

14 April 2025

Ms Melinda Cilento
Chair
Expert Council on University Governance
Department of Education

Email: ExpertCouncilUniGov@education.gov.au

Dear Ms Cilento,

RE: Strengthening University Governance: Expert Council on University Governance

Who we are

A national membership association, Governance Institute of Australia (Governance Institute) advocates for governance and risk management professionals, providing community and support to over 7,500 members. Reflecting the key role good governance plays in the performance of every Australian organisation, our membership incorporates governance professionals from every part of an organisation — from company secretaries to chief risk officers, directors, CEOs, and other senior leaders.

Our members have primary responsibility for developing and implementing governance frameworks in public listed, unlisted, and private companies, as well as the public sector and not-for-profit organisations. They have a thorough working knowledge of the operations of the markets and the needs of investors. We regularly contribute to the formation of public policy through our interactions with Treasury, ASIC, APRA, ACCC, ASX, ACNC, the ATO and the Attorney General's Department. We are a founding member of the ASX Corporate Governance Council. We are also a member of the ASIC Business Advisory Committee, the ASX Business Committee, the ACNC Sector Users Group and are represented on the Expert Council on University Governance (Expert Council).

Our role in education

Our Governance Academy provides practical training and expert insights, equipping professionals with the tools to excel in their roles and drive better decision-making in their organisations. We have two postgraduate courses accredited by the Tertiary Education Quality and Standards Agency (TEQSA) as meeting course requirements under the Australian Qualifications Framework (AQF) at Level 8, postgraduate certificate and postgraduate diploma levels.

We are the only Australian provider of chartered governance accreditation, and an Institute of Higher Education as defined in the Higher Education Standards Framework (Threshold Standards) 2021 made under section 58(1) of the Tertiary Education Quality and Standards Agency Act 2011 (TEQSA Act). We also offer a range of non-accredited short courses, certificates and other training offerings to assist members and others to increase their skills and knowledge about governance and risk management.

Public expectations of Australian Universities

Governance Institute carries out an annual Ethics Index. Our 2024 Ethics Index found an unprecedented emphasis placed on ethics in society. This shift underscores a growing demand for transparency, accountability and ethical conduct in both the public and private spheres. The 2024 Ethics Index also found a decline in the Education sector driven by negative perceptions of universities, university lecturers and private schools.¹ While the Education sector is overall perceived as ethical, the perception of ethics in the sector fell. The TEQSA Submission to the recent [Senate Education and Employment Committee Inquiry into the Quality of governance of Australian higher education providers](#) (Senate Inquiry) provides a summary of the common governance challenges in the sector including: financial oversight and risk management, governing body effectiveness, regulatory compliance issues, workforce and employment problems, academic governance and integrity risks and transparency and accountability.² Many of the other 178 Submissions to the Senate Inquiry echo these concerns. The reporting date for the Senate Inquiry has now been extended to August 2025 and we encourage the Expert Council to consider the Inquiry's finding when developing the UGPR.

Universities play an important role in society - they provide education to students of all ages, and conduct research and other activities that benefit society and the nation. As recent media attention indicates the public has a significant interest in the sector and expects it to have high standards of governance. Given that universities also receive public funding, noting that many have other sources of revenue, the public expects they will act in the public interest. '... Acting in the public interest is central to building and maintaining public trust and confidence in a representative democracy. There is no one accepted definition of the public interest. It is widely accepted however that governments and their departments, agencies and entities are expected to act in the public interest'.³ The public expects that universities will be governed in the public interest.

Recent governance issues in the university sector have imperilled the sector's social licence to operate. An organisation which has damaged its social licence potentially faces community backlash, increased regulation, and in serious cases, even failure of the organisation itself. On the other hand, the benefits of a social licence to operate include trust, credibility, an improved reputation, ongoing access to resources, improved market competitiveness, and positive employee engagement.⁴ Compared to other entities such as listed companies there is limited accountability and little transparency. Improving the standard of governance across the sector, increasing the transparency of universities' governance practices and the accountability of their governing body will be fundamental to restoring public trust in the sector.

University Governance Principles and Recommendations (UGPR)

Governance Institute supports the development of the UGPR, based on the ten priority areas identified by Education Ministers, to enhance the accountability, transparency, engagement and representation of university governing bodies. It will be critical to the success of the UGPR that they are principles-based and avoid over-prescription. It should be clear that any 'commentary' about how universities might

¹ See [2024 Ethics Index](#), Governance Institute of Australia. The Ethics Index is an annual survey, over nine years that explores perceptions of ethical issues and conduct in Australian society.

² See Submission 17 - [TEQSA submission: Quality of governance at Australian higher education providers](#), Tertiary Education Quality and Standards Agency, March 2025.

³ See [Governance principles for boards of public sector entities in Australia](#), Governance Institute of Australia, 2nd edition 2023 at page 6.

⁴ See [Achieving, maintaining, and repairing social licence to operate](#), Dr Bree Hurst, Senior Lecturer, QUT, Prof Kim A Johnston, and Dr Anne B Lane, Queensland University of Technology, *Governance Directions*, February 2022.

'operationalise' the UGPR are characterised as 'suggestions' to consider. Over-prescription can unintentionally encourage a 'compliance first'/'tick the box' mindset. This mindset can create a focus on satisfying minimum requirements instead on encouraging university governing bodies to exercise their judgement to develop a framework that addresses their particular circumstances and to improved governance.

Recommendation 1: The UGPR should be principles-based and avoid over-prescription. They should avoid a 'compliance first'/'tick the box' mindset and should encourage university governing bodies to exercise their judgement to develop frameworks that addresses their particular circumstances and to improved governance.

Recommendation 2: The central concept underlying the UGPR should be that universities are governed in the public interest.

The components of governance

Governance Institute considers governance has four key components:

- **Transparency:** being clear and unambiguous about the organisation's structure, operations and performance, both externally and internally, and maintaining a genuine dialogue with, and providing insight to, legitimate stakeholders and the market generally.
- **Accountability:** ensuring that there is clarity of decision-making within the organisation, with processes in place to ensure that the right people have the right authority for the organisation to make effective and efficient decisions, with appropriate consequences for failures to follow those processes.
- **Stewardship:** developing and maintaining an enterprise-wide recognition that the organisation is managed for the benefit of its shareholders/members, taking reasonable account of the interests of other legitimate stakeholders.
- **Integrity:** developing and maintaining a culture committed to ethical behaviour and compliance with the law.⁵

As embodied in Governance Institute's definition, good governance encompasses not only the system by which organisations are controlled, but the mechanisms by which organisations and those who comprise them are held to account. The UGPR should address the four components of governance.

Potential models for university governance - Australian governance frameworks

When considering the most appropriate approach to the UGPR it is helpful to look at existing Australian governance frameworks and the types of entities to which they apply.

Corporate Governance Principles and Recommendations

First released in 2003 and most recently updated in 2019, the Corporate Governance Principles and Recommendations (Principles and Recommendations) are a market-based disclosure framework, applying to ASX listed companies.⁶ The ASX Corporate Governance Council which produces the

⁵ See [Governance Foundations](#), Governance Institute of Australia.

⁶ See [Corporate Governance Principles and Recommendations](#), 4th edition 2019, ASX Corporate Governance Council.

Principles and Recommendations is a stakeholder group consisting of business, shareholder and industry groups with an independent chair.⁷

The Principles and Recommendations have played an important role in improving corporate governance in Australian listed companies since their first release in 2003. Considered to be the leading Australian statement on good corporate governance practice, they have also played an important role in influencing the governance practices of unlisted companies and other organisations.

The ASX Listing Rules require ASX listed entities to benchmark their corporate governance practices against the various recommendations and, where they do not conform, to disclose that fact and the reasons why. There is flexibility to adopt alternative corporate governance practices, if an individual board considers those to be more suitable to its particular circumstances, subject to the requirement for the board to explain its reasons for adopting those alternative practices.^{8 9}

When considering the suitability of the Principles and Recommendations as a model for the UGPR it is important to remember that companies and universities differ. Companies, unlike universities, have 'owners' to whom they are accountable and there are mechanisms and protections by which shareholders can make their views known to the board, such as the ability to remove directors and the right of five per cent of shareholders to requisition or call a meeting. Listed company shareholders also have the right to cast a non-binding vote on a listed company's remuneration report¹⁰. These accountability and transparency mechanisms that exist in relation to listed companies have no equivalent in the university sector.

ACNC Governance Standards

Universities which are registered charities are also expected to meet the [Australian Charities and Not-for-profits Commission Governance Standards](#) - a set of core, minimum standards relating to charity governance and how a charities are run – including their processes, activities and relationships. Charities must meet the ACNC Governance Standards to be registered as charities with the ACNC and must continue to comply with the Standards to retain their registration. Charities do not need to submit anything to the ACNC to show that they meet the Governance Standards and there is no disclosure requirement attached to them. Compliance is enforced by the ACNC and failure to comply with one or more of the Standards may result in the use of the Commissioner's enforcement powers, including warnings or directions being issued to a charity or revocation of its registration, resulting in it losing access to certain government funding, exemptions, concessions and benefits. While suitable for charitable sector, the ACNC Governance Standards contain insufficient detail to be used as a model for the UGPR.

⁷ The ASX Corporate Governance Council was modelled on the Cadbury Committee which produced the first corporate governance code in the UK in 1992. The [Cadbury Committee](#) consisted of the UK Financial Reporting Council, the London Stock Exchange and the accountancy profession. The UK Corporate Governance Code for listed companies is now produced by the UK [Financial Reporting Council](#).

⁸ There are some Recommendations which must be followed by ASX300 companies. See Recommendations 4.1 and 8.2 [Corporate Governance Principles and Recommendations](#), 4th edition 2019, ASX Corporate Governance Council.

⁹ Governance Institute produced [Governance principles for boards of public sector entities in Australia](#). We developed this guide as part of our commitment to promote good governance in all sectors. Designed as a practical resource to assist boards and governance professionals of public sector entities, such as public universities, in all Australian jurisdictions to understand and achieve good governance. First published in 2016 it was revised in 2023 to reflects changes in the public sector since that time, and to more closely align with the fourth edition of the Principles and Recommendations.

¹⁰ Section [250 R](#) Corporations Act.

APRA Governance Standards

The Australian Prudential Regulation Authority (APRA) also has governance standards that apply to prudentially regulated entities – banks, insurers and registrable superannuation entities (RSEs). It is currently consulting on eight proposals to strengthen its core prudential standards and guidance on governance. Areas which APRA has identified as problematic include: the skills and capabilities of directors, narrow approaches to assessing and reviewing fitness and propriety, insufficient attention to board performance assessments, problems stemming from overly long tenure and inadequate management of conflicts of interest.¹¹ APRA's governance requirements are set out in Prudential Standards. Breaches of APRA's governance standards can lead to various consequences, including financial penalties, additional capital requirements, and restrictions on an entity's operations. APRA can also disqualify individuals from holding accountable person roles and take other actions, including issuing directions or referring matters for criminal prosecution. Again, while many of the elements of APRA's Governance Standards may have application to the university sector, we do not consider a prudential standards approach to be a workable model for the university sector.

TEQSA Higher Education Standards Framework (Threshold Standards) 2021

Domain 6 of the Threshold Standards relates to governance and accountability and sets out a range of requirements in relation to the governance of TEQSA accredited institutions. TEQSA noted in its Submission to the Senate Inquiry that failure to meet the Threshold Standards, including governance obligations, does not automatically constitute a breach of the TEQSA Act. Its enforcement powers are only activated where it places a condition on a provider, which requires specific action to meet a particular Threshold Standard.¹² There are gaps in the Threshold Standards in relation to governance issues such as governing body composition, executive remuneration and employment practices and governance transparency.¹³ Any reporting on an individual university's governance practices is to TEQSA which is in contrast to the publicly disclosed corporate governance statement produced by listed companies under the ASX Listing Rules.

UCC Codes

The University Chancellor's Council (UCC) has also produced a Code of Governance Principles and Practices for Australian Universities (UCC Code) and the voluntary Australian Universities Vice-Chancellor and Senior Staff Remuneration Code. While these Code covers many of the relevant areas they remain voluntary codes. They have also been produced by a body representing one part of the university system and for that reason it may be difficult for them to gain broad acceptance across the sector. We recommend against adoption of the UCC Codes as the UGPR.

Recommended model

Having considered the advantages and disadvantages of the various Australian models we consider the UGPR:

- Should be a new code principles-based recommended governance practices.
- Should be sufficiently flexible to apply to a wide range of universities, from the largest to the smallest.
- Should be disclosed annually by all universities on an 'if not, why not' basis.
- Should provide for an annual attestation by the most senior representatives of a university as to the adequacy of a university's governance arrangements.

¹¹ See [Governance Review – Discussion Paper](#), Australian Prudential Regulation Authority.

¹² See Submission 17 - [TEQSA submission: Quality of governance at Australian higher education providers](#), Tertiary Education Quality and Standards Agency, March 2025 at paragraphs 2.20 and 2.21.

¹³ See Submission 17 - [TEQSA submission: Quality of governance at Australian higher education providers](#), Tertiary Education Quality and Standards Agency, March 2025 at paragraph 2.36.

- Should be produced and maintained by a suitably qualified and representative group which has sufficient broad support for the UGPR to gain acceptance. Members of this group should bring a range of perspectives on governance not only from the university sector but from outside it. The group should have an independent secretariat with appropriate expertise and resources and be chaired by an independent person. This group should also be of a size which ensures that it can have the benefit of a range of perspectives but not be so large as to be unwieldy. It should have a clear charter and be accountable for its stewardship of the UGPR.

We also consider that universities' disclosures against the UGPR need to be periodically audited by a regulator, for example, TEQSA. If the regulator finds a university has not complied with the UGPR or its explanation is unsatisfactory it should be able to act against the university by way of a condition or restriction on the university's accreditation which the regulator makes public.

Recommendation 3: The UGPR should be produced and maintained by a suitably qualified and representative group consisting of individuals with a range of perspectives on governance from inside and outside university sector. This group should have an independent secretariat with appropriate expertise and resources and should be of a size to ensure a range of perspectives without being so large as to be unwieldy. The group should be chaired by an independent person and have a clear charter. It should be accountable for its stewardship of the UGPR

Recommendation 4: The UGPR should:

- Be a new code of principles-based recommended governance practices.
- Be sufficiently flexible to apply to a wide range of universities.
- Be disclosed annually by all universities on an 'if not, why not' basis.
- Provide for an annual attestation by the most senior representatives of a university as to the adequacy of the university's governance arrangements.

Recommendation 5: Universities' disclosures against the UGPR should be periodically audited by a regulator. If the regulator finds a university has not reported against the UGPR or its explanation is unsatisfactory, the regulator should be able to take action against the university by way of a condition or restriction on the university's accreditation which the regulator makes public.

UGPR specific issues

Our comments on matters we consider the UGPR should address are set out below.

1. The role and responsibilities of the governing body and university management

The Principles and Recommendations commence with an exhortation to lay solid foundations for management and oversight.¹⁴ We consider that this should also be the starting point for the UGPR – it is fundamental that all parties are clear about their roles and responsibilities. The UGPR should set out the general matters for which a university governing body should be responsible and the relationship between the governing body and the other parts of the university governance eco-system – the academic board and the university and faculty management functions. The governing body should be responsible for setting strategic objectives and for oversight of implementation of strategy, risk

¹⁴ See Principle 1 [Corporate Governance Principles and Recommendations](#), 4th edition 2019, ASX Corporate Governance Council.

management (including setting the risk appetite), the integrity of accounting and reporting systems, remuneration policies and for monitoring the effectiveness of the university's governance practices. The governing body should also have explicit responsibility for oversight of a university's culture.

There should be a clear delineation between the role of the governing body and the role of other actors such as the academic board and the management functions. These roles and responsibilities should be clearly documented and disclosed publicly.

Governing bodies should have committees to assist them in discharging their duties. Depending on the size of the university appropriate committees would include nomination and/or remuneration, audit and risk, people and culture (including safety) and sustainability committees. These committees should be chaired by a member of the governing body with appropriate expertise.

Recommendation 6: The UGPR should set out the matters for which a university governing body should be responsible and the relationship between the governing body and the other parts of the university governance eco-system – the academic board and the university and faculty management functions.

Recommendation 7: The governing body should be responsible for setting strategic objectives and for oversight of implementation of strategy, risk management (including setting the risk appetite), the integrity of accounting and reporting systems, remuneration policies and for monitoring the effectiveness of the university's governance practices. The governing body should also have explicit responsibility for oversight of a university's culture.

Recommendation 8: Governing bodies should have committees to assist them in discharging their duties. Committee should include nomination and/or remuneration, audit and risk, people and culture (including safety) and sustainability committees.

Governing body composition

One of the frequent criticisms levelled at university governance is that their governing bodies are not structured to govern effectively. University governing bodies should be of an appropriate size, commitment and knowledge of the university and the sector to enable them to discharge their duties effectively in the public interest. The UGPR should provide for the following.

- **Size** – university governing bodies are frequently criticised as being too large to be effective. The average large listed company board is 7.5 directors, of which 6.3 are non-executive directors.¹⁵ Depending on the size of the university the governing body should have between 8 and 12 members. Governing bodies with more than 12 members are likely to be ineffective. As noted in the Principles and Recommendation the governing body 'needs to be of sufficient size so that the requirements of the business can be met and changes to the composition of the board and its committees can be managed without undue disruption. However, it should not be so large as to be unwieldy'.¹⁶
- **Skills based** – while the provisions for appointments to university governing bodies are generally set out in their enabling legislation, we consider that appointments to university governing bodies, even if the members is a representative should be skills based. While university governing bodies are like RSE boards in that they both have representative members, increasingly representative

¹⁵ See [ASX 200 Board Succession Planning Review](#), Ashurst Board Advisory, November 2021.

¹⁶ See [Corporate Governance Principles and Recommendations](#), 4th edition 2019, ASX Corporate Governance Council at page 12.

members must be appropriately skilled in addition to representing a particular constituency.¹⁷ This does not mean all governing body members must have all the required skills but that the governing body must collectively have the skills required to govern effectively. We recommend that university governing bodies make use of skills matrices to identify the existing skills of members and any gaps.

- **Diversity** – in addition to gender, governing bodies should also consider diversity when considering their composition. Having members of different ages, ethnicities and backgrounds can help bring different perspectives and experiences to bear and avoid ‘groupthink’ or other cognitive biases in decision making.
- **Renewal and tenure** – governing bodies should be composed of a mix of members with history and experience of the university and members who bring a fresh perspective and new ideas. While listed companies are not subject to a maximum tenure for directors, it is generally accepted that that once a director has served on a listed company board for ten years, there should be a regular review of their independence.¹⁸ We recommend university governing bodies should regularly review members’ tenure once they have served ten years.
- **Selection** – nomination committees, sometimes combined with remuneration committees in listed companies, are frequently found in the governance structures of listed companies. They are an effective way of considering matters relating to succession, performance, continuing professional development, recruitment, evaluation of the balance of skills and knowledge and skill gaps and senior executive succession. We recommend that university governing bodies should form nomination committees, noting that for smaller institutions the whole governing body may act as a nomination committee. The chair of the governing body should be the chair of the nomination committee.
- **Evaluation** – all governing bodies should review their performance and that of individual members and committees annually. While historically reviews were conducted inside the organisation it is good practice to carry out a periodic external review.¹⁹

Recommendation 9: University governing bodies should be of an appropriate size, commitment and knowledge of the university and the sector to enable them to discharge their duties effectively in the public interest. Their size should be such that the requirements of the university can be met and changes to the composition of the governing body and its committees can be managed without undue disruption.

Recommendation 10: Appointments to university governing bodies should be skills based even if the members is a representative. Governing bodies should use skills matrices to identify the existing skills of members and any gaps and should also consider diversity when appointing governing body members.

Recommendation 11: University governing bodies should have a mix of members with history and experience of the university and members who bring a fresh perspective and new ideas. University governing bodies should regularly review members’ tenure once they have served ten years.

Recommendation 12: University governing bodies should form nomination committees. The chair of the governing body should be the chair of the nomination committee.

¹⁷ See [Governance Review - Discussion Paper](#), Australian Prudential Regulation Authority at page 15.

¹⁸ See [Corporate Governance Principles and Recommendations](#), 4th edition 2019, ASX Corporate Governance Council at page 14. The Australian Prudential Regulation Authority is currently consulting on whether there should be a ‘lifetime default tenure’ for directors of ten years.

¹⁹ APRA’s Governance review proposes triennial external reviews for Significant Financial Institutions. See [Governance Review - Discussion Paper](#), Australian Prudential Regulation Authority at page 23.

Recommendation 13: University governing bodies should review their performance and that of individual members and committees annually. They should periodically carry out an independent external review.

2. Financial oversight and risk management

The TEQSA Submission to the Senate Committee refers to poor financial planning, a lack of transparency in financial reporting and inadequate risk management as persistent challenges across the sector. Oversight and review of financial and other reporting processes and information is a key role of the governing body.

For entities incorporated under the Corporations Act 2001 directors must make declarations in relation to solvency, compliance of the financial statements with accounting standards and that the financial statements give a true and fair view of the financial position and performance of the entity. The Corporations Act also provides (section 295A) that the CEO and CFO must provide declarations in relation to the maintenance of financial records, compliance of the financial statements with the accounting standards and that they give a true and fair view of the financial position and performance of the entity. The Principles and Recommendations have added to the statutory declaration an additional declaration from the CEO and CFO that their 'opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively'.²⁰ The introduction of the Corporations Act declaration has been an important means of driving management accountability for the financial statements.

All universities should have a risk management framework which is reviewed regularly. It is a key role of the governing body to monitor the adequacy of the risk management framework and satisfy itself that the university is operating within the risk appetite it has set. This should include satisfying itself that the framework deals adequately with risks such as conduct risk, cyber security, digital disruption, privacy and data breaches, sustainability and climate change. This should also include risks specific to the university sector such as risks to academic integrity, foreign interference, financial viability and people risk.

Recommendation 14: The UGPR should address the governing body's responsibility for the financial statements and, where not required under its enabling legislation, require a declaration from members of the governing body as to the solvency of the university, compliance of its financial statements with accounting standards and that the financial statements give a true and fair view of the financial position and performance of the university.

Recommendation 15: The UGPR should provide for a declaration from the chief executive or equivalent and the chief financial officer of the university equivalent to section 295A of the Corporations Act. This declaration should also extend to the soundness of the university's risk management framework and internal control system.

Recommendation 16: The UGPR should provide for all universities to have a risk management framework which is regularly reviewed by the governing body. The governing body should also satisfy itself that the framework deals adequately with risks such as conduct risk, cyber security, digital disruption, privacy and data breaches, sustainability and climate change as well as risks specific to the university sector such as risks to academic integrity, foreign interference, financial viability and people risk.

²⁰ Principles and Recommendations, Recommendation 4.2.

3. Governing body oversight of culture and lawful, ethical and responsible behaviour and safeguarding the rights of students and staff

Issues such as sexual violence relating to staff and students and systemic underpayment of staff within universities point to significant failures of culture. Poor culture enables poor conduct to take place, often over an extended period. Misconduct in organisations either at an individual level or at a systemic level is typically a failing of culture. Universities should have a culture of acting lawfully, ethically and responsibly. The other key point about culture is the importance of 'tone from the top'. The governing body should have explicit responsibility for oversight of culture in the institution. It should also be informed of material breaches of the code of conduct, the whistleblower policy and other key policies relating to lawful, ethical and responsible behaviour including bribery and corruption policies and policies that safeguard the rights of students and staff.

Recommendation 17: The UGPR should require university governing bodies to have explicit responsibility for oversight of culture. They should receive reports of material breaches of key policies such as the code of conduct, the whistleblower policy and other key policies relating to lawful, ethical and responsible behaviour including bribery and corruption policies and policies that safeguard the rights of students and staff.

4. Remuneration

Remuneration of senior executives is always the subject of media and community interest and the salaries of senior members of universities, particularly Vice Chancellors, have been in the spotlight recently. As noted above universities should have a remuneration committee. The role of the remuneration committee should be to make recommendations to the governing body about the university's remuneration policy, remuneration packages for senior members of the university and other remuneration matters. The remuneration committee should be able to seek external advice if necessary.

Remuneration is also an area where there is potential for conflicts of interest. The Principles and Recommendations note that executive members of a governing body 'should not be involved in deciding their own remuneration. The [remuneration] committee should also be alive to the potential conflict of interest in an executive director being involved in setting the remuneration for other executives that may indirectly affect their own (for example, through setting a benchmark or because of relatives) where there is significant potential for conflicts'.²¹

The remuneration policy should be made available publicly and universities should make an annual disclosure similar to the remuneration report in section 300A of the Corporations Act. This report should benchmark salaries to an appropriate comparator such as public sector salaries and it may also be useful to disclose pay ratios. The remuneration policy should be reviewed independently every five years.

Recommendation 18: The UGPR should require a university governing body to have a remuneration committee whose role should be to make recommendations to it about the university's remuneration policy, remuneration packages for senior members of the university and other remuneration matters.

Recommendation 19: Executive members of a governing body should not be involved in deciding their own remuneration.

Recommendation 20: The remuneration policy should be made available publicly and universities should make an annual disclosure similar to the remuneration report in section 300A of the

²¹ Principles and Recommendations page 30.

Corporations Act. Universities should consider benchmarking salaries to an appropriate benchmark such as public sector salaries.

Recommendation 21: The remuneration policy should be reviewed independently every five years.

5. Transparency

The lack of transparency around universities' governance practices is frequently remarked on by commentators and is a function of both their history and the various pieces of legislation under which they operate. Improving transparency in the sector is critical to restoring trust.

Universities should disclose in a dedicated governance section of their websites:

- Their statutory reports including financial statements
- Their annual 'if not, why not' report against the UGPR
- The charters of the governing body and its committees
- The remuneration report referred to in Recommendation 20 above, and
- Any other matters relevant to their governance practices.

Recommendation 22: The UGPR should require universities to disclose in a dedicated governance section of their websites: their statutory reports (including financial statements), their annual 'if not, why not' report against the UGPR, the charters of the governing body and its committees and the remuneration report.

If you have any questions, please contact me or Catherine Maxwell, General Manager, Policy and Advocacy.

Yours sincerely,

Katrina Horrobin

Interim CEO