor at least every three years, extending to such other areas as are determined by the governing body, including individual member performance,

- f. in intervening years, have an annual internal review of the performance of the governing body, its committees and the Chancellor,
- g. have a process for suspending or removing a member (including a Chancellor) who has lost the confidence of the governing body,
- h. disclose its process for reviewing the performance of the governing body, its committees and individual members, and
- i. annually disclose whether a review has been undertaken and, if so, the scope of that review.

Principle 3 – *Independence*: Academic standards and freedom are respected and protected

Educational and research standards are upheld and the ability of faculty and students to pursue knowledge, conduct research and express ideas without undue pressure from external political or commercial pressures is ensured.

3.1 – Academic Governance

The university should:

- a. establish an academic body to support and advise the governing body on matters of academic governance,
- b. provide for the chair of the academic body to be elected by that body or by academic staff or appointed on the basis of relevant skills and experience, independently of senior management, and
- c. provide for the chair of the academic body to hold office ex officio as a member of the governing body, with the same fiduciary duties as other members.

3.2 – Academic Body

The academic body should:

- a. have a charter that clearly sets out:
 - i. the role and responsibilities of the academic body,
 - ii. the matters within its remit and over which it has decision making power, subject to the oversight of the governing body,
 - iii. how its members are elected, selected and appointed to ensure it has the academic expertise and skills, and independence from senior management to discharge its responsibilities,
 - iv. how the academic body, governing body and senior management are to work effectively together to optimise the university's accountability and performance,
- b. work effectively with the governing body and its committees to ensure academic risk is effectively managed,
- c. have effective, appropriately resourced and skilled secretariat support,
- d. regularly report its activities to the governing body, including on academic quality, research and certification of awards, and
- e. disclose the academic body's charter and membership, and the number of meetings it held annually.

Principle 4 – *Transparency*: Purpose, strategy and performance are clear and openly communicated

The university's purpose, strategic and short-term objectives are explicit and aligned. Governance of, and performance against, the university's purpose and objectives are transparent to stakeholders.

4.1 – Purpose, Strategy and Objectives

The governing body should:

- a. require the university's purpose is documented and clearly communicated internally and externally,
- b. have appropriate regard to the university's purpose in all decision-making,
- c. work with senior management to develop a strategic plan that furthers the purpose with clear objectives and performance measures, and
- d. agree annual objectives for the Vice-Chancellor that reflect the purpose and strategic objectives of the university.

4.2 – Performance and Transparency

The governing body should:

- a. subject to the need for decisions of the governing body to be kept confidential for legal or commercial reasons, take a transparent approach to decision-making and communicate decisions on material matters to affected stakeholders with the reasons why those decisions were made,
- b. monitor performance against the strategic and annual objectives, ensuring sufficient attention is directed to strategic issues, risks and priorities,
- c. annually evaluate the performance of the Vice-Chancellor against the agreed objectives, and
- d. annually report publicly the university's objectives and performance against them, other than matters that are commercially or strategically sensitive and must remain confidential.

Principle 5 – *Trustworthy*: The university operates lawfully, ethically, responsibly, and consistent with its public purpose

The university instils and consistently reinforces a culture of acting lawfully, ethically and responsibly, and consistent with its values and purpose.

5.1 – Tone from the Top

Led by the Chancellor, members of the governing body should:

- a. be exemplars of a positive culture and act consistently with the university's purpose and values in their interactions with staff, students and other stakeholders and their conduct generally,
- b. with the knowledge of the Vice-Chancellor, meet informally with staff members, ask about the culture, and encourage them to make known concerns they may have about conduct or systems which are inconsistent with the objectives of a positive university culture, and
- c. give constructive feedback to other members of the governing body and senior managers if, by their conduct, they are exemplars of the positive culture of the university or not, and senior managers should give feedback to staff.

5.2 – Oversight of Culture

The governing body is accountable for the university's culture and should:

- a. have a Code of Conduct for its members and staff with clear expectations and consequences,
- b. ensure the desired culture, values and expected behaviours are clearly articulated, through the Code of Conduct, policies and other documents, and communicated effectively throughout the university,
- c. ensure there is a plan to foster the desired culture and monitor implementation of the plan,
- d. have a committee that supports its accountability for and oversight of culture, workforce matters and remuneration, and
- e. proactively monitor culture throughout the university and ensure there is an appropriate and timely response to inappropriate conduct, and that actions taken in response to any systemic cultural failings are reported publicly, respecting the privacy of individuals.

Principle 6 – *Inclusive + Responsive*: Expectations of the university's community and stakeholders are understood, respected and responded to

The university actively seeks to understand the legitimate needs and expectations of key stakeholders through structured and ongoing engagement that demonstrates respect and responsiveness to those needs and expectations.

6.1 – Stakeholder Expectations and Engagement

The governing body should:

- a. require that the university has effective, formal mechanisms for communicating, engaging with, and listening to students, staff, unions, Government, First Nations people, regulators, community and other key stakeholders,
- b. disclose the university's mechanisms for engaging with key stakeholders and its systems for stakeholders to raise issues, make complaints and provide feedback,
- c. disclose the university's performance in relation to meeting the needs and expectations of students, staff and other key stakeholders,
- d. require that there are effective, confidential, and transparent processes to regularly capture student input on the university's strategy, policies, performance, culture, student experience, wellbeing and safety, and
- e. require that there are effective, confidential, and transparent processes to regularly capture staff input on the university's strategy, policies, performance, culture, staff experience, wellbeing and safety.

6.2 – Creating a Safe and Inclusive Environment for Staff, Students, and the University Community

The governing body should:

- a. require the university to provide a safe and inclusive environment for staff and students, including through having appropriate policies, systems and accountabilities.

6.3 – Complaints, Feedback, and Input from Students, Staff, and Stakeholders

The governing body should:

- a. require that there are effective, confidential, and transparent processes to regularly capture student input on the university's strategy, policies, performance, culture, student experience, wellbeing and safety,
- b. require that there are effective, confidential, and transparent processes to regularly capture staff input on the university's strategy, policies, performance, culture, staff experience, wellbeing and safety,

- c. require that there are effective external systems for students, staff and others to confidentially raise concerns and complaints and to provide appropriate feedback, with whistleblower complaints referred to appropriate people, and
- d. monitor complaints and feedback, including trends and themes, and require that appropriate and timely action is taken in response.

Principle 7 – *Sustainable*: Risks are understood and managed effectively

The governing body proactively and effectively oversees risks to the achievement of the university's purpose and objectives, consistent with the university's strategy and risk appetite.

7.1 – Risk Management and Compliance

The governing body is accountable for the university's risk management and compliance and should:

- a. ensure there is an effective risk management framework with clear accountabilities, and a clear risk appetite statement that addresses financial and non-financial risks,
- b. ensure there are policies for important risks to be appropriately managed and regulatory obligations to be met,
- c. monitor risks, including social licence-sensitive, financial, operational and compliance risks, and how well they are managed in line with the risk management framework and risk appetite statement, with material failures reported promptly and appropriately remediated,
- d. ensure that the risk management framework, policies and controls are periodically reviewed and that conformance with them is tested and reported,
- e. promote a risk culture that supports the proactive identification and management of risk, compliance and accountability, and the university's ability to operate consistently within its risk appetite,
- f. have a committee that supports its accountability for and oversight of risk management and compliance, and
- g. disclose the risk management framework and material financial and non-financial risks.

7.2 – Assurance

The governing body should:

- a. oversee, with support from the relevant committee, the internal audit function or alternative processes in place for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes,
- b. require that staff with concerns about audit, risk or compliance matters can escalate their concerns directly to the relevant committee or governing body member if other processes have been exhausted,
- c. require that the adequacy of the risk management framework, policies and controls, and conformance with them, are periodically tested by the internal audit function, with the results reported to the relevant committee, and
- d. monitor the work of the internal audit function, or alternative processes in place, and ensure that appropriate, timely action is taken in response to unacceptable risks or control weaknesses.

Principle 8 – *Responsible*: Workforce and remuneration are structured fairly and responsibly

The governing body ensures all staff are properly remunerated, that senior management remuneration is aligned with public expectations and sector benchmarks, and that the university has a clear and sustainable workforce strategy.

8.1 – Workforce Strategy

The governing body is accountable for the university's workforce strategy and should:

- a. oversee the university's workforce strategy and design that provide for fair and sustainable employment, and
- b. monitor implementation of the strategy and design.

8.2 – Remuneration

The governing body is accountable for the university's remuneration strategy and should:

- a. establish an appropriate remuneration framework that reflects:
 - i. ethical considerations, including public trust, reputational risk and the university's social context and purpose as a publicly funded institution,
 - ii. the university's size, complexity and leadership responsibility,
 - iii. the university's financial sustainability and funding model,
 - iv. benchmarking against other relevant public sector, for-purpose entities and private sector entities,
 - v. structured job evaluation methodologies for senior management roles to independently assess role complexity and contribution in a consistent and evidence-based way,
 - vi. alignment with performance against pre-agreed, measurable outcomes aligned with the university's strategy,
- b. monitor implementation of the remuneration framework,
- c. require that there are effective systems for staff to be paid in accordance with legal requirements,
- d. disclose the remuneration framework,
- e. ensure any variable remuneration or incentive payments are linked to clear performance metrics,
- f. annually disclose the remuneration of the Vice-Chancellor and senior managers, including a breakdown of their fixed remuneration, any variable remuneration and incentive payments, and other benefits, and
- g. annually disclose whether the Vice-Chancellor or senior managers received material remuneration from a party other than the university.

Part 3: Supporting Commentary to the Principles

Authored by Melinda Cilento, Sharan Burrow, Bruce Cowley | Government-nominated representatives on the Expert Council on University Governance

August 2025.

Foundations of University Governance: Supporting Commentary to the Principles

The following commentary provides context to understand and assist in interpreting and applying the Principles. While this commentary does not form part of the Principles the commentary provides important clarification on how the Principles can and should be applied in practice.

Principle 1 – *Accountability*: Governance structures and accountabilities are well-defined, effective and transparent

The university's governing body, its committees and senior management should all have clear and distinct accountabilities and work effectively together to optimise the university's performance. This is of particular importance given the unique tripartite governance characteristics of universities. The academic governing body and senior management should understand well their responsibilities and decision-making authority. There should be a culture of accountability, performance evaluation and continuous improvement.

The governing body is ultimately accountable for the university's performance, including the extent to which it meets the expectations of key stakeholders such as staff and students, and the broader contribution it makes to society. For the university to meet expectations and maximise its societal impact, it is essential that its governing body works effectively with senior management and the academic governing body.

Committees

The governing body should establish committees to assist it in areas that require more detailed focus and oversight or specific expertise. Committees should support the work of the governing body and be accountable to it, noting that the governing body is ultimately accountable for the work of its committees and the governance and performance of the university as a whole.

The committee chair should be a member of the governing body and have clear accountabilities for the performance of the committee and how it supports the work of the governing body. The chair and members of committees should have the skills and capabilities required for the committee to perform its responsibilities to a high level. External members who are not on the governing body but who bring expertise that is essential and not otherwise available may be valuable additions to committees. This may be considered where the governing body lacks core skills, noting that there are challenges for external members who may lack a deeper understanding of the university and its current operations and risks. The status of external non-governing body members as voting, or non-voting members needs to be clear.

The governing body and each of its committees should have appropriate secretariat support, ensuring they work together efficiently and effectively and are provided with the information they require.

Chancellor

The Chancellor should be elected by members of the governing body and be the person who is best equipped to chair the governing body and help it perform its role effectively.

The Chancellor should be independent of conflicts that could interfere or be perceived to interfere with the conduct, performance and decisions of the governing body.

There should be regular processes for evaluating the performance of the Chancellor by the governing body and clear processes to address under-performance, including the removal of the Chancellor.

Senior Management

The Vice-Chancellor is accountable to the governing body for the university's performance and exercising the authority delegated to them in implementing the strategy approved by the governing body.

There should be a statement of accountabilities that clearly sets out the activities and outcomes that each of the Vice-Chancellor, individual senior managers and the teams they lead are accountable for. It should clearly specify the boundaries of accountability between individuals and teams, including in relation to risk management.

Accountabilities

The accountabilities of the governing body, its committees and management should be clear and distinct, with no overlap. Each committee's role and responsibilities should be clearly documented in a charter that is disclosed, and it should have the authority, information and support it needs to function effectively. Performance against the roles and responsibilities should be reviewed regularly. Each charter should reflect the purpose, objectives and values of the university and demonstrate a responsiveness to the needs of its key stakeholders. Charters should be regularly reviewed to ensure they remain fit for their intended purpose.

The governing body's charter should clearly specify the responsibilities and decisions it reserves for itself and those it delegates to committees and to the Vice-Chancellor. It is important that the respective accountabilities of the governing body and the Vice-Chancellor are clear and distinct. The accountabilities of individual senior executives should also be clearly documented.

The responsibilities and expectations of individual members of the governing body, including the Chancellor and committee chairs, should be clearly documented. It is good practice for this to include appropriate behavioural expectations, such as those demonstrated by high performing directors and high performing chairs.

Principle 2 – Diversity of perspectives: Composition of the governing body enables purpose and performance

For the university to achieve its purpose and its central function of pursuing and transferring knowledge through research, teaching and scholarship, its governing body must be able to

perform its role effectively. This requires the governing body to have an appropriate composition, including the number of its members, their skills, capabilities and diversity of perspectives.

Size

It is widely acknowledged that the size of most university governing bodies is larger than typically associated with good governance. This is something that should be reflected on over time with priority placed now on improving the performance and effectiveness of the governing body consistent with current legislation. Over time, the size of governing bodies, particularly the largest, should be reviewed and consideration given to how this is impacting effective decision making and accountability.

Renewal and Succession Plan

The governing body should plan strategically for renewal of its membership and for succession of key roles such as the Chancellor and chairs of its committees. The plan should consider the skills matrix and when current members of the governing body are required or likely to leave. As members with particular skills or in a key role leave the governing body, others should be in place who have the skills that would otherwise be lost and who can perform that role effectively. Transition from one member of the governing body to another should be as seamless as possible.

The term for which members are appointed to the governing body or to perform a key role (such as the Chancellor or a committee chair) should be clear, finite, and disclosed publicly. By way of guidance, a term limit of ten to 12 years' service on the governing body would be appropriate, noting that it might be desirable on rare occasions for a member to remain longer while succession issues are managed.

Appointments and Skills Matrix

The mechanisms by which members of the governing body are appointed are set out in the university's governing legislation or constituent documents and differ for each university. Typically, some members are appointed by the relevant Minister, some by the governing body and others are elected by staff, students or alumni. Irrespective of how they come to serve on the governing body, all members should act in the best interests of the university as a whole and not on behalf of any particular stakeholder group.

To help those who appoint or elect its members, the governing body should provide information about the skills, capabilities, perspectives and diversity required. Those who appoint or elect members of the governing body are encouraged to take this information into account.

The processes by which members of the governing body are selected and appointed should be rigorous, effective and disclosed publicly. Candidates with skills that are needed, for instance higher education or subject matter expertise, or who will perform a key role should be identified well before they are due to join the governing body, to allow sufficient time to evaluate the candidates and determine who will make the strongest contribution to the governing body's performance. This evaluation should be performed by an independent

Nomination Committee (see below) that makes recommendations to those who appoint or elect members of the governing body.

Skills assessments should be as objective as possible, with clear criteria for the different levels of skill, and the Chancellor should moderate any self-assessment to ensure consistency and appropriate relativities.

Any skills gaps identified can be addressed in the most appropriate way, such as through appointments, expert advice, or upskilling of existing members. The skills matrix should also underpin renewal and succession planning for the governing body.

The Chancellor should seek to engage early and regularly with the Minister who appoints members of the governing body about the skills and capabilities that are most needed, and any candidates that have been identified with those skills and capabilities. Education Ministers are encouraged to consider the skill matrix of the university governing body and consult with the Chancellor to guide Ministerial appointments to the governing body.

Individual members of the governing body should all demonstrate a strong commitment to the university, its purpose and performance, and the performance of the governing body as a collective.

Nomination Committee

The governing body should establish a committee with appropriate expertise and independence to support changes in the governing body's composition. The committee should be chaired by a member of the governing body and have other members independent of the governing body with expertise in appointing members of governing bodies and in the university sector. All members should be appointed by the governing body and the committee should be accountable to the governing body.

Its responsibilities should include:

- considering the governing body's skills matrix, renewal and succession plan and the skills, capabilities and diversity needed by the governing body to perform its role effectively, and
- evaluating candidates for appointment to the governing body and, if requested, making a recommendation to those who appoint or elect them about the extent to which they will contribute to the governing body's effectiveness.

Induction and Development

When a new member is appointed to the governing body, they will require a comprehensive induction to assist them to perform effectively as rapidly as possible. The induction should be tailored to the needs of the individual member. This is particularly important for members with little or no experience serving on comparable governing bodies, such as members elected by students or staff for the first time.

All members of the governing body should undertake ongoing development to ensure their knowledge and understanding of relevant matters such as their responsibilities, relevant developments in higher education, changes in governance expectations and regulatory requirements and so on, are sufficient and up to date.

Timely induction and training are required to enable members to participate effectively, particularly in circumstances where tenures are short, as is the case for most student members.

Diversity

Governing bodies benefit from having a diversity of perspectives that are brought to bear in their deliberations. This includes matters such as cognitive, experiential and personality diversity as well as more traditional demographics such as gender, age and cultural background.

The power of diversity is to have a range of different views applied to solving complex problems, rather than to look at the problem from just one perspective. Greater diversity also guards against 'groupthink'. Understanding the different thinking styles and preferences of other members can also help a governing body to foster effective relationships and healthy dynamics.

It is critical that the governing body understands the needs and expectations of students, staff, the university community and other key stakeholders when making decisions that affect them.

Inclusion

Diversity in the composition of the governing body is important but not, on its own, enough. A genuinely inclusive culture enabled both formally, by processes and policies, and informally by the actions and behaviours of all members, is necessary to achieve the benefits of diverse perspectives.

Member duties and conflicts

It is important that the duties, responsibilities and expectations of all members are documented and clearly understood. Importantly all members of the governing body must always act in the best interest of the university and maintain confidentiality of information and discussions of the governing body. Consequences for failure to meet these responsibilities should be clearly stated and enforced.

The governing body should have a policy on conflicts of interest that is not inconsistent with legislative requirements and is appropriately applied so that actual and perceived conflicts of interest are well managed. There should be a presumption that all members of the governing body will attend and participate in all items of business.

Conflicts of interest declared by members of the governing body should be transparent to all members. Where conflicts exist, they should be clearly understood and documented and proactively managed. Where a member who has a conflict is to be excluded from attendance at a meeting and has views which are likely to be useful to the governing body, steps should be taken to ensure that those views are heard. Exclusion should only be based on a specific, material and direct conflict of interest. There should be opportunity to challenge exclusion based on a conflict of interest.

The approach to conflicts of interest should not be used as a basis for excluding elected or representative members of the governing body from participating in discussions that relate to

the constituents they represent, or which have a particular sensitivity. Discussions should proceed on the basis that confidentiality must and will be maintained in accordance with a member's duties and obligations to the governing body and the university. Breaches of confidentiality should be dealt with in accordance with established policies and protocols. Representative members should be encouraged and supported to participate in all aspects of governance including the committees of the governing body.

Staff and students elected to the governing body should be able to identify issues on which they wish to consult with their constituents and agree approaches with the Chancellor or committee Chair that will enable this to occur without breaching confidentiality requirements. The governing body should be interested in these perspectives.

It is unreasonable to assume that a small number of representative members can or should accurately reflect the perspectives and priorities of their constituencies. Governing bodies should adopt multiple and varied approaches to engaging with the university community and informing themselves of the views of these key stakeholders, including formal and informal consultations, and surveys.

There should be external avenues for the lodging of complaints and confidential processes for dealing with them.

There are examples from other industries, such as the superannuation industry, and from overseas that demonstrate how representative participation can be and is done well.

Code of Conduct

A Code of Conduct should apply to all governing body and committee members, management and staff. It should clearly set out required conduct, including in relation to providing a safe environment for staff and students, free from discrimination, harassment and vilification. The Code of Conduct should clearly state what is required and the consequences of failure to follow those requirements. Clear processes for enforcing the Code of Conduct and consistent, demonstrable application of the Code in practice is key to its effectiveness in shaping university culture and performance.

Governing Body Performance

High performing governing bodies generally demonstrate several traits, including:

- a strong working relationship between the Chancellor and Vice-Chancellor with role clarity, mutual respect, effective collaboration and open communication,
- capable leadership by the Chancellor so that each member of the governing body contributes, alternative views are openly expressed, and discussions lead efficiently to clear collective decisions,
- an effective relationship between the governing body and the university's senior managers and academic governing body with role clarity, mutual respect and a shared desire to help each other and the university succeed,
- healthy group dynamics grounded in mutual respect and confidence, open and constructive discussions, and collective decision-making focused on the most important issues, all driven by the ultimate success of the university,

- making a significant contribution to strategic thinking, and focussing on overseeing the execution of critical and priority strategic imperatives,
- effective oversight of culture and engagement with key stakeholders,
- appropriate risk, reward and remuneration, and
- high quality operations, with appropriate information, productive and efficient meetings, and strong secretarial support.

The governing body should actively curate healthy relationships and dynamics and work hard to sustain them, including through changes in composition. Central to this is a culture of respect and inclusion, in which people genuinely strive to understand the differing perspectives of others, and how they might contribute to a better overall outcome for the university.

To perform at a high level, the governing body and its committees must be provided with high-quality information that meets their needs and allows them to make the best use of their limited time together. The work of management, committees (including the academic governing body) and the governing body should be well aligned and operate seamlessly together. Effective secretariat support from an appropriately resourced and skilled team is essential.

The governing body should clearly state its expectations of management and of each committee to ensure clarity and alignment. A focus on continuous improvement, including regular reflections on what is working well and what can be improved can help governing bodies lift their performance. Regular, formal reviews of performance are also essential.

Performance Reviews

There should be an externally facilitated performance review at least every three years. The review should:

- evaluate the performance of the governing body, its committees and individual members, and the academic governing body,
- have regard to the roles and responsibilities of these bodies (e.g. as set out in their charters), the contribution they should be making to the success of the university, and the traits demonstrated by high performing governing bodies, members and chairs,
- seek confidential feedback from each member of the governing body and its committees, and the senior managers of the university who interact regularly with the governing body and its committees, including the Vice-Chancellor,
- result in practical actions the governing body can take to optimise its performance, and
- identify opportunities for individual members of the governing body to develop and maximise their contributions to the governing body and the university. These should be confidential to the individual member and the Chancellor.

In the intervening years, the governing body should internally review its performance, checking on progress in the implementation of agreed actions from the external review and anything that has changed since that review. Further enhancement actions should be taken where appropriate.

Principle 3 – *Independence*: Academic standards and freedom are respected and protected

Academic performance is a core function of the university. The governing body should set clear expectations for the quality and integrity of education and research and monitor performance against these expectations, striving to ensure that the needs of key stakeholders such as students, staff and research partners are met. The governing body should have a framework of accountabilities and controls, and an appropriate organisational structure to ensure the quality of education and research.

Academic governance is fundamental to the university and is overseen by an academic governing body. The academic governing body should be accountable to the governing body and support the work of the governing body, noting that the governing body is ultimately accountable for the performance of the university including academic governance and performance.

The chair of the academic body should be elected by that body or by academic staff or appointed on the basis of relevant skills and experience, independently of senior management. Responsibilities of the academic governing body should include:

- monitoring the university's conformance with the Higher Education Standards Framework (Threshold Standards), and other regulatory requirements relating to academic governance,
- monitoring academic risk, and considering the effectiveness of controls and mitigations, conformance to the risk appetite, and remediation of risks outside of appetite,
- working seamlessly with the Risk Committee,
- evaluating the adequacy and effectiveness of the policies and controls designed to ensure high quality education and research, and
- monitoring academic performance, including the quality of education and research, and considering feedback from key stakeholders.

Principle 4 - *Transparency*: Purpose, strategy and performance are clear and openly communicated

As substantial public institutions, public universities should be accountable to the communities they support, and their purpose, objectives and performance should be transparent to those communities.

Purpose

Purpose should be a powerful driver of decision-making and activity, aligning effort and decisions throughout the university in furtherance of its contribution to society and reflecting its contribution to the public good.

Purpose should guide all decision-making and underpin the university's strategic and annual objectives. The societal contributions of universities are rich and broad, and may extend beyond the purpose for which they were originally established by statute.

The governing body should ensure that the university's purpose is agreed, documented with appropriate clarity, well understood, and reflected in the university's strategy, policies and decision-making. A broad, genuine commitment to the purpose builds alignment, inspiring and driving decision-making and activity throughout the university.

Strategy

The governing body should work constructively with senior managers to develop and agree the university's strategic plan. The strategic plan should clearly state the university's objectives and how it intends to achieve them over the plan period.

Priorities and objectives should take account of the university's reputation and consider the expectations of key stakeholders about its performance, including in relation to important matters such as providing a good place to work and study, and sustainability.

Performance and transparency

Strategic objectives should be translated into the annual objectives the governing body expects the Vice-Chancellor to achieve over the coming year. These should then be cascaded to each member of the university's senior management team and ideally to all members of staff so that it is clear what each is expected to achieve.

The governing body should ensure that management reports to it openly and systematically about performance and progress toward achieving the annual and strategic objectives. It should closely monitor performance and progress, give regular feedback, and formally evaluate the Vice-Chancellor's performance annually and the governing body should ensure that the Vice-Chancellor formally evaluates all members of the senior management team.

Transparency builds understanding and trust. As a publicly funded institution, it is important that key stakeholders are able to readily access the information that enables them to understand the university's purpose, strategic priorities and performance against agreed financial and non-financial objectives. The university's annual objectives, and the extent to which they were achieved, should be reported annually. Performance against the annual objectives could be reported in the university's annual report, or separately, but must be given prominence and be readily accessible on the university's website.

Important decisions of the governing body and its committees should be transparent and clearly explained to key stakeholders unless they need to be kept confidential to protect the privacy, reputation or wellbeing of individuals or the interests of the university.

Principle 5 – *Trustworthy*: The university operates lawfully, ethically, responsibly, and consistent with its public purpose

A strong and inclusive culture, reflective of the university's values and obligations provides the foundation for robust governance and performance and the link between purpose and the actions needed to achieve that purpose. Freedom of expression and intellectual curiosity and pluralism should be cornerstones of university culture.

Culture

A university's culture is the collective behaviour of its people, driven by norms and values. Those values should articulate the behaviours expected of staff, faculty and students. The university's cultural foundations shape governance and performance by fostering transparent communication, inclusive management and decision-making, and accountability mechanisms that engage staff and students as active stakeholders rather than passive participants.

The desired culture and expected behaviours must be consistent, and not interfere with, academic freedom. A culture that genuinely values intellectual diversity and integrity, open inquiry, and respectful discourse creates an environment in which academic freedom can flourish. Robust academic freedom protections in turn strengthen and enrich the university's culture and ability to support faculty and students who pursue controversial research, challenge conventional wisdom, or explore unpopular ideas without fear of retribution, fostering a culture where intellectual risk-taking is celebrated.

Balancing these cultural elements supports an environment where rigorous scholarly debate coexists with inclusive community values, where protection of minority viewpoints strengthens rather than undermines institutional cohesion, and where the pursuit of truth through open inquiry becomes a shared commitment.

Establishing this balance is not easy and the university should continually assess how to maintain unfettered intellectual exploration, while building cultures that support social cohesion and all community members, particularly those from historically marginalised backgrounds, who may bear disproportionate costs when academic freedom is exercised without cultural sensitivity or institutional support.

The university's policies and processes should reflect a commitment to freedom of expression and intellectual pluralism.

The benefits of strong and inclusive cultures extend beyond internal operations to enhance research innovation, student experience and success, retention, and the university's broader reputation and impact within the academic community, and social cohesion at large.

Funders, regulators, and the broader community all expect the university to always act lawfully, ethically and responsibly.

The Governing Body's Accountabilities for Culture

While culture cannot be prescribed, it can be proactively shaped. The governing body should take action to establish and foster a culture of operating lawfully, ethically and responsibly, consistent with the university's purpose. Part of the desired culture should be an unequivocal expectation that the university is a safe place for all staff, students and visitors and that they should speak up if they observe behaviour that is unsafe or inconsistent with the expected behaviours. It should also include a commitment to accountability, compliance and meeting the expectations of key stakeholders.

Any systemic cultural failings should be dealt with appropriately and the actions taken in response disclosed publicly.

Members of the governing body and the senior management team have an important role to play in fostering the desired culture by consistently setting the right tone from the top in all their interactions with staff, students and other stakeholders and never ignoring or walking past unacceptable behaviour. They should be seen as visible champions of safe and inclusive campuses.

A committee that oversees people and culture matters helps the governing body to meet its accountability for the university's culture.

Principle 6 – *Inclusive + Responsive*: Expectations of the university's community and stakeholders are understood, respected and responded to

Universities can only achieve their purpose if they have the confidence and support of their students, staff, community, funders and other key stakeholders. This requires universities to understand the legitimate needs and expectations of their key stakeholders, and to take, and be seen to take, accountability for how well they meet those needs and expectations. This is essential to building trust.

Accountability to Stakeholders

Universities are expected to serve the public good by enriching communities in Australia and internationally, and enjoy the financial support of Australian governments for that reason. Universities should seek to proactively understand the legitimate needs and expectations of their key stakeholders, balance competing needs as best they can, and explain if and where they cannot.

Engaging with and Responding to Stakeholders

Diversity of the governing body membership is not sufficient to ensure the views of stakeholders are well understood and responded to. Universities need regular mechanisms for engaging their students, staff, community, funders and other key stakeholders, which should include:

- broad and structured consultation to ascertain stakeholders' diverse and collective needs and expectations in connection with the university,
- regular meetings with representatives of key stakeholder groups, including students, staff, research partners and funders. These meetings should be held as often as required and attended by senior managers of the university,
- feedback from stakeholders about how well the university is meeting their needs and expectations, and
- opportunities for the university to explain its performance and progress in relation to stakeholders' needs and expectations.

An effective confidential system for students and staff to give feedback and make complaints is an important stakeholder engagement mechanism and support for student and staff wellbeing. The system should be appropriately resourced and widely promoted so that students and staff know of its existence and how to use it. It should allow concerns to be

raised and dealt with in a manner that protects the privacy of those involved. Those who make complaints should be well informed about how their complaint is being handled and what action is being taken in response.

Principle 7 – Sustainable; Risks are understood and managed effectively

Effective identification and management of financial and non-financial risk is essential for the university's performance, reputation and long-term sustainability.

Universities need effective systems and processes for identifying and managing the risks they face. The governing body should clearly understand the strategic, emerging and reputational risks the university is facing, and proactively seek to mitigate or manage those risks, including risks in relation to its sources of revenue.

A committee overseeing risk helps the governing body to meet its accountability for overseeing risks and compliance. It should:

- ensure the university's systems and processes for identifying and managing risks are adequate and operating effectively,
- review the university's risk appetite and risk tolerance, and make recommendations about them to the governing body,
- monitor risks, and consider the effectiveness of controls and mitigations, conformance to the risk appetite, and remediation of risks outside of appetite,
- work seamlessly with other bodies overseeing specific areas of risk or compliance, including the academic governing body overseeing academic risks and compliance with the Threshold Standards,
- monitor compliance with regulatory requirements, including in relation to sustainability, work health and safety and employment, and the need to provide a safe place to work and study, free from discrimination and gender and racial based violence,
- review incidents involving a serious breach, potential fraud or a potentially systemic failing of controls, and ensure appropriate action is taken in response,
- oversee the university's internal audit function, and
- monitor the university's culture in relation to risk management and compliance.

Risk Management Framework

The university's risk management framework should include:

- a risk appetite statement, approved by the governing body, that clearly states the types and levels of risks the university is willing to accept,
- systems and processes for risks throughout the university to be identified, mitigated, managed and monitored in line with the desired risk culture,
- a register of the risks faced by the university, how they are controlled, managed and rated, who is accountable for the risks and controls, and plans to bring risks within the risk appetite where appropriate, and

- regular monitoring of risks by staff, the senior management, the committee overseeing risk, and the governing body.

Risk registers should include all material financial and non-financial risks. The university's social licence is fundamental and risks to that licence should be clearly understood and well managed. Expectations of and impacts on stakeholders should be well understood and considered in risk assessments.

Central to effective risk management is having an appropriate risk culture, in which staff proactively identify and manage risks, and there is open communication and a shared understanding of risk throughout the university. Achieving an appropriate risk culture requires senior managers to consistently demonstrate the appropriate behaviours and attitudes towards risk management, the governing body to set the right tone from the top, and all risk and control owners to take accountability for risk outcomes.

As well as having clear accountabilities for risks and controls, the university's statement of accountabilities for senior managers is an essential tool for embedding clear accountabilities for risk management. It also promotes a culture of accountability and helps to ensure the university has the workforce it needs.

The university should have an internal audit function that evaluates the effectiveness of the risk management framework and controls, and tests conformance with the university's policies, by-laws and other controls. Relevant aspects of the risk management framework should also be tested by the university's external auditors.

Principle 8 – Responsible: Workforce and remuneration are structured fairly and responsibly

To achieve its purpose and objectives, the university must be able to attract and retain staff with the right skills, experience, capabilities and diversity. Being a good place to work and study, and a good employer, is critical to this. Likewise, having effective and appropriate workforce and remuneration strategies and processes that support and enable staff engagement is an important enabler of the ability to attract and retain the right staff and create a positive environment in which to work and study. Attracting and retaining the right leadership and workforce is key to university performance. Because Australia's public universities operate with significant public funding, while competing globally for academic leadership, remuneration levels and workforce strategies must balance fiscal responsibility and public accountability with the need to attract and retain leaders capable of navigating complex academic, financial, community and stakeholder landscapes.

Transparency, with appropriate disclosure of decision-making processes, relevant benchmarks, and outcomes, has an important role to play in building understanding of and confidence in the university's workforce strategy, and its remuneration approach and outcomes.

A committee overseeing people and culture matters helps the governing body to meet its accountability for overseeing the workforce and remuneration. In doing so, the committee should:

- ensure there is an appropriate workforce strategy and design, and appropriate remuneration framework, and monitor their implementation,
- review the remuneration of the Vice-Chancellor and senior managers, including any incentives, considering performance and relevant benchmarks,
- monitor compliance with regulatory requirements in relation to staff and students such as remuneration, harassment, inclusion and diversity, and
- ensure remuneration outcomes are consistent with individual accountabilities and performance and demonstrate alignment with the desired culture.

Workforce Strategy

A clearly articulated workforce strategy and effective workforce design provides the framework for the university to build the workforce it needs, consistent with its purpose and strategic priorities, reliably meet workforce obligations, provide fair and sustainable employment and a positive and responsive student experience, and meet the expectations of key stakeholders.

The university's workforce strategy should:

- support implementation of the strategic plan and achievement of the strategic objectives,
- acknowledge the current state of the workforce and the university's future needs,
- have clear objectives and desired outcomes, including meeting regulatory requirements, providing a good place to work and study, and meeting the expectations of staff and students,
- have actions with clear accountabilities to achieve the planned future state, and
- include appropriate mechanisms for talent acquisition, development and retention.

In developing its workforce strategy and design, the university should evaluate whether its current workforce structure is optimal, and whether tenure arrangements and the widespread use of fixed term and casual arrangements remain appropriate, taking account of the needs and expectations of key stakeholders, and legal obligations. The university should engage with staff and students and seek their input when developing the workforce strategy.

Remuneration

Remuneration is a key component of the university's employee value proposition. The governance of remuneration frameworks, levels, structures, processes and outcomes involves a balancing of public accountability, institutional values and integrity, and competitive positioning. Getting this balance right requires rigorous and proactive oversight, coupled with effective stakeholder engagement and transparent decision-making.

The remuneration framework for determining the structure and levels of staff remuneration should include appropriate benchmarking, having regard to market conditions. While the market for academic talent is a global one, Australian public universities should take into consideration the appropriateness of remuneration outcomes in the context of Australian labour market relativities, the fact that public universities are publicly funded institutions, and the importance of universities maintaining public confidence and their social license. In this

regard, consideration should be given to options that might help achieve this, such as seeking the advice of the Remuneration Tribunal when setting the Vice-Chancellor's remuneration.

Variable remuneration and incentive payments should only be offered if supported by a compelling rationale, linked to performance, clearly disclosed and explained to stakeholders, along with the remuneration approach and outcomes.

The university must ensure staff are paid correctly and that systems and resourcing for this are adequate and effective. Failing to meet contractual and enterprise arrangements with staff, including through underpayment, is simply not acceptable and poses a material risk to the social license of the university.

The governing body should consider whether its members should be remunerated and the extent of any such remuneration, having regard to the requirements of the role, the needs of the governing body, the context of the university and equity considerations. Appropriate remuneration is important given the increasing time demands on governing body members, including from implementing the University Governance Principles, as well as cost of living pressures, particularly for students elected to the governing body.

Appendix 1: Terms of Reference for the Expert Council on University Governance

Purpose

The Expert Council on University Governance (the Council) is established by Education Ministers Meeting (EMM) to strengthen university governance in response to Priority Action 5 of the Australian Universities Accord Interim Report.

Context

In April 2024, EMM agreed to establish an Expert Governance Council to develop new University Governance Principles and Recommendations for Australia's Public Universities (the Principles and Recommendations).

Priority Action 5 of the Australian Universities Accord Interim Report recommended that:

- the Government, through National Cabinet, immediately engage with state and territory governments and universities to improve university governance, particularly focusing on:
 - universities being good employers
 - student and staff safety
 - membership of governing bodies, including ensuring additional involvement of people with expertise in the business of universities.
- Australian governments should work together to strengthen university governing boards by rebalancing their composition to put greater emphasis on higher education expertise. Governing bodies must as a priority do more to improve student and staff wellbeing and become exemplary employers.

EMM has agreed in-principle to pursue legislative and/or regulatory changes to ensure alignment with the Principles and Recommendations.

Objectives of the Council

The Council will apply its technical governance expertise to draft the Principles and Recommendations.

The Principles and Recommendations will include the 10 priority areas identified by EMM as critical to university governance (at Attachment A) and other areas of best practice in governance from the private and public sectors against which universities will be required to report their compliance.

The Principles and Recommendations will be provided to EMM for its consideration and endorsement and will be a document overseen and authorised by EMM on an ongoing basis.

In line with the EMM priorities, the Principles and Recommendations should aim to:

- strengthen institutional governance structures
- make universities better places to study and work
- support institutions' engagement with students, staff and governments

- promote positive institutional cultures
- ensure that each institution has the ongoing capability to deliver on its strategic vision

In undertaking this task, the Council will:

- assess the extent to which elements of the current voluntary code are fit for purpose and whether they should be incorporated into the new Principles and Recommendations
- identify additional Principles and Recommendations that may be required to address the priority areas
- identify best practice across the university sector that should be implemented more widely
- take into account the unique role and public purpose of Australian universities and best practice public sector and corporate governance (for example, the ASX Corporate Governance Principles and Recommendations)
- engage with experts and stakeholders as needed, in particular staff and students and make connections with related work including the workplace relations expert engaged to work with UA, NTEU and AHEIA on priority issues
- consider existing governance, policy and regulatory frameworks (see list at Attachment B).

The Council will provide EMM with advice on implementation of the Principles and Recommendations, including measures to ensure universities adopt and adhere to the Principles and Recommendations. The Council will also provide advice to EMM on a potential ongoing role for the Council.

The advice will include options to ensure:

- a continuous improvement approach to university governance, including a process to ensure that the Principles and Recommendations stay contemporary and provide ongoing, up to date guidance to the sector
- ongoing monitoring and oversight within the university sector.

The Council will provide EMM the Principles and Recommendations and advice on implementation in June 2025.

The Council will become an ongoing function, brought together periodically to review or refresh the Principles and Recommendations, continually improve and update their content, and to advise on other significant governance matters as needed. The Council will operate initially from January 2025 until June 2026.

Membership

The Council consists of a Commonwealth-nominated Chair and two State and Territory-nominated experts that have been appointed to their roles by the Commonwealth Minister for Education on behalf of all Education Ministers.

The Council also includes one representative from each of the following organisations:

- University Chancellors Council
- Australian Institute of Company Directors

- Governance Institute of Australia
- Australian Indigenous Governance Institute
- Law Council of Australia
- Tertiary Education Quality and Standards Agency
- Universities Australia

Roles, responsibilities and accountability

The Chair is responsible and accountable to EMM, through AESOC, including for the delivery of the draft Principles and Recommendations to EMM.

The Chair will lead meetings and, having consulted with the Council, guide the work of the Council.

The Chair will agree to a work plan that includes a meeting schedule following consultation with the Council.

The Council will develop and implement a stakeholder engagement plan including making key decisions about how a consultation process is managed, supported by the Department and the Secretariat.

The Council will aim to reach consensus on the draft Principles and Recommendations that will be provided to Education Ministers. Dissenting views will be noted by the Chair.

The Council may choose to invite relevant experts and government representatives to meetings as required on an ad hoc basis. In addition, the National Tertiary Education Union and the National Union of Students will nominate an expert to participate in the work of the Council and play an important role in bridging between the Council and the wider university communities.

Meeting Administration

- It is expected that at least 6 meetings will be held until completion of the draft Principles and recommendations. The forward schedule of meetings will allow flexibility to accommodate unavoidable rescheduling.
- Quorum is Chair and two members of the Council.
- The absence of any member is not taken to prevent the Council from performing its tasks, providing quorum is met. Where a member is unable to attend a Council meeting, they should contact the Secretariat as soon as practicable.
- All meetings will be virtual unless agreed otherwise.
- Papers may be developed the Department of Education or members of the Council, at the request of the Chair. Papers will follow an agreed format according to the guidance supplied by the Secretariat.
- Members may write and sign letters and conduct business between meetings on behalf of the Council. The Secretariat must be provided with copies of all incoming correspondence. Responses to correspondence will ordinarily be drafted by the Secretariat, unless the Chair determines otherwise. The Chair will determine which correspondence they will respond to, and which the Secretariat will respond to on their behalf. All outgoing correspondence by way of formal letter must be completed on the Departmental letterhead and comply with Departmental style guidelines.

- Ministerially appointed members are paid a daily sitting fee and reimbursed for travel by the Department. Unless agreed with the Department, the organisations represented on the Council are responsible for the salary costs of their Member along with workers compensation, public liability and other risks.

Secretariat

- The Secretariat will be hosted by the UCC and UA and be supported by the Department.
- The Secretariat will be responsible for:
 - a. providing support to the Chair and Members as required;
 - b. liaising with the Chair on official business between meetings;
 - c. organising the implementation of the Council's stakeholder engagement plan;
 - d. reviewing submissions from the consultation process for the Council;
 - e. managing Council meetings, including:
 - i. distribution of agendas and meeting papers prior to meetings;
 - ii. arranging venue and catering arrangements (if required) noting the costs will be met by the Department;
 - iii. distributing an agenda and papers at least five business days prior to meetings;
 - iv. arranging a pre-brief with the Chair and Department ahead of Council meetings;
 - v. recording the meeting attendance for each meeting; and
 - vi. distribute a summary of key discussion points and action items to representatives the Council and the Department within five days following meetings, once agreed by the Chair. Detailed minutes will not be produced.
 - f. providing regular updates on progress to the Department between meetings; and
 - g. maintaining records of conflict of interests declarations, including a register of conflicts and potential conflicts (including declared at meetings) and advising the Department of any conflict arising.

Confidentiality and Conflict of Interest

- Members will be required to sign a confidentiality agreement and declare any real or perceived conflicts of interest before the first meeting. Members will advise of any changes in their real or potential conflicts of interest at the commencement of each meeting. A member who has declared a real or potential conflict of interest may participate in the discussion on that matter, subject to the approval of the Chair.
- All discussions undertaken by the Council are in strict confidence and without prejudice, to ensure members can genuinely engage on the merits of proposals. Discussions should not be considered as agreement or commitment by government.
- All documents prepared by or presented to the Council are assumed to be confidential unless identified otherwise by the Chair. Council members shall not report or attribute comments of individuals nor their affiliations outside of meetings

Appendix 2: 10 Priority Areas outlined by the Education Ministers

Priority Areas

1. achieve a balance between higher education and other expertise on the governing body, with at least one non-executive member who has university leadership expertise from outside the institution;
2. improve structures and processes to ensure that high risk and high priority matters reflect consultation and engagement with the university community and have appropriate oversight and reporting to and by the governing body;
3. reflect the diversity of the Australian community, and the specific characteristics of the university community they serve, in making appointments;
4. achieve gender balance on the governing body in line with jurisdictional and Australian Government targets;
5. have First Nations membership on the governing body, and separate, transparent processes to capture First Nations leadership and engagement on university strategy, policies and performance;
6. have one or more student members of the governing body, and separate, transparent processes to capture student input on university strategy, policies and performance;
7. have one or more staff members of the governing body, and separate, transparent processes to capture staff and union input on university strategy, policies and performance;
8. require all new appointments to go through a rigorous and transparent selection process that utilises a formal and regularly updated skills, capabilities, and diversity selection matrix that is in line with their jurisdiction's requirements and directed to the selection of the person best suited to the position;
9. require all governing body members to have, or undertake, training on the specific responsibilities and expectations of their role as governing body members, and separately clarify the way the role of governing body members is described; and
10. demonstrate and maintain a rigorous and transparent process for developing remuneration policies and settings for senior university staff, with consideration given to comparable scale and complexity public sector entities and ensure remuneration policies and packages are publicly reported.

Appendix 3: Key areas outlined by Ministers as risks in the Australian Universities Accord

- Ensuring that universities are good employers providing a supportive workplace – and, importantly, a workplace where staff can have confidence that they will not be underpaid for the important work they do
- Making sure governing bodies have the right expertise, including in the business of running universities
- Making sure our universities are safe for students and staff

Appendix 4: Introduction to the Government-Nominated Members of the Expert Council

From the Australian Department of Education website “About the government-nominated representatives”

Ms Melinda Cilento, Chair

Ms Cilento is the CEO of the Committee for Economic Development of Australia (CEDA) and Deputy Chair of Australian Unity. She is a member of the Ministerial Advisory Council on Skilled Migration, the ACCC Performance Consultative Committee, and Melbourne Institute Advisory Board. Previously Ms Cilento has been Co-Chair of Reconciliation Australia, a non-executive director of Woodside Petroleum and a Commissioner with the Productivity Commission.

Ms Sharan Burrow AC

Ms Burrow is a global advocate for human and labour rights and climate action. Ms Burrow is Visiting Professor to the LSE-Grantham institute, a board member of the European Climate foundation, a co-chair of the IEA Labour Council, a Commissioner for the Global Commission on Universal Health Coverage, deputy chair of the B Team, a member of the Commission on Global Climate Governance and a commissioner for the Global Commission on Business and Sustainable Development.

Mr Bruce Cowley

Mr Cowley has over 40 years' experience in legal practice specialising in mergers and acquisitions, capital markets and corporate governance. In recent years he has been focusing on board roles and writing on corporate governance. During his career, Mr Cowley has been involved in most major sectors of the Australian economy including agribusiness, resources, property, health, government, education and financial services. Mr Cowley has served on the Council of the University of the Sunshine Coast before becoming Deputy Chancellor and acting Chancellor for the final year of his term.