

17 April 2025

Expert Council on University Governance

Via email: [REDACTED]

Dear Expert Council on University Governance,

Thank you for the opportunity to provide a submission to the Expert Council on University Governance (**Expert Council**) which has been formed to provide expert and technical governance advice to Education Ministers around the improvement of university governance in Australia.

The AICD is represented as one of ten members of the Expert Council which has been asked to draft University Governance Principles and Recommendations (**Principles**) to the Education Ministers, based on 10 priority areas identified by Education Ministers. Those priority areas are designed to enhance the accountability, transparency, engagement and representation of university governing bodies.

The Australian Institute of Company Directors (**AICD**) mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of 53,000 reflects the diversity of Australia's director community, comprised of directors of not-for-profits (**NFPs**), large and small and medium enterprises (**SMEs**) and the government sector.

The AICD's submission has been informed by consultation with experienced University Council members across the sector, industry experts and stakeholders, noting a range of perspectives reflective of their individual university's unique context. Many highly experienced AICD members serve on University Councils and Council committees and the sector overall benefits from their extensive skills and experience from governing large complex organisations across the private, public and NFP sectors.

We recognise there are areas of opportunities for universities to lift governance and risk oversight but caution against increasing the level of prescription regarding the appointment of Council members. Ultimately, University Councils are best positioned to determine the appropriate composition needed for the governing body, whilst respecting the legislative requirements of students, staff and government to elect and appoint their representatives. University governance has particular characteristics – such as the tripartite model and its quasi-Parliamentary nature - and this context should be acknowledged in the framing of university governance principles.

Regardless of how members are *individually* appointed, the University Council *collectively* is accountable for acting in the best interests of the university as a whole, as outlined in the relevant governing legislation.

Whilst ensuring high governance standards in the university sector is rightfully a priority for federal and state governments, there are more fundamental questions that also need to be addressed – such as the sustainability of public funding models – that impact the ability of the sector to continue to provide high quality education, deliver world class research, and meet broader community expectations.

Executive summary

Our key points in relation to the current consultation are as follows:

- Member feedback has been strongest in relation to the overall level of governance and regulatory and jurisdictional complexity, highlighted by the tripartite governance structure of the University Councils, Academic Boards and senior management, along with the number of subsidiary Council committees, and other advisory bodies that exist. Members have reflected on the quasi-Parliamentary nature of individual University Councils when compared to other board roles across the public, private and NFP sectors.
- While there are strengths to the typical representational model of university governance (e.g. staff and student Council representatives), it also poses fundamental challenges around board skills, conflicts management and the ability to compose a well-functioning and unified board. These externally imposed governance constraints, typically contained in the university's foundational statute, are juxtaposed with the many challenges facing the sector which demands a highly skilled and experienced governing body. Given the representative model, it is vital that the governing body retains the ability to appoint Council members with the current and future focused skills to help navigate the university through a strategically complex environment. The Chancellor's role should be respected and reinforced recognising their unique role.
- Whilst we support Principles being devised to establish a strong baseline for university governance standards, they should apply only on an 'if not why not', rather than mandatory basis. Such an approach would recognise some of the structural constraints around effective governance, as well as the diversity of the sector (ranging from small regional universities to their large metropolitan counterparts).
- Mixed feedback has been received in relation to the ideal size and composition of a University Council. Whilst large ASX listed and NFP/charity boards can range from 8-12 members, University Councils can range from 14-22 members due to the representational nature of those bodies, with the mixture of Council co-opted, government appointed and elected staff and student members.¹ Although such matters are often governed by the relevant state or federal statute,² there would be benefit in seeking to reduce the number of members on University Councils to support more effective governance. Currently, Council committee and/or advisory structures often need to be relied upon to supplement Council deliberations where the requisite range of skills may not be present on the Council.
- The AICD supports good governance in the university sector through an ongoing partnership with the University Chancellors Council (**UCC**) to design and deliver a three-day governance course (*Governance in the University Sector – Foundations of University Governance*). This course caters to Council members, members of official university committees, senior staff and staff with governance responsibilities. The AICD has also produced a range of free resources to assist boards on a range of governance topics. See section 5 for a list of resources.

¹ AICD (2019). Director Tools – Board size. Available [here](#).

² Note: Universities Legislation Amendment Bill 2016 (WA) – Second Reading Speech – Legislation reduced the maximum size of University Councils to 17. Available [here](#). Universities Governing Bodies Bill 2011 (NSW) – Second Reading Speech – Legislation provides for a minimum of 11 and a maximum of 22 members on the governing body, with each university to determine the size considered appropriate to its circumstances. Available [here](#).

1. General comments

The AICD provides the following general observations before addressing the 10 Priority Areas outlined by Education Ministers and highlighted in the Terms of Reference for the Expert Council.

From the outset, we would caution against the 10 Priority Areas being preordained by Ministers as the basis for any future governance code or Principles for the sector, rather than a starting point for public consultation. A genuine public consultation should take place that allows all stakeholders to share their insights with the Expert Council and then in turn, allow the Expert Council to make recommendations to Ministers. Ongoing sector-specific engagement between universities, government and other key stakeholders such as unions and student groups will be essential to strengthening relationships amidst a wave of ongoing university reforms.

As outlined below, there are some aspects of the Priority Areas which we would consider to be overly prescriptive and other areas which have not been identified. For example, there should be stronger emphasis on Council members' fundamental duties to the university and strong conflict management controls, whilst the supplementary role of committees and other advisory bodies should be highlighted.

Given that public universities are typically a creature of statute, there are often strict legislative constraints around core governance features (e.g. composition and size of the governing body). When looking to introduce these Principles, relevant State and Federal education ministers should commit to making the necessary changes to the underlying statutes within their jurisdiction to support their effective implementation.

a) Regulatory environment

We note that public universities are subject to a range of existing governance regimes, including:

- Higher Education Standards Framework (**HESF**) (Threshold Standards) 2021) enforced by the Tertiary Education Quality and Standards Agency (**TEQSA**).³ Specifically, HESF Domain 6: Governance and Accountability contains the scope and intent and TEQSA commentary which covers corporate governance, corporate monitoring and accountability, and academic governance. The Threshold Standards also require that governing body members are 'fit and proper persons' as an ongoing requirement of registration as a higher education provider.
- Voluntary codes developed by the UCC, primarily A Code of Governance Principles and Practice for Australia's Public Universities (last updated in December 2024),⁴ and the Vice-Chancellor and Senior Staff Remuneration Code and Freedom of Speech and Academic Freedom Model Code which are scheduled for review in 2025. Like ASX listed companies, we note the prevalence of Nomination and/or Remuneration Committees within university governance structures that allow stronger focus on executive remuneration issues.
- Relevant state or federal statute establishing the university and requirements for Council composition. For example, *University of Western Australia Act 1911*,⁵ *University of Queensland Act*

³ Higher Education Standards Framework (Threshold Standards) 2021. HESF Domain 6: Governance and Accountability. Available [here](#).

⁴ UCC Voluntary Code (December 2024) – A Code of Governance Principles and Practice for Australia's Public Universities. Available [here](#).

⁵ The University of Western Australia. University legislation. Available [here](#).

1998,⁶ *University of Melbourne Act 2009*,⁷ and *Australian National University Act 1991*.⁸ Typically, university statutes largely mirror the directors' duties contained in the federal Corporations Act.

We also note universities are also subject to other requirements regulatory regimes and their functions can intersect with TEQSA's oversight of provider governance including:⁹

- Australian Research Council (ARC);
- Australian Research Integrity Committee (ARIC);
- Australian Skills Quality Authority (ASQA)
- Fair Work Ombudsman (FWO);
- Higher Education Standards Panel (HESP);
- National Health and Medical Research Council (NHMRC); and
- National, state or territory-based anticorruption offices; audit offices; and ombudsman offices.

b) Level of detail and prescription

The AICD considers the fundamental role of the Principles is to provide a balanced and practical framework to assist University Councils with their governance practices, with the ability to be flexibly applied from smaller regional universities through to the largest metropolitan universities.

University Councils should be able to apply the Principles in a way that is appropriate for their specific circumstances, and report against the Principles on an 'if not, why not' basis. Our view is that the more prescriptive the Principles are (e.g. appointment of Council members with specific skills and experience), the more likely board accountability could be compromised and implementation challenging for smaller institutions. It is important to recognise that non-elected or ministerially appointed directors are typically experienced individuals who receive no pay for their service to the Council and are motivated by civic reasons.

The AICD considers that given the diversity of the sector, it is critical that the Principles allow for differing approaches in the adoption of the Principles, based on factors such as size, scope, scale, and strategic context.

Given the significant public funding provided to universities, it is appropriate that there is adequate transparency whilst mindful of the costs of complying with such a requirement. Reporting against the final Principles under an 'if not why not' framework strikes the appropriate balance.

Whilst the ASX Corporate Governance Principles & Recommendations (**ASX Principles**) are considered a clear benchmark in the Australian market, most universities will have significantly fewer financial resources and skilled governance professionals than large listed companies. We would strike a note of caution regarding the wholesale application of the ASX Principles to the university sector. This is critical given the unique features of university governance including its representational and tripartite model, diverse scope of responsibilities and complex range of accountabilities to stakeholders such as various governments which fund and regulate the sector. The final Principles should be tailored to reflect this unique context and broadly supported by stakeholders.

⁶ The University of Queensland. Policies, Procedures & Guidelines. Available [here](#).

⁷ The University of Melbourne. Legislation. Available [here](#).

⁸ Australian National University. Policy: University legislation. Available [here](#).

⁹ TEQSA (March 2025). Submission – Quality of governance at Australian higher education providers. Available [here](#).

On the ASX Principles specifically, stakeholders (including the AICD) recognise that they have grown excessively lengthy and unwieldy over time. Recent attempts to issue a proposed fifth edition of the ASX Principles failed due to the inability of the ASX Corporate Governance Council (of which the AICD is a member) to reach consensus. The AICD is currently calling for an independent review of the ASX Corporate Governance Council and the role of the ASX Principles to ensure they are recalibrated to have broader market support.

c) Implementation

Australian universities operate in an increasingly complex regulatory environment, face rising community expectations, and suffer from constrained funding models. The AICD considers a sufficient transition period should allow universities to adjust their governance approaches, and/or government to amend the relevant underlying university statute, in advance of mandating application of the Principles on an 'if not why not' basis.

Once draft Principles have been prepared, the AICD strongly encourages a further consultation period with University Councils and stakeholders to ensure they will operate effectively and not create unintended consequences. There should be a formal post implementation review following a suitable period (for example, three years).

State and Federal governments are also strongly encouraged to consider where regulatory duplication and overlap occurs to ensure regulation is targeted and proportionate. This may include reviewing where elements of existing codes and regulatory guidance could be modified rather than embarking on wholesale changes. For example, we note TEQSA has recently concluded its consultation on interim guidance on student grievance and complaint mechanisms, which proposes adding an additional reporting requirement.¹⁰

2. Composition

Priority Area 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.

Priority Area 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.

Priority Area 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.

Higher education and other expertise

The AICD recommends the governing body should comprise members who, as a whole, have a relevant and diverse range of skills, expertise and experience relevant to its role, including higher education expertise. The AICD agrees that higher education expertise should be included as part of the overall mix

¹⁰ TEQSA (April 2025). Previous consultations. Interim statement of regulatory expectations: Student grievance and complaint mechanisms. Available [here](#).

of skills to be captured within the board skills matrix, when reviewing current and future composition gaps on the Council.¹¹

However, we do not consider it necessary to be prescriptive by mandating outside university experience. Typically, there will be a great deal of higher education expertise on the University Council given the usual membership of the Vice-Chancellor, Chair of the Academic Board and staff representatives (many of whom would have already been part of other universities during their career).

Members have also noted University Councils draw on the collective expertise and experience of the Council committees, and Academic Boards, where a substantial amount of work is performed. The role of the Academic Board cannot be understated given its unique role in the university governance tripartite structure in bringing strong oversight to academic governance.

University Council committees also often benefit from external non-Council members being recruited to enhance the quality of oversight on core governance issues (e.g. directors with ASX-listed experience can bring extensive experience, for example from audit and/or risk committees, across to the university context). This is often necessary as the range and depth of skills to govern a complex multi-billion dollar institution with public accountability may not be met through the representational model alone. Given these dynamics, having external expertise and experience at the committee level becomes even more critical to the effectiveness of university governance.

Staff and student representatives

Members have highlighted the important perspectives that staff and students bring to the Council as elected representatives. Members and stakeholders have noted that whilst Councils are collectively accountable for overall governance, there can be information asymmetry between individual members, such as staff and student members who generally do not have the same level of committee involvement on significant deliberations (i.e. the Remuneration Committee reviewing Vice-Chancellor and senior executive remuneration), when compared to co-opted and appointed members.

It is important to recognise that elected staff or student representatives often may not have the range of experience and expertise commonly found on the board of a complex organisation such as a university which can have billions of dollars in revenue, employ thousands of staff and educate tens of thousands of students. Indeed, the non-elected, professional directors, may be the minority on the board once staff, student and ministerial appointments are allowed for. In practice, this means that it can be difficult for boards to achieve the appropriate range of skills at the board level (given the limited positions available) and that these gaps must then be filled by external individuals on board committees (e.g. on a technology committee or an audit committee).

Any Principles that are developed, including mandating the development of skills matrices, should reflect this reality.

A further challenge posed by the elected representative model, is that those individuals may perceive their role as being to act in the interests of those who elected them (e.g. students or staff) rather than the university. It may also create challenges in terms of conflicts of interest management and confidentiality of information shared.

¹¹ AICD (November 2024). Board Skills Matrix Tool Example and Guidance. Available [here](#).

We would recommend that the Principles emphasise that all Council members, regardless of their route to appointment, act in the best interests of the university, and must appropriately manage conflicts of interest and respect confidentiality.

Staff and student input

Universities have various engagement mechanisms to capture and consider staff and student perspectives, in addition to membership of the University Council, Academic Boards, and Council committees. This includes through university-wide consultations (e.g. responsible investment policy¹²) and various student representative Councils at the undergraduate and postgraduate level.

As a general observation, universities should consider assessing whether existing mechanisms to receive and respond to staff and student input are fit for purpose and adequately reflect reasonable stakeholder expectations.

Review of the performance of the University Council

In the private sector, especially listed companies, it is common practice for there to be an annual board evaluation to assess the functioning of the governing body including performance of the chair and other non-executive directors. Often, these evaluations are conducted internally, with strong oversight of the relevant chair and company secretary (or other most senior governance related professional).

However, to mitigate the risk that internal review processes become compromised, it is considered good practice that an external review, take place periodically. This can encourage a stronger, more self-reflective process which can lead to recommendations to improve governance and often support effective board renewal.

We would encourage the Principles to include provisions around evaluation of Council performance, and mandating periodic external reviews (e.g. on a three to five yearly basis). Councils should consider any recommendations arising from the external reviews in a timely manner.

3. Diversity

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

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

Priority Area 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.

Diversity

In our consultation, members highlighted that the guidance should be principles-based and strongly cautioned against being overly prescriptive in mandating specific diversity requirements. Some members emphasised that they achieve genuine diversity as part of their board renewal process, as demonstrated

¹² Australian National University (August 2024). Council News – Meeting: 9 August 2024. Available [here](#). Note: ANU Council discussed the Socially Responsible Investment Policy and outcome of a widespread consultation process.

by Councils often featuring broader categories of diversity such as cultural diversity, First Nations people and age, without needing to prescribe specific requirements to do so.

Ultimately universities are complex organisations receiving significant public funding, and responsible for the higher education of many thousands of Australians. As is well recognised, generally University Councils have broader representation than many other boards of complex institutions given the representative governance structures that typically exist (e.g. undergraduate student representative (s), postgraduate student representative (s), staff representatives etc).

Accordingly, we would not support setting rigid requirements around board diversity characteristics in the Principles.

Gender balance

The AICD notes that women hold 54.4% of Australian Government board positions currently, a testament to significant progress at a federal level.¹³ We are unaware of recent analysis having been done at the university level to determine the current breakdown but note previous improvements between 2016 and 2020, where the university sector made a significant increase in the number of women on the governing bodies - up from 37.2% to 48.1%.¹⁴

Absent such work identifying significant underrepresentation of men or women, as a general principle, we would support a guiding model of 40 per cent women / 40 per cent men / up to 20 per cent any gender (40/40/20) for University Councils.

However, such a target should not be applied rigidly. There are practical challenges with achieving gender balance for University Councils given they can directly influence the *co-opted* members of Council but have less influence in making recommendations for *government appointed* members and little to no influence for *elected staff/student* members. Given the frequent turnover and shorter tenure of staff and student representatives compared to co-opted Council members, setting rigid targets may be counterproductive.

Given the complexity of higher education and the challenges facing the sector, the focus should be on finding an appropriate mix of director skills and experience, noting that University Councils are typically more diverse in terms of composition than private sector boards due to the representational model.

By way of comparison with the ASX listed sector, given the size and scale of institutions, AICD analysis of gender diversity data reveals the following statistics for women on boards as of 30 June 2024:¹⁵

- ASX 300 – 37.4%
- ASX 200 – 37.4%
- ASX 100 – 39.3%
- ASX 50 – 41.7%
- ASX 20 – 43.6%

¹³ Australian Government (January 2025). Gender Balance on Australian Government Boards – 2023-24 Annual Report. Available [here](#).

¹⁴ Women on Boards (April 2025). University Governing Bodies. 2015, 2016 and 2020 Reports. Available [here](#).

¹⁵ AICD (July 2024). Gender Diversity Report. Available [here](#).

First Nations

We would encourage universities to think deeply about how they can meaningfully engage with First Nations stakeholders, including both students as well as local communities in which they operate and suppliers. This should be considered as part of a broader stakeholder engagement plan by universities, overseen by the governing body (discussed below). We would encourage universities to consider establishing formal consultative bodies where deemed appropriate to ensure two-way dialogue and the fostering of a constructive and respectful relationship.

For the reasons outlined above, we do not consider it appropriate to seek to mandate First Nations representatives on each University Council. It will be a matter for each university to consider, drawing on consultation with its First Nations stakeholders, noting that there may be multiple routes to a position on the governing body (e.g. staff elected, student elected, ministerially appointed, appointed by the Council). We note that there are several University Councils that have First Nations directors currently.

4. Selection processes

Priority Area 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;

We are concerned by the assumption of Priority Area 8 that skills-based appointments will be made following a rigorous and transparent selection process. Whilst such an outcome would be ideal, absent wholesale reform to the representational model, as enshrined in the university governing legislation, it is important to acknowledge that the Council will typically have little to no ability to influence many appointments. Governing body legislation may also already mandate certain skills to be captured (e.g. at least two members with financial expertise and at least one member with commercial expertise).¹⁶

Given representational members will either be elected (by students or staff) or appointed (by the relevant minister), ministers may wish to consider how their own selection process reflects the desire to be rigorous and transparent. As a minimum standard, appointees should meet a baseline set of essential criteria (e.g. similar governance experience in the public or private sector – audit and risk, finance, strategy, cyber etc). A skills matrix that addresses required skills and capabilities is therefore, in a practical sense, only operable in relation to the non-elected or Ministerially appointed Council members and it would likely be considered by stakeholders an unwelcome intrusion on the democratic process of staff and student elections, to overlay specific skills requirements upon those processes.

Where there is an opportunity for a rigorous process to take place, we would strongly encourage that it be taken, including for ministerial appointments.

Critically, given the role of the Chancellor in supporting the effective functioning of the Council, it should be a mandatory requirement that there is consultation with them prior to any Ministerial appointment. A failure to do so risks appointments which may not address the skills needs of the board. Of course, we recognise that the ultimate decision on whom to appoint will be for the Minister, however a failure to consult with the relevant Chancellor risks potentially adverse outcomes.

¹⁶ University of Western Australia Act 1911. Section 8(4)(a) and (b). University of Sydney Act 1989 No 124. 8C (1)(a) and (b).

As previously highlighted in our submission to the Review of Public Sector Board Appointments, the AICD makes the following general observations about selection processes, which we have adapted below to the university context.¹⁷

Appointments

- Council recruitment should be conducted transparently and should be driven by the governance needs of the university.
- Council positions should be advertised, with information on the skills matrix and priority skills and expertise being sought clearly outlined.
- Advertisements and recruitment should include clarity on the role of the University Council and key governance roles, the process for appointment (including the decision-making authority and consultation or endorsement by Council if relevant), term of appointment and timeframe for recruitment. Where they fall below quorum, filling vacancies should be a clear priority.
- Recruitment practices should avoid being opaque, varied and selective. Examples include open invitations for expressions of interest without clear selection/skills criteria; selective approaches rather than open advertisements; lack of clarity on appointment decision rights (specifically, whether the Minister or other external authority has a role in reviewing or approving appointments); and/or lack of timeframes for appointment decisions.
- Reappointments should not be automatic. Where a member's term is due to expire, a recommendation for reappointment should generally be made following an assessment of the member's performance, including Council and committee meeting attendance and contribution. This may include other activities such as performing wider stakeholder engagement with the university community throughout their term.

Selection

- As a general principle, a selection panel/nominations committee should be tasked with short-listing nominees and making a recommendation to the governing body/nominations committee, Minister or relevant appointment authority.
- The selection panel should include serving Council members (preferably including the Chancellor) and, where possible, at least one independent external member who is preferably a practising non-executive director. When vetting candidates, the alignment of candidates to the values and strategic vision of the university should be considered, with skills and expertise, overall board diversity, specific priorities identified in the board skills matrix and succession planning needs.

Regarding staff and student representatives, Councils should provide further opportunities for council co-opted and government appointed members to meet with prospective nominees to share their experiences of university governance in practice, noting that this may be their first governance role. Equally, ensuring that there is adequate governance training offered to new Council members is appropriate to allow for at least a minimum baseline governance understanding (e.g. roles and responsibilities).

¹⁷ AICD (March 2023). AICD submission - Public Sector Appointment Review. Available [here](#).

Consistent with other comments above, we do not consider it necessary that diversity should feature in the skills matrix, given the presence of many other mechanisms that would ensure a diverse board in practice.

5. Stakeholder engagement

Priority Area 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.

Structures and processes

Universities should periodically review existing governance frameworks and structures to ensure they continue to remain fit-for-purpose. A particular focus should be placed on the standing board committees that are critical for strong oversight (e.g. audit and risk) and having clearly documented roles, responsibilities, and relationships between the Council, Chancellor, Vice-Chancellor, and the Academic Board. We also note TEQSA's guidance note that whilst there are interdependencies that should be captured in governance frameworks to meet Threshold Standard requirements, "*corporate governance and academic governance are expected to be separate bodies.*"¹⁸

We also make several suggestions below to enhance overall governance, although caution against hard-wiring such requirements into any future Principles. Ultimately, the Principles should recognise the importance of appropriate risk oversight and stakeholder engagement, without specifying the precise channels or mechanisms.

- Specific board or advisory committees: Universities should consider establishing specific committees focusing on high-risk matters, with formal reporting lines to the Council, and priority matters included as standard agenda items (e.g. student safety). Alternatively, reviewing existing committee structures would provide Councils with an opportunity to assess where/when certain issues should be elevated (e.g. organisational culture). We note some University Councils have standing committees to provide greater oversight of specific issues, for example student safety,¹⁹ cyber,²⁰ and ESG.²¹
- Stakeholder engagement: With input from Council, executive management should establish a stakeholder engagement plan. This would typically include undertaking stakeholder mapping to establish the university's key stakeholders, who should be communicating with them (e.g. Chancellor or Vice-Chancellor), how frequent should the stakeholder engagement be and in what forums.²² Executive teams should review existing external engagement channels to assess how they are currently addressing key stakeholder expectations and whether any gaps need to be amended. Having an extensive induction process that incorporates education on key

¹⁸ TEQSA (November 2023). Guidance note: Academic governance. Available [here](#).

¹⁹ Australian National University (2025). Student Safety and Wellbeing Committee. Available [here](#).

²⁰ Western Sydney University (2025). Cyber and Information Technology Committee. Available [here](#).

²¹ Monash University (2025). ESG & Estates Committee. Available [here](#).

University of Queensland (2025). Senate Committee for Equity, Diversity and Inclusion. Available [here](#).

Federation University (2023). Inclusion Committee. Available [here](#).

²² AICD (2021). 5 basic principles for effective stakeholder governance. Available [here](#).

stakeholders is also critical (this could include site visits or briefings on the university's impact on the community).

- Role of management: Regarding effectiveness of broader stakeholder engagement on key issues such as student welfare and academic freedom, Councils may wish to assess whether current key performance indicators for the Vice-Chancellor and senior executives adequately reflect the desired engagement expected by key stakeholders. We note the current UCC VC & Senior Staff Remuneration Code outlines, "*reporting of incentive plans should focus on the disclosure of tangible financial and non-financial measures including organisational culture and student feedback.*"²³

Additional guidance

The AICD has over recent years published several free resources to support effective stakeholder governance and risk oversight by boards that would have relevance to the university sector. These include the following:

- Stakeholder governance guide;
- Directors' "best interests" duty in practice – Legal Opinion and Practice Statement;
- Directors' oversight of company compliance obligations – Legal Opinion and Practice Statement;
- A director's guide to the positive duty to prevent workplace sexual harassment;
- Cyber Security Governance Principles – Version 2 – In collaboration with the Cyber Security Cooperative Research Centre;
- Directors' Guide to AI Governance;
- Periodic Comprehensive Review of the External Auditor – Guide for Audit Committees;
- 2024 Not-for-Profit Governance Principles – Third Edition – Includes elevating the client voice.

6. Board training and education

Priority Area 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.

As noted above, the AICD supports mandatory training of governing body members, noting the particularly divergent range of skills and experience present on university boards.

Currently, the AICD and UCC offer a joint course to educate university governing body members. Regarding training on the specific responsibilities and expectations of Council members, it should reflect the understanding that whilst members might be elected as representatives or appointed by government, Council members must act in the best interests of the organisation and common duties

²³ UCC (2021). A Voluntary Code surrounding Vice-Chancellor and Senior Staff Remuneration. Available [here](#).

apply.²⁴ We consider there to be room for any future Principles to clearly outline expectations on conflicts management, given we understand these issues arise relatively frequently, especially in representative governance models.

For future student and staff representatives of University Councils, models such as the Observership Program where 'observers' are paired with an organisation and attend all board and/or committee meetings as non-voting members and learn about fundamental principles and function in NFP and government-appointed boards over a 12-month period.²⁵

Universities may wish to explore the creation of a similar program that is tailored to its unique governance arrangements. Given the shorter tenure of staff and student elected representatives, it is critical strong onboarding and opportunities to connect with peers across the sector be provided to exchange best practice and keep up to date with emerging trends in governance.

7. Remuneration

Priority Area 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.

Members have highlighted annual reporting of remuneration provides universities with the opportunity to outline the underlying decision-making process and provide context for key stakeholders. In many cases, university annual reports are published as a requirement from the individual jurisdiction in which they are established in.

Transparency could be enhanced with greater disclosure of senior executive remuneration policies and packages (including remuneration for additional external roles and how potential and actual conflicts of interest are addressed) and supporting rationale. It should be recognised however that most university employee conditions and pay schedules are broadly outlined publicly in enterprise agreements and published by the Fair Work Commission.

Members have noted remuneration at the Vice-Chancellor and senior executive levels are benchmarked and assessed against comparable roles in the private and public sectors (including large complex government business enterprises). Deliberations through the relevant Nominations and Remuneration Committee and/or People and Culture Committee should give appropriate weight to public expectations of an organisation receiving significant levels of government funding and current remuneration structures. We would encourage councils to consider which skills and perspectives could enhance the deliberations of these committees or whether their committee charters' remit and membership needs to be adjusted.

On a related note, some members observed that remuneration for University Council members should be considered (where it does not currently exist), particularly given the significant complexity of the role. The time commitment involved in performing council member duties is significant and may represent an opportunity cost and barrier for talented candidates who may be suitably skilled for the role. However, at

²⁴ AICD (2022). Directors' "best interests" duty in practice. Available [here](#).

²⁵ Observership Program (2025). About the Program. Note: The AICD is also a Program partner. Available [here](#).

the same time, many council members are already salaried employees of the university, whilst students may be in receipt of federal government assistance, thereby weakening the case for further payment.

The AICD would welcome hearing the views of other stakeholders on these issues. We note the 2025 review of the voluntary UCC VC and Senior Staff Remuneration Code may consider these issues.

8. Next Steps

We hope our submission will be of assistance to the Expert Council's deliberations. If you would like to discuss any aspects further, please contact [REDACTED] or [REDACTED]

Yours sincerely,



Louise Petschler GAICD

GM, Education and Policy Leadership