

# **Australian Catholic University**

## **Submission to the Expert Council on University Governance**

### **Strengthening University Governance**

**April 2025**

## **Submission to the Expert Council on University Governance: Strengthening University Governance**

Australian Catholic University (ACU) welcomes the opportunity to make a submission to the Expert Council on University Governance.

ACU looks forward to seeing the Expert Council progress its work to develop new “University Governance Principles and Recommendations” to enhance governance in Australian universities.

ACU supports government efforts to implement the Australian Universities Accord Panel’s recommendations, emphasising that any consideration of university governance matters must promote institutional autonomy, and account for the critical role of diversity in Australia’s higher education sector. The Expert Council’s work offers an opportunity to affirm guiding principles for Australian universities to strengthen their governing bodies and to clarify baseline activities for evaluating corporate governance through a framework that fosters robust, transparent, and effective university governance.

### **University governance principles and related matters**

Fundamentally, an affirmation of university autonomy, and recognition and promotion of provider diversity, should form the core principles that underpin and guide the Expert Council’s work and recommendations. There must also be a clear understanding of the remit of university governance bodies, acknowledging the distinction between governance and management matters.

#### *University autonomy*

University autonomy is a key pillar of higher education regulatory principles and promoted in corporate governance arrangements underpinning Australian higher education. This is vital for universities to deliver on their individual missions and core functions, and in the interests of ensuring Australian higher education remains world class and globally competitive.

Any guiding principles and related recommendations on university governance should not compromise the autonomy of universities’ governing councils to oversee the strategic direction of their institutions. Furthermore, as the sector’s regulator, the Tertiary Education Quality and Standards Agency (TEQSA), acknowledges: “Providers are responsible for managing their own risk and are expected to demonstrate self-assurance consistent with the Threshold Standards.”<sup>1</sup> Australian universities have self-accrediting authority, and must meet the corporate governance standards and monitoring and accountability requirements articulated in the HESF; including to undertake periodic independent reviews (at least every seven years) of the effectiveness of their governing body, to have those review findings considered by a competent body or officer(s), and to implement agreed actions.<sup>2</sup> Achieving university status and undertaking such activities requires a high level of institutional maturity, which is necessarily grounded in a robust corporate governance framework. This reflects the principle of university autonomy.

#### *Recognition and promotion of provider diversity*

ACU also stresses the importance of recognising and accommodating, in any guiding principles and recommendations, the range of governance structures that exist across Australia’s vibrant and diverse higher education sector<sup>3</sup>; including amongst universities. These diverse structures strengthen the sector through the distinct contributions providers make in the national interest and to the communities they serve.

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<sup>1</sup> TEQSA. (2025). *TEQSA Submission: Quality of Governance at Australian Higher Education Providers*, p. 3.

<sup>2</sup> Higher Education Standards Framework (Threshold Standards) 2021, s 6.2-6.3.

<sup>3</sup> The Australian higher education sector comprises 44 universities, eight university colleges, and 158 institutes of higher education (TEQSA National Register 2025, as at 26 March 2025), which collectively educate over 1.6 million students; most are attending public universities.

Supporting diversity over a homogeneous, standardised approach to university governance is essential for maintaining a high quality, competitive, and responsive higher education sector. Therefore, university governance principles, standards and regulation should be equipped to navigate governance arrangements that are tailored to the specific contexts of different providers; thereby also fostering an environment that respects institutional autonomy. Research indicates a “one-size-fits-all model of governance does not exemplify ‘good’ practice”.<sup>4</sup> Embracing diversity within robust governance frameworks better facilitates institutional innovation and improves access and participation for a diverse student body, essential for addressing the evolving needs of university students and the broader economy, and for meeting the Accord Panel’s ambitious attainment targets.

The Higher Education Standards Framework (Threshold Standards) 2021 (hereafter “HESF”) accommodates and makes provision for a range of provider types to operate in the higher education sector to meet community educational needs. These providers have diverse governance structures reflective of, and responsive to, their institutional histories, missions, and/or the particular communities they serve.

ACU, for example, is a national, publicly funded Catholic university with campuses in three states and one territory, and an overseas campus in Rome, Italy. The University has around 34,000 students and over 2,300 staff and welcomes people of all faiths and none.<sup>5</sup> The University was established as Australian Catholic University Limited (Corporation), a public company limited by guarantee. The company was established under the repealed Companies (Victoria) Code and its activities are now regulated by the *Corporations Act 2001* (Cth), and the Australian Charities and Not-for-Profits Commission (ACNC); meeting ACNC requirements for registration as a charitable organisation through the University’s pursuit of advancing education.

The University is recognised by three State Acts of Parliament: *Australian Catholic University Act 1990* (NSW), *Australian Catholic University (Victoria) Act 1991* (Vic) and *Australian Catholic University (Queensland) Act 1991* (Qld). The main objective of the Corporation is to conduct ACU as a Catholic university. Within this charter, the University is open to persons of all religious beliefs and persuasions and is fundamentally committed to the pursuit of truth through academic inquiry. ACU’s Senate, which serves as the governing body of the University and assures ACU’s HESF compliance, has a diverse membership; including representation from each Australian state and territory in which ACU has a campus, and with industry (including areas of ACU’s teaching and research focus such as health and education), professional, church, and ACU staff and student representation or expertise.

These characteristics make ACU unique in the Australian university sector in that it operates across local, state, and federal law. Furthermore, as a Catholic university, inspired by the standards of *Ex Corde Ecclesiae*, the University strives to live up to the Church’s long-standing vision of a higher education of the whole person, informed by the Church’s social teaching and Catholic intellectual tradition. As a leading Catholic university, ACU brings a distinctive diversity to the sector through its individual mission.

The diversity of governance structures that exists across Australia’s higher sector must be appropriately accommodated and represented in any guiding principles and recommendations bearing on university governance.

### University governance - remit

ACU is concerned that in recent times there has been a tendency, in public and political domains, to confuse matters of governance with management issues. Most recently, this is reflected in the terms of reference of the current Senate inquiry into the quality of governance at Australian higher education providers. As Universities Australia articulates:

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<sup>4</sup> Trakman, L. (2008). Modelling University Governance. *Higher Education Quarterly* 62(1-2), 63-83, p. 66.

<sup>5</sup> Student numbers refer to headcount figures while staff numbers refer to full-time equivalent (FTE).

All too often, we see issues tangentially linked to [university] governance framed as such and utilised for political purposes. When this happens, it distracts from the major policy and funding discussions that we need our policy and decision makers to prioritise.<sup>6</sup>

It should be ensured that sound policy informs the sector's development and regulation; avoiding knee-jerk reactions to events or issues that might arise within the sector.

Regulatory principles and arrangements should work to ensure providers comply with their legal obligations and meet threshold standards under the HESF, while regulatory responses should be risk-based and proportionate to the level of risk; also taking into account individual universities' existing good track records.

### *"Good governance", quality assurance and university governance bodies*

Overall, ACU considers the current regulatory and compliance framework bearing on university governance in Australia remains fit for purpose. Australian universities are required to meet requirements set out in the HESF, as well as broader legal and regulatory obligations under federal and/or state laws which may be provider specific. The HESF establishes minimum standards with respect to corporate governance, corporate monitoring and accountability, and academic governance. Appropriately, TEQSA does not prescribe how providers structure their governance. Rather, TEQSA is tasked to focus on compliance oversight with respect to the HESF which involves "identifying governance risks and acting where providers fail to meet their obligations."<sup>7</sup> This is in line with the principle of university autonomy, TEQSA's guiding principles of regulatory necessity, risk, and proportionality, and supports institutional diversity.

Guiding principles for university governance, however, may serve as a useful resource for universities to reference to enhance their governance arrangements; supporting continuous reflection and improvement as part of institutional quality assurance processes, which are necessarily ongoing. Thus, broad guiding principles for universities to consider in light of their regulatory obligations, for adoption or adaptation, could be advanced through the Expert Council's work. Resources such as those developed by the Australian Institute of Company Directors (AICD) can, for instance, help inform university governance bodies and structures. The AICD's *Guiding Principles of Good Governance*, which is intentionally non-prescriptive, recognises that good corporate governance practice is institution specific and subject to a range of factors (e.g., the nature of the activities, complexity, risks, geographical dispersion etc.).

While there is no universally accepted model of "good governance", key elements of a good governance framework include "accountability, transparency, and effectiveness (the last meaning decision-making processes which deliver on objectives)".<sup>8</sup> For example, providers may be encouraged to periodically review the collective skills and expertise of their governing body, to ensure they are adequately equipped to fulfil their functions having regard to their individual institutional profiles, mission, and strategic objectives, as well as their basic legal and regulatory obligations. This might include, for example, higher education policy and management, finance, legal, risk and assurance, academic governance, and human resources; and/or consideration of any need for access to expertise in growing areas such as cybersecurity or emerging issues of interest. However, it is imperative that providers retain institutional autonomy in such decisions and maintain the flexibility to determine the appropriate composition of their governance bodies to suit their institution. This also acknowledges that legislation and/or a provider's constitution may specify a certain governance structure, and set the context or parameters within which a provider may need to navigate in such exercises.

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<sup>6</sup> Sheehy, L. (2025). *Submission to the Inquiry into the Quality of Governance at Australian Higher Education Providers*, p. 1.

<sup>7</sup> TEQSA, above n. 1, p. 8.

<sup>8</sup> Edwards, M. (2000). *University Governance: A Mapping and Some Issues*, p. 3.

[https://www.atem.org.au/eknowledge-repository/command/download\\_file/id/24/filename/Univeristy Governance Meredith Edwards 2000.pdf](https://www.atem.org.au/eknowledge-repository/command/download_file/id/24/filename/Univeristy%20Governance%20Meredith%20Edwards%202000.pdf)

Ultimately, as with universities' broader higher education compliance and quality assurance processes and activities, facilitating good university governance requires an ongoing process of reflection and renewal: "It is usually the product of painstaking effort to arrive at suitable governance structures, protocols and processes", and about timing and judgement.<sup>9</sup>

### **Concluding remarks**

Governance arrangements should support universities to deliver on their missions, afford sufficient flexibility to enable them to work to their individual strengths, and mobilise institutions to adapt to the changing needs of the communities they serve. In essence, university governance in Australia is best supported by higher education principles and standards which recognise the following:

- Australian universities are autonomous institutions<sup>10</sup>, with their own distinct missions and priorities.
- The role and contributions of Australian universities is multi-faceted, encompassing responsibilities to teach students, conduct research, and contribute to the economic, cultural and intellectual life of the Australian community.
- The higher education policy setting should promote administrative efficiency and minimise undue regulatory burden or complexity.

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<sup>9</sup> Trakman, above n. 4, p. 77.

<sup>10</sup> Higher Education Standards Framework (Threshold Standards) 2021.