



Ms Melinda Cilento,
Chair, The Expert Council on University Governance
Strengthening University Governance
By email: ExpertCouncilUniGov@education.gov.au

4 April 2025

Dear Ms Cilento

Macquarie University is pleased to provide the attached submission to the Expert Council on University Governance.

As you would be aware, in addition to the work of the Expert Council on University Governance, there have been significant recent changes in the governance environment for higher education providers, including:

- a new National Student Ombudsman;
- a new National Code addressing gender-based violence;
- Recommendations from the Parliamentary Joint Committee on Human Rights;
- state level equity and diversity obligations on governing body appointments;
- new requirements for student support plans;
- administration of Commonwealth practicum payments;
- Australian Human Rights Commission study into racism at Australian universities;
- TEQSA complaints regulatory expectations and reporting requirements;
- a requirement for 40 per cent of Student Services and Amenities Fees (SSAF) to be provided to one or more student bodies.

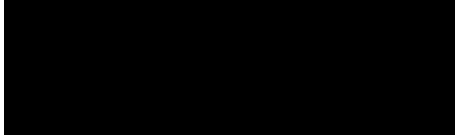
The University acknowledges that challenging issues have arisen in recent times in the Australian community. The issues on university campuses necessarily reflect the community. A collaborative approach is required to create genuine and long-lasting change.

Universities are dealing with a rapidly changing policy environment characterised by uncertainty and in an increasingly complex administrative and regulatory environment. The comprehensive Universities Accord process identified various proposals to the sector's operating environment to deliver sustainable funding arrangements for education and for research, as well as make access to study equitable and affordable for students. These are the big challenges facing the nation in an era of rapid technological, societal and economic change.

It is the submission of Macquarie University that changes that will help students receive a world class education, delivered on safe and welcoming campuses, can be achieved through a collaborative focus on current issues and through existing legislative and governance

frameworks. This may include enhanced mechanisms to gather meaningful input from students and staff into contemporary issues facing the sector and individual institutions.

Yours sincerely



S Bruce Dowton

Vice Chancellor and President

Macquarie University Submission

In posing the question, “where does governance most need to improve?”, the Expert Council’s consultation references the 10 priority areas identified by the Education Ministers, Key Areas outlined by the Minister as risk in the Australian Universities Accord, and the Universities Chancellors Council Code of Governance Principles and Practice for Australia’s Public Universities (UCC Code).

It is Macquarie University’s submission that the principles outlined in the UCC Code constitute a comprehensive framework to guide best practice governance at universities. Furthermore, we submit that Australian University governing bodies are indeed focused on these principles.

Last April the Tertiary Education Quality and Standards Agency (TEQSA) renewed the registration of Macquarie University for a period of seven years until 24 April 2031, writing:

“We commend Macquarie University for the high calibre of its application and supporting materials. They show a sustained commitment to self-assurance practices. Macquarie University has demonstrated it has competent governance oversight, a strong and ongoing commitment to fostering a safe environment for students and staff, and a high degree of maturity and diligence in developing, reviewing and improving its policies and procedures.”

Macquarie University’s recent submission to the Senate Legislation and Employment Committee Inquiry into the Quality of Governance at Higher Education providers elaborated upon this under the following headings:

- Composition, transparency, accountability and effectiveness
- Standard and accuracy of financial reporting and controls
- Compliance with legislative requirements, including workplace laws and regulations
- Impact of employment practices, executive remuneration and the use of external consultants

Composition, transparency, accountability and effectiveness

The composition of the Macquarie University Council, as aligned with the requirements of the Macquarie University Act, is published in the publicly available Constitution Rules. The Council uses a comprehensive skills/diversity matrix to support the nomination processes and the appropriate mix and balance of its members. The skills matrix approach enables Council composition to encompass the diverse set of skills necessary in the governing body of a large complex enterprise.

The Macquarie University Council skills matrix consists of the following nine categories:

- Leadership and governance
- Stakeholder management
- Strategy and risk

- Finance, commercial and legal
- Culture and responsibility
- Technology and education
- Sector knowledge/experience
- International operations
- Emerging technology

As individual appointment terms expire, purposeful decisions on the composition of Council under this matrix have ensured a Council with members with complementary skills, attributes and diverse perspectives. Consideration is also given to ensuring a mix of experienced members and new members. Given the complexity of higher education, it would be unrealistic to expect to find all the desired attributes in each individual member. Indeed, we are not aware of any organisations within Australia or internationally having such expectations. Rather, it is the combined experience, skills and attributes of Council members that provide for a well-represented, equitable and transparent view in informing the business and decisions of the Council.

In addition, in recent years the New South Wales Government has renewed its focus on the composition of university governing bodies. Minister for Skills, Higher Education and TAFE, the Hon Steve Whan MP, wrote to New South Wales' universities making explicit the State Government's desire for equity, diversity and higher education experience and expertise. Macquarie University Council has members with Indigenous, culturally and linguistically diverse, migrant and first-in-family backgrounds and is majority female in its membership. We have effective student, academic and professional staff representation, and a number of members have significant higher education experience gained here and abroad.

The Charter of Council is a set of guidelines adopted by the Council to assist Council members with the implementation of the intentions of the Act and the Higher Education Standards Framework (Threshold Standards). It sets out the values and responsibilities of the Council and outlines how the Council ensures effective corporate governance practices are in place to fulfil those responsibilities. The Council follows a detailed annual agenda plan mapped to the Act, the Charter of Council and the Standards. This also provides an effective tool in evidencing that the requirements of the Council are being discharged.

Macquarie University Council is supported by standing committees to assist it in fulfilling its responsibilities, including the Finance and Facilities Committee, the Audit and Risk Committee and the Nominations and Remuneration Committee. The Terms of Reference of all committees of the Council are publicly available on the University's website. The Council's processes include a standing interest register to identify and manage any perceived or material conflicts of interest.

The Terms of Reference of the Finance and Facilities Committee and the Audit and Risk Committee allow for the appointment of persons external to the University who are

appropriately qualified, on the recommendation of the Nominations and Remuneration Committee.

Reports on each meeting of its committees (including meeting minutes) are provided to the following meeting of the Council. The Council receives and discusses a Strategy and Enterprise Performance Report from the Vice-Chancellor at each meeting.

Regular self-assessments of its performance are conducted by the Council and an independent external review of the effectiveness of Council and academic governance processes is undertaken at least every seven years. The results of the last external review were presented to Council on 23 February 2023.

Standard and accuracy of financial reporting and controls

Macquarie University's financial position and the associated financial controls are a key area of focus for University Council and its sub-Committees. The Audit Office of New South Wales (AONSW) performs an audit of the University's financial statements each year and has issued a clean ('unmodified') audit opinion for each of the last 10 years. The audit opinion is included as part of the annual Financial Statements, copies of which can be found here ([Annual reports | Structure & Governance | Macquarie University](#)).

The AONSW issues an annual report to Parliament covering all NSW universities which includes an assessment of governance and internal controls. The most recent report is here ([Universities 2023 | Audit Office of New South Wales](#)). The AONSW has been issuing these reports since 2018, and in relation to Macquarie University the AONSW has identified no matters of concern that were rated "high".

The University also receives an annual credit rating from Moody's in support of its external borrowings.

The Council reviews and approves the annual Budget and monitors expenditure and risk management respectively through its Finance and Facilities Committee and Audit and Risk Committee.

Compliance with legislative requirements, including workplace laws and regulations

The University maintains a comprehensive compliance policy and a compliance register to meet the requirements of all other applicable laws and regulations. In addition to the policy, the University fulfils its compliance obligations through governance, leadership, reporting and training to support a culture of awareness and quality assurance. The University provides regular reports on any material non-compliance to the Audit and Risk Committee of Council, and to the University's Executive Group.

The University regularly reviews its payroll activities as part of its internal audit and risk management program of activities. Following a comprehensive review of all staff payments, a

number of discrete process and systems issues that had resulted in both underpayments and overpayments to employees were identified. Macquarie University has since liaised closely with affected current and former staff, the Fair Work Ombudsman and unions to remediate underpayments and put in place appropriate systems and process controls to provide future assurance.

Impact of employment practices, executive remuneration and the use of external consultants

Executive remuneration at Macquarie University is carefully controlled through the Nominations and Remuneration Committee. The committee meets annually to review proposed salary increases for executive staff and available benchmarking data. There has been no change to the Vice-Chancellor's remuneration since 2019 and this information is published in the Annual Report.

During that same period the remuneration increase approved by the Nominations and Remuneration Committee for other Executive Group members has been the same as that paid to all academic and professional staff.

External consultants are contracted by the University only when the required expertise is not available internally.

Conclusion and recommendations

In recent times of heightened global geopolitical tension, I and senior colleagues have met with student groups frequently to understand their views and concerns and respond accordingly. These numerous informal meetings demonstrate the value to be gained from regular student forums with senior university executives. Improved consultation mechanisms with students and staff which provide for greater visibility to governing bodies of student and staff concerns could enhance university responsiveness and result in improved outcomes for the University community.