

Committee Secretary
Senate Education and Employment Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

5 March 2025

Dear Committee Secretary,

Thankyou for the opportunity to provide input for the Committee's inquiry into the quality of governance at Australian higher education providers. On behalf of the member universities of the Innovative Research Universities (IRU) group, we welcome the Parliament's focus on the critical role of universities in Australia's society and economy, and the importance of good governance in delivering for our students, our communities and the nation.

By global sector standards, the quality of governance in Australia's universities is high. Our universities today operate within a strong governance framework – with responsibilities at both State/Territory and Federal levels – and a complex regulatory environment.

It is important that the governance framework for universities reflects their role as public institutions, their diverse operating models and wide range of functions. It is appropriate for the national regulator – the Tertiary Education Quality and Standards Agency (TEQSA) – to accredit universities against national threshold standards, which allows room for differentiation and for each university to deliver on the responsibilities set out in its founding (State/Territory) legislation and to the needs of its community.

With new elements now being added to the governance framework through the implementation of key recommendations from the Australian Universities Accord, we see an opportunity for review and streamlining, to reduce duplication, free up resources for teaching and research, and allow for further innovation in delivering on the future needs of the nation.

Overview of the Innovative Research Universities

The seven universities in the IRU have over 200,000 students enrolled (22% international students) across 57 campuses and locations – 19 in metropolitan areas, 33 in regional/rural areas and five international campuses. In 2023, our universities employed approximately 18,000 staff (FTE), of whom approximately 2,650 were casual staff.

The first IRU member universities were established in the late 1960s/early 1970s when, under both Liberal and Labor governments, there was an expansion of innovative models of higher education and research to meet the needs of growing communities. Further expansion occurred through the reforms of the late 1980s/early 1990s. All IRU universities were established under their own State/Territory Act of Parliament, across six different jurisdictions.

IRU member universities share a commitment to opening up access to higher education – particularly for students from under-represented backgrounds – and to research that delivers impact for our communities across the country.

iru.edu.au

Existing governance framework for universities

The governing legislation for each university sets out the role and functions of the institution, its governance structure and reporting responsibilities. Universities produce Annual Reports which are audited by State/Territory Auditors-General, presented to State Parliaments and published for public transparency. Universities are also required to comply with State government procurement policies and in some cases must seek State/Territory government approval for major investments.

Universities are accredited at the national level by TEQSA and are required to be re-registered periodically. TEQSA regulates universities against the *Higher Education Standards Framework (Threshold Standards 2021)* and against other Federal policy and legislation, including the Australian Qualifications Framework (AQF) and the *Education Services for Overseas Students (ESOS) Act 2000*.

Universities must ensure compliance with other State/Territory and Federal legislation (such as legislation for workplace health and safety, privacy and biosecurity) and various National Codes (such as the Australian Code for the Responsible Conduct of Research). In recent years, there has been a proliferation of (sometimes overlapping) compliance and regulatory requirements for universities – for example, various new pieces of legislation relating to security, foreign interference and defence trade controls, with complex processes for reporting to different parts of government.

Each university must also enter into a Mission-Based Compact agreement with the Federal Department of Education (as required by the *Higher Education Support Act 2003*) which captures the distinct mission of each university and how it will deliver on “the Commonwealth’s goals for higher education, innovation, teaching and learning, research and research training and equity”.

Universities complete separate reporting requirements for all grants (for example, individual research grants from the Australian Research Council) and for significant external (non-government) revenue, from diverse sources including industry, philanthropic and international funding. Through their financial reporting processes (audited by State/Territory Auditors-General), universities also comply with accounting standards and report on the use of external consultants.

University governing bodies

The composition of university governing bodies is set out in each university’s legislation, with internal structures and policies in place to ensure compliance with State/Territory and Federal requirements. All IRU member universities have governing bodies with between 14-22 members and a mix of appointed, elected and ex-officio members. University students and staff (both academic and professional staff) are represented on governing bodies, usually through a process of elections.

National-level changes to university governing bodies date back to reforms initiated by then Education Minister Brendan Nelson in 2003, which placed increased focus on external members and members with experience in industry. The composition of university governing bodies continues to evolve to meet both government policy priorities (including the Universities Accord) and the strategies of universities themselves, including on priorities such as regional development and Indigenous self-determination. University governing bodies attract high-quality external people to the sector who provide diverse experience that is needed in a modern university, including from government and the public sector, from the private sector and from academic leadership roles.

University governing bodies have Codes of Conduct, stated governance principles, and Audit and Risk Committees that receive regular reports on legislative compliance. They have Conflict of Interest

policies and a register of interests that is regularly updated and reviewed. Under the existing governance framework, remuneration for senior university staff is a matter for governing bodies.

The governing legislation for universities also provides for academic governance structures, which are connected to the overall corporate governance of the institution (for example, the chair of the Academic Senate being a member of the University Council). Academic governance structures include quality assurance and processes for course review, as required by the Threshold Standards.

Staff and students

Universities have enterprise agreements which are negotiated roughly every four years with staff and unions. These are approved by the Fair Work Commission in line with the requirements of the Federal *Fair Work Act 2009* and the underpinning industry awards for academic and general staff. University enterprise agreements are complex, reflecting the diverse missions and functions of institutions across multiple locations, and their resulting workforce.

Some IRU member universities have experienced issues with underpayment of staff. All IRU member universities have conducted internal audits and payroll reviews, and have worked together to share best practice in this area.

IRU member universities have also collaborated closely since 2022 to share best practice in programs for staff and student safety and wellbeing, including programs targeting sexual harassment and assault, and anti-racism policies and plans. Member universities are now working to ensure compliance with the new *National Higher Education Code to Prevent and Respond to Gender-Based Violence*.

The Universities Accord and further changes to the governance framework for universities

This new National Code is one of a number of significant reforms stemming from the Universities Accord. Other recent changes that will impact upon university governance and reporting include the establishment of a new Australian Tertiary Education Commission (ATEC), a new National Student Ombudsman (NSO) and new enforcement powers for the Federal Department of Education.

The Universities Accord has resulted in closer collaboration between Federal and State/Territory governments on higher education and this is welcome. Ongoing dialogue and streamlining across jurisdictions will be required to avoid further duplication. The IRU has recommended that the ATEC undertake a comprehensive review of university regulation and reporting to address this issue.

The IRU supports other Accord recommendations on governance, including the importance of Indigenous self-determination and leadership in university governance and management structures. The IRU supports the Accord's recommendations to enhance Mission-Based Compacts between each university and the Federal Government, as a way of ensuring accountability and transparency for progress towards national goals, while also allowing room for differentiation and innovation, and not requiring a one-size-fits-all approach to university regulation and performance.

TEQSA will continue to play a critical role as the national regulator and quality assurance agency. TEQSA also plays a valuable role in sharing best practice information with institutions and communicates regularly with individual universities and the IRU.

The government has also established a new Expert Council on University Governance (announced by Minister Clare in January this year) to lead ongoing work to ensure that the governance framework

for universities is up-to-date and fit-for-purpose. This work will support increased coordination between the Federal and State/Territory governments and will then need to be aligned with the work of the ATEC when it is fully operational.

The IRU will continue to engage constructively with government to ensure that our higher education system is set up for future success and to deliver on the ambitious goals of the Universities Accord.

Yours sincerely,



Paul Harris

Executive Director, Innovative Research Universities