

**Submission  
No 105**

## **INQUIRY INTO ENHANCING VICTORIAN UNIVERSITY GOVERNANCE**

**Organisation:** Academics for Public Universities

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Economy and Infrastructure Committee  
Legislative Assembly  
Parliament of Victoria

3 March 2026

**Submission by Academics for Public Universities (APU) to the University governance inquiry**

Please find attached APU's response to the Economy and Infrastructure Committee's invitation to contribute a submission to the Victorian Legislative Assembly's University Governance Inquiry.

APU was formed in 2020 by a group of academics working in universities across Australia who seek to apply their interdisciplinary expertise to analyse challenges and crises currently facing higher education in Australia. Our aims include conducting substantial empirical research into these problems, to provide comprehensive national data sets, and to publish and disseminate the results.

The terms of reference for the Inquiry state that the Victorian Parliament has asked the Committee to consider how to enhance the governance of Victoria's universities. It further states that the inquiry will examine how universities can strengthen university governance practices by implementing the eight principles of effective university governance provided by the national Expert Council on University Governance and the agreed priorities of the Commonwealth, State and Territory ministers responsible for higher education. Specific areas to be covered include 'accountability, diversity of perspectives, independence, transparency, trustworthiness, inclusivity and responsiveness, risk management and fair remuneration.'

Our submission responds directly to the eight principles. We have made a series of recommendations in response to each of these principles which we believe will help ensure they can successfully be implemented. Our response draws on a large body of evidence from multiple universities and publicly available sources, including submissions to parliamentary inquiries at the federal and state levels.

Contributors to this submission are available to speak further to its contents. Please let us know if we can assist with your work in any other ways,

Yours sincerely,

Academics for Public Universities

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**Inquiry into enhancing Victorian university governance**

**Submission to the**

**Victorian Legislative Assembly Economy and Infrastructure Committee**

**from**

**Academics for Public Universities**

**Urgent governance reforms are needed for Victorian Public Universities**

**28 February 2026**

## TABLE OF CONTENTS

<b>PART I: Summary of APU Recommendations for Victorian University Governance Reform</b> ..2	
Executive Overview and Structural Critique.....	2
Principle 1: Restoring Accountability through Structural Reform.....	4
Principle 2: Diversity of Perspectives and Epistemic Pluralism.....	6
Principle 3: Safeguarding Academic Independence and Freedom.....	8
Principle 4: Transparency and the Duty of Openness.....	10
Principle 5: Building Trust through Integrity and Oversight.....	12
Principle 6: Inclusive and Responsive Governance.....	14
Principle 7: Sustainable Academic Stewardship.....	16
Principle 8: Responsible Workforce and Remuneration Governance.....	18
Conclusion: The Path to Legislative Amendment.....	20
<b>PART II: Background, Analysis, Comment &amp; Recommendations on Principles 1–8</b> .....	21
Principle 1: Accountability.....	21
Principle 2: Diversity of Perspectives.....	35
Principle 3: Safeguarding Academic Independence and Freedom.....	44
Principle 4: Transparency and the Duty of Openness.....	50
Principle 5: Building Trust through Integrity and Oversight.....	58
Principle 6: Inclusive and Responsive Governance.....	64
Principle 7: Sustainable Academic Stewardship.....	74
Principle 8: Responsible Workforce and Remuneration Governance.....	80
<b>PART III: International Precedents for Elected University Leadership</b> .....	87
<b>PART IV: Why Australian Governments Should Enshrine Collegial Decision-Making</b> .....	92
<b>Bibliography</b> .....	95

# **PART I: Summary of APU recommendations for Victorian university governance reform**

## **Executive Overview and Structural Critique**

Academics for Public Universities (APU) was established in 2020 to bring interdisciplinary academic expertise to the analysis of challenges facing Australian higher education. Through empirical research and policy analysis, APU advances evidence-based reforms aimed at restoring the integrity, accountability and public purpose of the university sector.

This briefing identifies what we consider to be a systemic governance crisis in Victorian higher education. It is submitted by APU and includes contributions from Dr [REDACTED], Dr Peter Tregear, Dr Adam Lucas and Dr James Guthrie. The document contains detailed analysis and recommendations addressing the eight governance principles proposed by the Expert Council on University Governance (**Part II**), together with comparative material on international precedents for elected university leadership (**Part III**) and an examination of the historical foundations of collegial decision-making in universities (**Part IV**).

The submission argues that Australian universities have undergone a structural transition from collegial academic governance to executive-centred managerial control. Governing bodies increasingly lack sectoral expertise and operate within corporate governance frameworks that prioritise financial performance and reputational management over teaching quality, workforce stability and the public purposes of higher education.

Our analysis focuses on the eight governance principles developed by the Expert Council on University Governance (ECUG). These principles were informed by a consultation process supported by the consulting firm Nous Group, which the Federal Department of Education engaged to analyse stakeholder submissions and prepare a consultation report informing the Council's final 'University Governance Principles and Recommendations', released in October 2025.

We argue that the resulting framework largely reproduces a managerial model derived from private-sector governance practices. It is adapted from reforms implemented in parts of the United Kingdom and Canada. As **Parts III** and **IV** demonstrate, this approach sits uneasily alongside both the historical governance traditions of Australian universities and international systems that continue to sustain stronger forms of collegial and participatory governance.

Evidence presented in this submission indicates systemic weaknesses in accountability, transparency and protection of academic freedom across the sector. Legislative analysis shows how Victorian university statutes have progressively facilitated a transition from academically governed institutions to corporatised organisations characterised by

concentrated executive authority and limited democratic oversight. This shift has produced what we describe as a “**closed governance circuit**”, in which power is concentrated within senior executive teams and corporate-aligned governing bodies, marginalising the academic community and weakening public accountability.

APU therefore proposes a series of legislative reforms to Victorian university Acts designed to restore democratic representation, strengthen transparency and ensure that university governance operates consistently with the statutory public purposes of higher education. These reforms include requirements for elected staff and student representation on governing bodies, clearer limits on executive delegations, stronger disclosure obligations regarding consultancy use and executive remuneration, and expanded parliamentary and Auditor-General oversight.

Taken together, these measures seek to rebalance university governance by restoring the role of academic communities in decision-making while strengthening institutional accountability to Parliament and the public.

### ***The Statutory Deficit***

APU argues that the current legislative framework – encompassing the eight Victorian University Acts (University of Melbourne Act 2009, RMIT Act 2010, Swinburne University of Technology Act 2010, Victoria University Act 2010, Deakin University Act 2009, Monash University Act 2009, La Trobe University Act 2009, and Federation University Australia Act 2010) – fails to provide necessary oversight due to the following structural flaws:

- i. *Declaratory vs. Operationalized Clauses:*  
While the "Objects" or "Purposes" clauses (e.g., s 5 of the Melbourne Act) affirm public benefit, they are currently merely declaratory and are not operationalised within mandatory decision-making provisions.
- ii. *Discretionary Representation:*  
Acts rely on vague "skills and experience" criteria, allowing Councils to prioritise corporate credentials over sector-specific expertise.
- iii. *Subordinated Academic Authority:*  
Academic Boards are structurally positioned as subordinate advisory entities rather than bodies with binding authority over the scholarly mission.
- iv. *Permissive Delegation:*  
Existing legislation (e.g., s 18 of the RMIT Act) allows Councils to delegate nearly unlimited power to Vice-Chancellors without materiality thresholds or public disclosure.

## **Principle 1: Restoring Accountability through Structural Reform**

### *The "Closed Governance Circuit"*

Current governance arrangements prioritise financial performance and reputational protection over academic standards. Authority is concentrated among Chancellors, Vice-Chancellors, and external appointees, creating a "democratic deficit" where committees act as mechanisms for managerial assurance rather than independent oversight.

### *Topical Summary of Recommendations 1.1–1.10*

- 1.1 Democratic Representation and Sectoral Expertise:** Mandate majority elected representation and statutory expertise standards for governing bodies.
- 1.2 Independent Oversight:** Mandate quinquennial independent governance reviews and expand Victorian Auditor-General scrutiny of university governance and commercial activity.
- 1.3 Committee Reform:** Embed elected staff participation and enhanced transparency in audit, risk, and remuneration committees.
- 1.4 Group Transparency:** Require comprehensive disclosure of subsidiaries, offshore operations, and all controlled entities.
- 1.5 Conflict Regulation:** Establish statutory conflict-of-interest and related-party transparency standards across councils, executives, and subsidiaries.
- 1.6 Consultancy Transparency:** Mandate disclosure, review, and justification of reliance on external consultants.
- 1.7 Delegation Limits:** Impose statutory constraints on executive delegations for major financial, staffing, and structural decisions.
- 1.8 Open Governance:** Require timely publication of governance records and disclosure of significant governance changes.
- 1.9 Executive Accountability:** Align executive performance and remuneration with academic quality, workforce sustainability, and statutory public purpose.
- 1.10 Commercial Oversight:** Subject controlled entities and major ventures to independent review and parliamentary reporting.

## Principle 1 – Table of Specific Reforms (Accountability)

Proposed Reform	Mechanism	Intended Outcome
Democratic Representation (1.1)	Amendment to Victorian University Acts to mandate minimum 50% elected representation and statutory sectoral expertise standards	Restores democratic legitimacy, embeds higher education expertise in governing bodies, and reduces executive capture.
Independent Governance Reviews (1.2)	Legislative Requirement for Quinquennial Review; Expanded Victorian Auditor-General Mandate	Ensures regular independent scrutiny of governance performance, commercial activity, and systemic risk.
Committee Reform (1.3)	Statutory Amendment to Committee Composition and Transparency Rules	Embeds elected staff participation and strengthens oversight of audit, risk, and remuneration functions.
Group Transparency (1.4)	Legislative Disclosure of Controlled Entities and Offshore Operations	Provides full visibility of subsidiaries, joint ventures, and group-wide financial exposure.
Conflict-of-Interest Regulation (1.5)	Statutory Conflict and Related-Party Governance Standards	Prevents governance capture and ensures enforceable transparency across councils and executives.
Consultancy Transparency (1.6)	Mandatory Consultancy Register and Independent Review Mechanism	Curtails opaque reliance on external consultants and requires public justification of engagements.
Delegation Limits (1.7)	Amendment to Delegation Clauses in University Acts	Constrains executive authority over major financial, staffing, and structural decisions.
Open Governance (1.8)	Statutory Publication and Disclosure Obligations	Requires timely release of governance records and disclosure of significant governance changes.
Executive Accountability Alignment (1.9)	Legislated Remuneration and Performance Framework Reform	Aligns executive performance metrics with academic quality, workforce sustainability, and statutory public purpose.
Commercial Oversight (1.10)	Independent Review and Parliamentary Reporting Requirements	Subjects controlled entities and major ventures to external scrutiny and democratic oversight.

## Principle 2: Diversity of Perspectives and Epistemic Pluralism

### *The "Technocratic" Barrier*

APU critiques "skills matrices" as tools for managerial rationalisation. These matrices often privilege corporate management backgrounds (finance, law, consulting) while excluding deep disciplinary expertise. Currently, approximately 60 per cent of council members nationwide come from non-tertiary backgrounds.

APU's recommendations focus on shifting from symbolic representation to enforceable governance rights, including statutory guarantees of pluralism (2.1) and independent, participatory appointment processes (2.2).

APU notes that unlike systems in Norway, Belgium, or the Netherlands, where rectors are elected through weighted community voting, Victorian Acts leave leadership appointments entirely to small, closed Councils.

### *Topical Summary of Recommendations 1.1–1.10*

- 2.1 Plural Representation:** Legislate substantial elected and culturally representative membership on governing bodies, embedded in primary legislation and aligned with academic freedom and public purpose.
- 2.2 Participatory Appointments:** Require transparent, participatory appointment processes with Academic Board, staff, and student involvement and public disclosure of selection rationales.
- 2.3 Academic Governance Development:** Mandate academically grounded induction and development programs co-designed with Academic Boards and publicly reported.
- 2.4 Independent Evaluation:** Require regular independent evaluations of governing body performance, with findings published and tabled in Parliament.
- 2.5 Protection of Dissent:** Provide statutory protections for dissenting voices, whistleblowers, and minority viewpoints within governance processes.
- 2.6 Conflict and Network Regulation:** Strengthen statutory disclosure and enforcement standards for conflicts of interest, overlapping roles, and revolving-door relationships.
- 2.7 Consultancy Oversight:** Mandate transparency and independent review of consultancy influence on governance and strategic decision-making.
- 2.8 Public Purpose Alignment:** Require governing bodies to demonstrate alignment with statutory public purposes and publish independently verified governance diversity and integrity statements.

## Principle 2: Table of Specific Reforms (Diversity of Perspectives)

Proposed Reform	Mechanism	Intended Outcome
1. Mandated Plural and Elected Representation	Legislative Amendment (Part 2 – Council Composition Provisions)	Embeds democratic legitimacy and structurally guarantees cultural, disciplinary and stakeholder diversity on governing bodies.
2. Participatory Appointment Committees	Statutory Appointment Process Reform	Opens appointment processes to Academic Boards, staff, students and independent members, preventing self-reproducing governance networks.
3. Public Disclosure of Appointment Criteria and Rationales	Legislative Transparency Requirement	Ensures merit criteria are publicly scrutinised and prevents corporatised definitions of 'capability' from operating invisibly.
4. Community Submission Rights in Appointments	Statutory Right of Participation	Enables formal input from university communities into council appointments, strengthening plural accountability.
5. Academically Grounded Induction Standards	Legislative Governance Development Mandate	Aligns council capability-building with academic governance traditions, Indigenous knowledge systems and public purpose.
6. Academic Board Role in Governance Education	Statutory Co-Design Requirement	Reconnects governance training with scholarly expertise and prevents managerial socialisation as the sole formative influence.
7. Independent Governing Body Performance Reviews	External Statutory Evaluation and Parliamentary Tabling	Moves evaluation beyond internal benchmarking toward independent assessment of democratic participation and ethical integrity.
8. Statutory Protection of Dissent and Whistleblowing	Legislative Amendment (Governance Protections Clause)	Protects minority viewpoints, academic freedom, and independence of mind within governance processes.
9. Enhanced Conflict-of-Interest and Network Governance Regulation	Strengthened Disclosure and Enforcement Provisions	Reduces revolving-door influence, consultancy entanglement, and network capture within governing bodies.
10. Consultancy Influence Transparency	Legislative Disclosure Requirement	Prevents external advisory firms from shaping governance architecture without scrutiny or accountability.
11. Public-Purpose and Cultural Integrity Reporting	Statutory Annual Governance Diversity & Integrity Statement	Requires governing bodies to demonstrate alignment with statutory objects relating to equity, Indigenous engagement, and public benefit.

## **Principle 3: Safeguarding Academic Independence and Freedom**

### ***Defining the Threat***

Financialization and managerialism constitute twin internal managerial pressures that are a structural consequence of corporatisation of higher education in Australia. Performance metrics, non-transparent budget restructures, and widespread casualisation constitute the primary constraints on academic freedom. Academic decisions are increasingly subjected to "margin analysis" rather than scholarly evaluation.

### ***Institutional Neutrality***

Crucially, APU advocates for Institutional Neutrality, as defined in the Kalven Report (1967) and the Chicago Statement (2014). This principle asserts that the university must be the "home and sponsor of critics" and should not adopt collective ideological positions that chill individual dissent or scholarly inquiry.

### ***Topical Summary of Recommendations 3.1–3.10***

- 3.1 Statutory Academic Freedom:** Embed justiciable protections for academic freedom and institutional neutrality in Victorian university legislation.
- 3.2 Binding Academic Authority:** Confer defined decision-making authority on Academic Boards in core scholarly domains, with public justification for override.
- 3.3 Independent Academic Resourcing:** Guarantee independent resourcing and data access for Academic Boards to exercise effective governance.
- 3.4 Limits on Executive Override:** Impose statutory constraints on executive delegations affecting academic structures, disciplines, and staffing.
- 3.5 Independent Academic Integrity Oversight:** Establish an independent Academic Freedom and Integrity Commissioner with investigative and reporting powers.
- 3.6 Protection of Dissent:** Provide enforceable legislative protections for dissenting voices, whistleblowers, and minority viewpoints.
- 3.7 Regulation of Commercial Academic Activity:** Require all subsidiaries and offshore operations to meet equivalent academic governance standards.
- 3.8 Transparency of Academic Decision-Making:** Mandate publication of Academic Board recommendations, council responses, and instances of executive override.
- 3.9 Employment Security and Academic Freedom:** Recognise workforce security as a structural precondition for meaningful academic independence.
- 3.10 Federal Reinforcement:** Align HESA and TEQSA frameworks with enforceable national standards for academic freedom and governance integrity.

### Principle 3 – Table of Specific Reforms (Independence)

Proposed Reform	Mechanism	Intended Outcome
1. Statutory Recognition of Academic Freedom and Institutional Neutrality	Legislative Amendment (Objects and Academic Freedom Clauses)	Transforms academic freedom and institutional neutrality into legally enforceable protections rather than aspirational values.
2. Binding Academic Authority in Core Scholarly Domains	Legislative Amendment (Academic Board Powers)	Restores determinative authority to Academic Boards over curriculum, standards, and research integrity.
3. Independent Resourcing for Academic Governance	Statutory Resourcing and Information Access Requirement	Ensures Academic Boards possess independent analytical capacity and access to institutional data.
4. Regulation of Executive Override and Delegations	Legislative Limits on Delegated Academic Decision-Making	Prevents executive centralisation from undermining academic authority and requires public justification for override.
5. Independent Academic Freedom and Integrity Commissioner	Creation of Independent Statutory Oversight Body	Provides external investigation, enforcement, and parliamentary reporting on academic freedom breaches.
6. Legislative Protection of Dissent and Whistleblowing	Governance Protections Amendment	Safeguards minority viewpoints and protects staff and students from retaliation for protected expression.
7. Regulation of Commercial and Offshore Academic Activities	Amendment to Part 6 (Commercial and Controlled Entities Provisions)	Requires subsidiaries and offshore operations to meet equivalent academic governance and quality standards.
8. Transparency in Academic Advice and Override	Statutory Disclosure Requirement	Mandates publication of Academic Board recommendations, council responses, and instances of executive override.
9. Employment Security as Foundation of Academic Independence	Legislative and Funding Reform Alignment	Recognises workforce stability as a structural prerequisite for meaningful academic freedom.
10. Federal Reinforcement through HESA and TEQSA Reform	Commonwealth Legislative Amendment	Establishes enforceable national standards protecting academic independence across jurisdictions.

## Principle 4: Transparency and the Duty of Openness

### *Managed Visibility vs. Public Legibility*

APU distinguishes between "managed visibility" (selective release of PR-friendly info) and "public legibility" (genuine institutional openness).

### *Topical Summary of Recommendations 4.1–4.10*

- 4.1 Statutory Duty of Openness:** Establish a legislated duty requiring public justification of major strategic, financial, and organisational decisions.
- 4.2 Mandatory Publication of Governance Records:** Require timely publication of governing body and committee agendas, minutes, votes, and statements of reasons.
- 4.3 Reform of Confidentiality Provisions:** Constrain commercial-in-confidence exemptions to prevent misuse as a shield for governance decisions.
- 4.4 Public-Purpose Impact Reporting:** Mandate independently reviewed impact statements assessing alignment with statutory objects and public benefit.
- 4.5 Delegation and Decision Transparency:** Require publication of clear decision-responsibility maps and disclosure of executive delegations.
- 4.6 Independent Verification of Performance Reporting:** Subject non-financial governance and academic performance disclosures to independent audit.
- 4.7 Executive Remuneration Transparency:** Mandate disclosure of executive performance criteria, benchmarking practices, and remuneration rationales.
- 4.8 Consolidated Subsidiary Reporting:** Require comprehensive public reporting on controlled entities, joint ventures, and offshore operations.
- 4.9 Consultancy Disclosure:** Mandate public disclosure of significant consultancy engagements influencing governance and strategy.
- 4.10 Participatory Transparency Mechanisms:** Embed formal rights for staff, students, and communities to access information and engage governing bodies.
- 4.11 Parliamentary Oversight Enhancement:** Strengthen statutory reporting to Parliament and empower inquiry into systemic transparency failures.

## Principle 4 – Table of Specific Reforms (Transparency)

Proposed Reform	Mechanism	Intended Outcome
1. Statutory Duty of Public Justification	Legislative Amendment (Decision Transparency Clause)	Requires governing bodies to publicly justify major strategic, financial, and structural decisions in reference to statutory public purpose.
2. Mandatory Publication of Governance Records	Legislative Disclosure Requirement	Ensures timely publication of council and committee agendas, minutes, voting outcomes, and statements of reasons.
3. Reform of Confidentiality and Commercial-in-Confidence Provisions	Amendment to Information and Confidentiality Clauses	Prevents misuse of commercial exemptions to shield governance decisions from public scrutiny.
4. Public-Purpose Impact Statements	Statutory Reporting Requirement	Mandates independent assessment of major decisions against statutory objects, equity obligations, and community benefit.
5. Decision Responsibility and Delegation Transparency	Legislative Requirement for Published Delegation Maps	Clarifies authority structures and makes executive delegations publicly visible and reviewable.
6. Independent Verification of Performance Reporting	Expanded Audit and Assurance Mandate	Subjects governance and non-financial performance disclosures to independent review.
7. Executive Remuneration Transparency	Statutory Remuneration Disclosure Obligation	Requires publication of performance criteria, benchmarking frameworks, and justification of remuneration outcomes.
8. Consolidated Reporting of Controlled Entities	Amendment to Part 6 (Commercial and Subsidiary Provisions)	Ensures full disclosure of financial performance, risk exposure, and governance arrangements across all subsidiaries.
9. Consultancy Engagement Disclosure	Legislative Register Requirement	Makes visible the scope, value, and influence of consultancy engagements affecting governance and strategy.
10. Participatory Transparency Rights	Statutory Access and Engagement Provisions	Strengthens formal rights of staff, students, and stakeholders to access governance information and participate meaningfully.
11. Enhanced Parliamentary Oversight	Expanded Statutory Reporting to Parliament	Improves legislative scrutiny of governance integrity, transparency compliance, and systemic risk.

## **Principle 5: Building Trust through Integrity and Oversight**

### ***Deconstructing "Tone from the Top"***

Leadership "exemplarity" is insufficient. Trust must be a condition produced by enforceable institutional design. Rhetorical commitments to ethics are frequently undermined by systemic issues like wage underpayment.

### ***Topical Summary of Recommendations 5.1–5.10***

- 5.1 Public Purpose and Ethics Charters:** Embed legally binding public-purpose and ethics charters in university legislation to operationalise statutory mission and ensure major decisions align with civic and academic obligations.
- 5.2 Independent Ethics and Integrity Commissions:** Establish independent ethics oversight bodies with investigative powers, whistleblower protection authority, and direct reporting to Parliament.
- 5.3 Public Reporting of Ethical Breaches:** Require annual public reporting of substantiated ethical breaches, including regulatory violations, wage underpayment, procurement irregularities, and systemic governance failures.
- 5.4 Strengthened Whistleblower Protections:** Introduce sector-specific whistleblower protections ensuring independent investigation, anti-retaliation safeguards, and compensation for career harm.
- 5.5 Public-Purpose Certification of Strategic Activity:** Require governing bodies to certify that major strategies, commercial ventures, and institutional partnerships align with statutory public-purpose obligations.
- 5.6 Sanctions for Systemic Governance Failure:** Establish clear legislative sanctions for systemic governance or ethical failures, including council removal, ministerial intervention, and special administration.
- 5.7 Expanded TEQSA Integrity Oversight:** Expand TEQSA's mandate to investigate systemic governance and integrity failures and integrate ethical compliance into national regulatory risk assessments.
- 5.8 Higher Education Whistleblowing Authority:** Establish a Victorian higher-education whistleblowing authority to receive protected disclosures and monitor systemic retaliation risks.
- 5.9 Transparent Institutional Integrity Practices:** Embed transparent ethics governance within institutions through integrity audits, ethics impact statements, advisory councils, and open procurement registers.
- 5.10 Annual Ethical Governance Reporting:** Mandate annual independently verified ethical governance reports addressing compliance, integrity investigations, workforce obligations, and public mission alignment.

## Principle 5 – Table of Specific Reforms (Trustworthy)

Proposed Reform	Mechanism	Intended Outcome
Statutory Public Purpose and Ethics Charters (5.1)	Legislative Amendment – Public Purpose and Ethics Charter Requirement	Embeds enforceable ethical obligations and ensures major institutional decisions align with statutory public purpose.
Independent Ethics and Integrity Commissions (5.2)	Creation of Statutory Ethics and Integrity Oversight Bodies	Provides independent investigation, whistleblower protection, and parliamentary reporting on systemic ethical risks.
Public Reporting of Ethical Breaches (5.3)	Legislated Annual Ethical Breach Disclosure Requirement	Ensures transparency regarding regulatory violations, wage underpayments, procurement failures, and systemic misconduct.
Strengthened Whistleblower Protections (5.4)	Statutory Higher Education Whistleblower Protection Framework	Protects individuals reporting misconduct and ensures independent investigation of retaliation claims.
Public-Purpose Certification of Strategic Activity (5.5)	Legislative Requirement for Public-Purpose Impact Certification	Ensures institutional strategies, commercial ventures, and partnerships align with statutory public mission.
Sanctions for Systemic Governance Failure (5.6)	Legislated Enforcement and Governance Sanctions Framework	Provides clear consequences for governance failure, including council removal, ministerial intervention, and special administration.
Expanded TEQSA Integrity Oversight (5.7)	Commonwealth Legislative Amendment to TEQSA Regulatory Mandate	Integrates governance integrity into national risk assessments and enables investigation of systemic ethical failures.
Higher Education Whistleblowing Authority (5.8)	Establishment of Victorian Higher Education Whistleblowing Authority	Creates an independent channel for protected disclosures and monitoring of systemic retaliation risks.
Transparent Institutional Integrity Practices (5.9)	Legislative and Institutional Integrity Governance Requirements	Embeds ethics audits, advisory councils, and transparent procurement practices within university governance.
Annual Ethical Governance Reporting (5.10)	Statutory Requirement for Annual Ethical Governance Report	Provides independently verified public reporting on ethics compliance, cultural risk monitoring, and integrity reforms.

## **Principle 6: Inclusive and Responsive Governance**

### *The Power Imbalance*

Current Acts (e.g., s 8 of the Melbourne Act; s 10 of the Swinburne/RMIT Acts) vest plenary "management and control" in Councils. This renders stakeholder consultation discretionary rather than enforceable: no statutory obligation for Councils to reflect stakeholder input.

### *Topical Summary of Recommendations 6.1–6.8*

- 6.1 Participatory Governance Rights:** Embed statutory rights for staff and students to participate directly in major strategic, academic and structural decisions.
- 6.2 Democratic Election of Vice-Chancellors:** Introduce weighted community election of Vice-Chancellors with fixed terms and transparent programs.
- 6.3 Elected Academic Leadership:** Require democratic election and term limits for faculty, school and departmental leadership.
- 6.4 Academic Co-Determination:** Implement binding Academic Board authority as the foundation of participatory governance.
- 6.5 Public Consultation Duties:** Mandate publication of consultation papers and formal responses for major institutional decisions.
- 6.6 Delegation Limits for Workforce Governance:** Restrict executive delegations affecting performance systems, restructures and workload models.
- 6.7 Protection of Governance Participation:** Protect staff participation and dissent in governance from retaliation or career disadvantage.
- 6.8 Democratic Oversight of Performance Management:** Require performance frameworks to be co-designed with elected staff representatives and overseen by Academic Boards.
- 6.9 Developmental Evaluation Systems:** Align performance review cycles with scholarly work patterns and prioritise developmental evaluation.
- 6.10 KPI Transparency and Financialisation Controls:** Require disclosure of KPI alignment and prevent financial metrics from overriding statutory academic purposes.
- 6.11 Employment Security as Governance:** Recognise workforce stability as a core governance responsibility and evaluation metric.
- 6.12 Psychosocial Risk Reporting:** Require independent reporting on workforce wellbeing and psychosocial safety indicators.
- 6.13 Participatory Oversight of Commercial Activity:** Require stakeholder consultation and Academic Board oversight for subsidiaries, partnerships and offshore ventures.
- 6.14 Accessible Governance Transparency:** Extend governance transparency requirements to faculty and discipline-level decision-making.
- 6.15 Parliamentary Oversight of Responsiveness:** Require annual reporting to Parliament on stakeholder engagement and governance responsiveness.

## Principle 6 – Table of Specific Reforms (Inclusive + Responsive)

Proposed Reform	Mechanism	Intended Outcome
Participatory Governance Rights (6.1)	Legislative amendment embedding participatory decision rights in University Acts	Ensures staff and students participate directly in major academic, strategic and structural decisions.
Democratic Election of Vice-Chancellors (6.2)	Statutory requirement for weighted community election and fixed executive terms	Restores democratic legitimacy and accountability in executive leadership selection.
Elected Faculty and School Leadership (6.3)	Legislated democratic election of faculty, school and departmental leaders	Strengthens collegial governance and leadership accountability to academic communities.
Binding Academic Co-Determination (6.4)	Implementation of Academic Board authority and executive override limits	Ensures academic communities share binding authority over academic matters.
Mandatory Public Consultation for Major Decisions (6.5)	Legislative consultation and response requirements for restructures and strategic decisions	Guarantees meaningful stakeholder input and transparent justification of major institutional actions.
Delegation Limits for Workforce Governance (6.6)	Statutory restrictions on executive delegations affecting workforce structures	Prevents unilateral executive control over performance systems, restructures and workload models.
Protection of Governance Participation (6.7)	Legislated protections for governance participation and dissent	Safeguards academic freedom and prevents retaliation for participation in governance processes.
Democratic Governance of Performance Management (6.8)	Legislative requirement for co-designed performance frameworks with Academic Board oversight	Aligns performance systems with peer review, disciplinary expertise and collegial governance.
Developmental Evaluation Cycles (6.9)	Regulation of performance review frequency and criteria	Prioritises professional development and scholarly quality rather than punitive compliance.
KPI Transparency and Financialisation Controls (6.10)	Disclosure of relationships between executive KPIs, strategy and staff performance metrics	Prevents financial incentives from overriding academic quality and public purpose obligations.
Employment Security as Governance Obligation (6.11)	Incorporation of workforce stability indicators into governance evaluation frameworks	Protects academic independence and institutional sustainability.
Psychosocial Risk Reporting (6.12)	Mandatory annual psychosocial risk and workforce sustainability statements	Ensures governing bodies address wellbeing risks and workforce conditions transparently.
Participatory Oversight of Commercial Activities (6.13)	Consultation and Academic Board oversight for subsidiaries, partnerships and offshore operations	Aligns commercial activities with academic standards and public mission.
Accessible Governance Transparency (6.14)	Extension of governance publication requirements to faculty and discipline levels	Improves transparency and community understanding of decision-making processes.
Parliamentary Oversight of Stakeholder Responsiveness (6.15)	Annual reporting to Parliament and Auditor-General oversight of engagement practices	Strengthens democratic accountability and monitoring of institutional responsiveness.

## **Principle 7: Sustainable Academic Stewardship**

### ***Redefining Sustainability: Beyond Fiscal Resilience***

APU argues that "Academic Sustainability", the preservation of disciplinary depth and workforce stability, is the measure of institutional health. Fiscal resilience (liquidity) often masks the erosion of scholarly capacity.

### ***Topical Summary of Recommendations 7.1–7.8***

- 7.1 Academic Sustainability Test:** Require councils to certify that major restructures, commercial ventures and workforce changes do not undermine long-term academic capacity or standards.
- 7.2 Commercial Power and Subsidiary Oversight Reform:** Strengthen statutory oversight, disclosure and risk reporting for controlled entities, partnerships and major financial ventures.
- 7.3 Workforce Stability Metrics:** Require universities to treat workforce stability and employment conditions as core sustainability indicators in governance and risk frameworks.
- 7.4 Independent Academic Sustainability Review Panels:** Establish independent panels to assess the academic and workforce impacts of high-risk strategic decisions.
- 7.5 Integrated Academic–Financial Risk Frameworks:** Mandate risk frameworks linking financial strategies with academic capacity, workforce stability and mission alignment.
- 7.6 Expanded Auditor-General and Parliamentary Oversight:** Extend Auditor-General audits and parliamentary scrutiny to academic sustainability, workforce risk and subsidiary exposure.
- 7.7 National Disclosure and TEQSA Oversight:** Introduce coordinated federal disclosure and regulatory oversight of commercial activities and sustainability risks.
- 7.8 Annual Integrated Sustainability Reporting:** Require independently verified public reports linking financial resilience with academic capacity, workforce sustainability and statutory mission.

## Principle 7 – Table of Specific Reforms (Sustainable)

Proposed Reform	Mechanism	Intended Outcome
Academic Sustainability Test (7.1)	Legislative requirement for councils to certify academic sustainability before major strategic decisions	Prevents restructures, closures and commercial ventures that undermine long-term disciplinary capacity and academic standards.
Commercial Powers and Subsidiary Oversight Reform (7.2)	Amendments to Part 6 of Victorian University Acts governing controlled entities and ventures	Ensures transparency, risk disclosure and academic oversight for subsidiaries, partnerships and offshore operations.
Workforce Stability Metrics (7.3)	Legislated reporting of workforce sustainability indicators within governance risk frameworks	Recognises employment stability as a core sustainability factor affecting teaching quality and research capacity.
Independent Academic Sustainability Review Panels (7.4)	Creation of statutory independent review panels for high-impact strategic proposals	Provides independent scrutiny of long-term academic, workforce and community impacts.
Integrated Academic–Financial Risk Frameworks (7.5)	Mandatory governance risk frameworks linking financial modelling with academic and workforce indicators	Ensures financial strategies do not compromise academic capacity or institutional mission.
Enhanced Auditor-General and Parliamentary Oversight (7.6)	Expansion of Victorian Auditor-General audit mandate and parliamentary scrutiny	Strengthens external accountability for academic sustainability, workforce risk and subsidiary exposure.
Federal Disclosure and TEQSA Sustainability Oversight (7.7)	Commonwealth reforms to Higher Education Support Act and TEQSA regulatory framework	Introduces national monitoring of academic sustainability risks arising from commercialisation and workforce instability.
Annual Integrated Sustainability Reporting (7.8)	Statutory requirement for independently verified sustainability reports tabled in Parliament	Provides transparent reporting linking financial resilience with academic capacity, workforce stability and public mission.

## **Principle 8: Responsible Workforce and Remuneration Governance**

### *The "Precarity vs. Pay" Gap*

A university that preserves executive remuneration while casualising its academic workforce is not fulfilling its public mandate. APU notes that workforce precarity is often misused as a "flexibility tool" rather than recognised as a core sustainability risk.

### *Topical Summary of Recommendations 8.1–8.8*

- 8.1 Workforce Sustainability Obligations:** Require universities to adopt statutory workforce sustainability strategies addressing employment security, workload sustainability and staff wellbeing.
- 8.2 Academic Governance in Workforce Decisions:** Mandate Academic Board involvement and transparency in workforce strategies affecting academic quality and disciplinary continuity.
- 8.3 Independent Wage Compliance Audits:** Require regular independent audits of wage compliance and workforce governance systems with public reporting.
- 8.4 Public-Interest Remuneration Frameworks:** Align executive remuneration with public-sector norms, workforce conditions and universities' statutory public purposes.
- 8.5 Regulation of Executive Incentives:** Tie executive bonus and incentive schemes to academic quality, workforce stability and compliance outcomes rather than financial indicators alone.
- 8.6 Disclosure of External Remuneration:** Require transparent reporting of external earnings, advisory roles and potential conflicts of interest involving senior executives.
- 8.7 Protection of Workforce Dissent:** Strengthen protections for staff raising workforce concerns or participating in governance processes.
- 8.8 Responsible Workforce and Remuneration Reporting:** Mandate annual publicly verified reports on workforce conditions, remuneration structures and compliance outcomes.

## Principle 8 – Table of Specific Reforms (Responsible)

Proposed Reform	Mechanism	Intended Outcome
Statutory Workforce Sustainability Strategies (8.1)	Legislative requirement for universities to adopt and publish Workforce Sustainability Strategies aligned with statutory objects	Ensures workforce stability, reduced casualisation, and alignment between staffing conditions and institutional public purpose.
Academic Governance in Workforce Design (8.2)	Amendments to Academic Board provisions requiring consultation on workforce strategies affecting teaching and research	Protects academic quality and disciplinary continuity by embedding academic governance oversight in workforce decisions.
Independent Wage Compliance Audits (8.3)	Legislated requirement for periodic independent wage compliance audits with Auditor-General oversight	Strengthens compliance with employment obligations and ensures transparency regarding systemic wage underpayment.
Public-Interest Executive Remuneration Frameworks (8.4)	Statutory Public-Interest Proportionality Test governing senior executive remuneration	Aligns executive pay with public-sector norms, workforce conditions and statutory university purposes.
Regulation of Executive Incentive Payments (8.5)	Legislated disclosure and regulation of performance incentives and variable remuneration	Prevents financial growth metrics from dominating executive performance incentives.
Disclosure of External Remuneration and Conflicts (8.6)	Mandatory disclosure of external income, advisory roles and related-party remuneration	Improves transparency and mitigates conflicts of interest involving senior executives.
Protection of Workforce Dissent and Governance Participation (8.7)	Strengthened statutory protections for staff raising workforce concerns or participating in governance	Safeguards academic freedom and prevents retaliation linked to governance participation.
Integrated Responsible Workforce and Remuneration Reporting (8.8)	Annual independently verified Responsible Workforce and Remuneration Reports tabled in Parliament	Provides transparent reporting on workforce composition, remuneration ratios, compliance outcomes and mission alignment.

## **Conclusion: The Path to Legislative Amendment**

APU concludes that "procedural refinement" is an insufficient remedy. To safeguard the future of the sector, the eight Victorian University Acts must be fundamentally amended to rebalance power and mandate transparency.

Current research shows Victorian universities clustering at the weak end of a "bell curve," characterised by weak democratic participation and poor accountability. Legislative intervention is the only viable pathway to restore these institutions to their foundational mission of public stewardship and academic excellence.

## Part II: Background, analysis, comment & recommendations on Principles 1-8

### Academics for Public Universities

#### Principle 1: Accountability

##### Governance structures and accountabilities are well-defined, effective and transparent

#### Introduction

This section provides a detailed analysis of the Expert Council's proposed governance framework. It draws on APU's submissions, published research, and evidence to parliamentary inquiries, including the NSW Legislative Council hearings of February 2026, which documented systemic governance weaknesses in Australian public universities.

Principle 1 of the Expert Council's framework seeks to strengthen accountability within Australian universities through improved governance structures, clearer delegations, and enhanced reporting arrangements. While these objectives are appropriate, APU submits that the framework fails to address the structural causes of accountability failure that have emerged across the sector over recent decades.

Successive legislative and policy reforms have progressively transformed public universities from collegial, academically governed institutions into corporatised organisations characterised by concentrated executive authority, weakened democratic participation, and limited external scrutiny. Governing bodies, committees, and executive leadership structures now operate within governance arrangements that prioritise financial performance, risk management, and reputational protection over academic standards, workforce sustainability, and public mission (Martin-Sardesai, Guthrie & Parker 2023; Parker, Martin-Sardesai & Guthrie 2023).

As a result, accountability has increasingly been reduced to an internalised system of procedural compliance (Guthrie & Lucas 2022). Reporting, assurance, and review mechanisms are primarily designed to demonstrate conformity with formal requirements rather than to enable rigorous evaluation of decision quality, institutional performance, or alignment with statutory purposes. Democratic oversight by staff and students has been marginalised, and parliamentary and public scrutiny has been weakened.

The evidence we have marshalled below in our responses to Principles 1.1–1.4 reveals a consistent pattern:

- governing bodies lack sufficient democratic legitimacy and sectoral expertise;
- committees operate as mechanisms of managerial assurance rather than independent oversight;
- Chancellors are embedded within closed governance networks; and
- Vice-Chancellors exercise extensive delegated authority with limited independent constraint.

These interconnected structures form a closed governance circuit in which power, information, and evaluation are concentrated within small executive and corporate-aligned groups. The result is a severe democratic deficit, in which committee opacity, executive dominance, and consultancy

dependence reduce meaningful oversight of important decisions affecting thousands of staff, students and people in the wider communities where they live and work (Pelizzon et al. 2021; NSW Parliament 2026).

The structural dynamics identified above – including corporatisation, executive centralisation, closed governance circuits, legislative permissiveness, and the substitution of procedural compliance for substantive accountability – recur throughout our analysis of Principles 2–4. To avoid unnecessary repetition, subsequent sections cross-reference this foundational critique rather than restating it in full. Given the context provided above, the effectiveness of Principle 1 cannot be assessed solely in terms of procedural improvements or aspirational standards. Meaningful accountability requires structural reform that restores democratic representation, strengthens independent oversight, enhances transparency, and re-centres academic and public values within university governance. Without such reform, Principle 1 risks reinforcing existing arrangements that have repeatedly proven inadequate to safeguard the integrity and public purpose of Australia’s universities.

With regard to the inclusion of First Nations’ student and staff perspectives in university governance, the Universities Accord final report and the Expert Panel on University Governance acknowledge that a single representative cannot reflect all the relevant perspectives. However, their operational solution remains consultation processes and broad understanding of “culture”, rather than enforceable governance structures that make cultural diversity real in decision-making (e.g., multiple seats on governing bodies, independent Indigenous governance mechanisms, rights to information, and veto/consent requirements for matters impacting community and culture). If cultural diversity is handled as a “nice-to-have” attribute, it will be subordinated whenever it conflicts with executive priorities, commercial agendas, or reputational management.

To follow is a list of ten Victorian-focused recommendations that respond directly to the structural governance deficiencies identified in our responses to Principles 1.1–1.4 in the subsequent “Background, Analysis & Comment” section. They are designed to restore representative governance, strengthen independent scrutiny, and ensure that accountability in Victorian public universities operates as a system of public stewardship rather than internal compliance.

## **RECOMMENDATIONS FOR ACTION: PRINCIPLE 1 – ACCOUNTABILITY**

### **1.1. Democratic Representation and Sectoral Expertise in Victorian University Acts**

- a) Each Victorian University Act should be amended to require a minimum of 50 per cent elected representation on governing bodies, including guaranteed proportions of academic staff, professional staff, and student members.
- b) These provisions should be fixed in primary legislation and not alterable through institutional statutes or council rules.
- c) Victorian legislation should also require transparent, publicly documented appointment processes for external members, including demonstrated expertise in higher education and public-sector governance.

### **1.2. Independent Governance Reviews and Victorian Auditor-General Oversight**

- a) Victorian legislation should require quinquennial independent reviews of governing body effectiveness, composition, independence, and alignment with statutory purposes.

- b) Quinquennial reviews should be conducted independently of the institution and its major consultants and should be publicly reported and tabled in the Victorian Parliament.
- c) In parallel, the mandate of the Victorian Auditor-General should be strengthened to include regular performance audits of university governance systems, controlled entities, procurement practices, consultancy use, and compliance with statutory objects.

### **1.3. Reform of Governing Body Committees in Victorian Universities**

- a) Victorian legislation should require that audit, risk, remuneration, and major governance committees of public universities include elected academic and professional staff members as full voting participants.
- b) Universities should be required to publish committee agendas, decision summaries, and non-confidential minutes, including explanations of how academic, workforce, and public-interest risks are assessed alongside financial risks.
- c) Remuneration committee processes and benchmarking methodologies should be subject to enhanced public disclosure.

### **1.4. Comprehensive Group Transparency and Financial Disclosure in Victoria**

- a) Victorian legislation should mandate full group-wide transparency for public universities and all controlled entities, subsidiaries, trusts, joint ventures, and offshore operations.
- b) This should include publication of entity-level financial performance, risk exposures, related-party transactions, reserve holdings, and reconciliations between cash and accrual positions.
- c) Commercial Activities Registers should be publicly accessible by default, subject only to narrowly defined and time-limited confidentiality provisions.

### **1.5. Victorian Conflict of Interest and Related-Party Governance Standards**

- a) Victorian legislation should require universities to maintain consolidated public registers of conflicts of interest and related-party transactions covering governing bodies, committees, senior executives, and controlled entities.
- b) Meeting minutes should record recusals and relevant disclosures.
- c) Clear statutory standards should regulate overlapping governance, consultancy, and advisory relationships that may compromise independent judgement.

### **1.6. Consultancy Transparency Requirements for Victorian Public Universities**

- a) Victorian legislation should require public universities to maintain accessible registers of significant consultancy engagements, disclosing purpose, value, procurement pathway, and outcomes.
- b) Major consultancy projects should be subject to post-implementation review, with findings reported to governing bodies and made publicly available.
- c) Governing bodies should be required to demonstrate how reliance on external consultants is balanced with internal academic and professional expertise.

### **1.7. Strengthened Oversight of Executive Delegations in Victoria**

- a) Victorian legislative and regulatory frameworks should impose clearer limits on executive delegations for major financial, staffing, and commercial decisions.
- b) Governing bodies should be required to formally approve and publicly report on significant restructures, asset transactions, major borrowings, and strategic partnerships, including the basis for decisions and alternatives considered.

### **1.8. Open Governance and Decision Disclosure in Victorian Universities**

- a) Victorian legislation should require public universities to publish governing body agendas, minutes, and decision summaries within defined timeframes, with confidentiality narrowly confined and subject to review.
- b) Changes to university constitutions, delegations, and governance policies should be publicly reported with explanatory statements and version histories to ensure transparency of governance evolution.

### **1.9. Executive Performance and Remuneration Accountability in Victoria**

- a) Victorian legislation should establish clearer transparency and accountability standards for executive performance evaluation and remuneration.
- b) Universities should be required to publish remuneration committee charters, comparator frameworks, and justifications for remuneration outcomes.
- c) Executive performance criteria should explicitly include academic quality, workforce sustainability, equity obligations, and public-purpose alignment, consistent with the statutory role of Victorian public universities.

### **1.10. Independent Oversight of Controlled Entities and Commercial Operations in Victoria**

- a) Victorian universities should be required to subject controlled entities, offshore operations, and major commercial ventures to periodic independent governance and risk reviews.
- b) These reviews should assess financial exposure, governance arrangements, and alignment with institutional mission and statutory purposes, and should be publicly reported and accessible to Parliament.

## **BACKGROUND, ANALYSIS & COMMENT**

### **1.1 Governing Body**

Principle 1.1 proposes that governing bodies adopt formal charters clarifying roles, delegations, and reporting arrangements. While such documentation is administratively necessary, APU submits that it is insufficient as a foundation for accountability in the absence of democratic representation, sectoral expertise, and independent oversight.

Evidence presented to the NSW Legislative Council inquiry demonstrates that the corporatisation of governing bodies has proceeded further than previously recognised. Professor Corinne Cortese (University of Wollongong) testified that across NSW universities only approximately 18 per cent of council members are elected staff representatives, with student representation similarly limited. The overwhelming majority of members are appointed external members, and 56 per cent of those appointed members have primary professional backgrounds in corporate management, finance, accounting, law, consulting, or related commercial sectors (NSW Parliament, 2026).

This evidence confirms that NSW universities are characterised by governing bodies in which internal academic and professional expertise has been structurally marginalised. It also indicates that the situation in NSW is more severe than earlier national analyses suggested. Research conducted by Academics for Public Universities in 2021 found that, across Australia, only 31.5 per cent of governing body members possessed professional experience in the tertiary education sector, while

more than 60 per cent came from non-tertiary backgrounds and approximately one-third from corporate and finance sectors. That study concluded that barely one-third of council members nationally had relevant sectoral expertise and that elected representatives constituted only a minority of total membership (Pelizzon et al. 2021).

Professor Cortese’s evidence suggests that NSW universities fall below even these already concerning national averages. In effect, NSW councils appear to represent an intensified version of the corporatised governance model, characterised by particularly low levels of elected representation and especially high concentrations of corporate and consulting expertise. This places NSW institutions at the extreme end of what subsequent NTEU research described as a “bell curve” of governance performance in which many universities cluster around weak democratic participation and poor accountability (NTEU 2024).

Comparative research by Pelizzon, Lucas and colleagues demonstrates that major corporations maintain significantly higher levels of sector-relevant expertise on their boards than Australian universities (Pelizzon et al. 2021). Large companies routinely ensure that more than 70 per cent of directors possess industry-specific knowledge.<sup>1</sup> By way of contrast, university councils increasingly operate with governing bodies in which the majority of members lack professional experience in higher education. In effect, universities are governed by boards that would be regarded as inadequately qualified in almost any other complex sector.

It is important to note that this democratic and epistemic imbalance is not merely cultural but statutory. Across all nine Victorian university Acts – including the *University of Melbourne Act 2009*, *RMIT Act 2010*, *Swinburne University of Technology Act 2010*, *Victoria University Act 2010*, *Deakin University Act 2009*, *Monash University Act 2009*, *La Trobe University Act 2009*, and *Federation University Australia Act 2010* – council membership provisions rely on discretionary “skills and experience” criteria rather than enforceable requirements for academic, professional, or student representation. These provisions prioritise managerial and corporate interpretations of governance capability while permitting elected representation to remain minimal. The Acts do not mandate sectoral expertise, nor do they guarantee that a significant proportion of council members possess professional experience in higher education.

These legislative design features produce predictable governance effects. Where council composition is not structurally anchored in sectoral expertise and democratic representation, strategic decisions are disproportionately filtered through financial, reputational, and risk-management lenses. Academic capacity, disciplinary sustainability, and workforce integrity are assessed indirectly rather than as primary governance criteria.

In this context, councils function less as independent stewards of statutory purpose and more as ratifying bodies for executive strategy (Guthrie & Lucas 2022; Parker, Martin-Sardesai & Guthrie 2023). This structural alignment – rather than individual failure – explains the recurring governance pathologies identified across inquiries.

First, there is a systemic knowledge failure. Councils lacking experience in teaching, research governance, academic workforce management, and disciplinary standards are ill-equipped to

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<sup>1</sup> Pelizzon, Lucas et al. - 2 out of 3 members of university governing bodies have no professional expertise in the sector 291121

interrogate strategic proposals affecting curriculum quality, research integrity, institutional autonomy, and workforce sustainability. Decisions concerning course closures, restructures, research priorities, and outsourcing are therefore evaluated predominantly through financial and reputational lenses rather than through academic judgement. Long-term intellectual capacity is subordinated to short-term commercial considerations.

Second, there is a structural independence failure. Councils composed predominantly of appointed external members selected through opaque processes and embedded in executive-aligned networks are unlikely to function as effective checks on vice-chancellors' authority. Appointment processes are typically controlled by existing councils and political networks, reinforcing homogeneity of professional and social background. In such environments, collective norms favour consensus and board cohesion over contestation and scrutiny. Rather than exercising autonomous oversight, councils frequently operate as ratifying bodies for strategies developed by senior management and external advisers (Martin-Sardesai, Guthrie & Parker 2023).

The Victorian Acts establish the offices of Chancellor and Deputy Chancellor (for example, ss.24–25 of the Melbourne and RMIT Acts) but provide minimal procedural guidance concerning appointment transparency, stakeholder consultation, or performance review. The legislation does not mandate public nomination processes, disclosure of selection criteria, or periodic independent evaluation. The opacity of Chancellor appointment is therefore not merely customary but enabled by statutory design.

The structural concentration of authority in councils and the senior executive is reinforced by the Part 2 governance provisions in each Victorian universities' Act, which vest comprehensive control of property, finance, and institutional direction in councils without corresponding statutory obligations to secure academic concurrence. Although each Act establishes an Academic Board (typically under s.20 or equivalent), these bodies are constituted as subordinate advisory entities whose powers are left to internal statutes. There is no legislative requirement that councils accept Academic Board advice on curriculum, academic standards, or research integrity. The result is a statutory architecture in which academic governance exists formally but lacks binding authority.

NTEU surveys of elected staff representatives illustrate the practical consequences of this structure. A majority report that their contributions have limited influence on outcomes, that access to key documents is restricted, and that reporting back to constituencies is discouraged. These findings underscore how minimal internal representation, when combined with limited transparency, produces systemic marginalisation of academic and professional voices.

The increasing reliance on external consultants further entrenches this configuration (Lucas & Guthrie 2023; Guthrie, Andrew & Twyford 2023; Guthrie, Andrew & Twyford 2023a). When governing bodies lack sectoral expertise, they turn to private advisory firms to interpret complex institutional challenges. This not only substitutes commercial frameworks for academic judgement but also embeds external actors within core governance processes. The prominent role played by consultancy firms in shaping sector-wide reform discussions – including substantial contracts for consultants' advice to the Universities Accord panel itself – illustrates the extent to which governance knowledge has been outsourced (Lucas & Guthrie 2024; Guthrie et al. 2025; Wootton 2026). Such reliance raises serious questions about internal capacity, independence of judgement, and transparency of influence.

The cumulative effect is the creation of governing bodies structurally aligned with executive management and corporate governance norms. Transparency measures such as skills matrices,

induction programs, and formal charters, while not without value, cannot compensate for deficiencies in composition and legitimacy. Expertise without democratic mandate does not generate accountability. Diversity without institutional authority does not secure plural deliberation. Documentation without independent oversight does not constrain power.

APU therefore submits that reform of council composition must be understood as the foundation of governance reform. Without legislated guarantees of substantial elected representation, strengthened disclosure obligations, transparent appointment processes, and independent review mechanisms, governing bodies will remain insulated from meaningful accountability. Structural dysfunction at the apex of governance undermines every subsequent layer of oversight addressed in Principles 1.2–1.4.

In the absence of structural reform, improvements to procedural governance arrangements risk entrenching a corporatised model that has repeatedly failed to safeguard academic standards, workforce integrity, and the public mission of Australian universities.

## **1.2 Governing Body Committees**

Principle 1.2 of the Expert Council’s framework places significant reliance on governing body committees – particularly audit, risk, and remuneration committees – as mechanisms for strengthening accountability. While APU recognises that specialised committees are an essential feature of modern governance arrangements, the evidence demonstrates that their current design and operation frequently reinforce executive dominance rather than provide meaningful academic, democratic, or public oversight.

As established in Section 1.1, governing bodies are increasingly composed of externally appointed members with corporate and consulting backgrounds and limited higher education expertise. Committee structures are constituted by those same governing bodies and therefore reproduce the same structural biases. Committees do not operate independently of council composition: they inherit and often intensify its homogeneity of perspective and alignment with executive priorities.

This committee-based insulation is facilitated by legislative silence. None of the Victorian university Acts prescribe minimum composition requirements, transparency obligations, or reporting standards for council committees. Committee structures are created and regulated internally through council procedures and statutes, with no statutory safeguards concerning elected representation, publication of minutes, or disclosure of external advice. The absence of legislative parameters has allowed audit, risk, and remuneration committees to evolve into closed oversight mechanisms operating largely beyond public scrutiny.

Across Australian universities, audit and risk committees have become the central locus of governance attention. Parliamentary inquiries, academic research, and testimony from elected staff representatives consistently indicate that these committees focus overwhelmingly on financial exposure, regulatory compliance, insurance coverage, and reputational risk. Risk registers are framed in terms of balance-sheet volatility, debt servicing, international student revenue fluctuations, and brand protection (Carnegie et al. 2022). By contrast, risks relating to academic standards, teaching quality, curriculum integrity, research independence, workforce casualisation, and institutional autonomy are treated as secondary or subsumed within generic “operational” categories.

Within this governance architecture, committees tend to evaluate process compliance rather than interrogate strategic direction. Risk registers prioritise financial exposure and regulatory metrics, while academic, workforce, and public-purpose risks are reframed as operational variables. This procedural emphasis mirrors the structural dynamics identified above in our response to Principle 1.1.

Evidence presented to state and federal inquiries reinforces this pattern. Testimony to the NSW inquiry indicated that major restructures, commercial ventures, and workforce decisions are frequently brought to committees after strategic parameters have been set. Committees are asked to consider risk mitigation and compliance implications rather than the underlying merits of the proposals. As a result, committees function less as oversight bodies and more as mechanisms for legitimising executive decisions already taken in principle.

The marginalisation of elected staff and student representatives within committee structures compounds this problem. Even where elected members sit on governing bodies, they are frequently excluded from key committees or appointed as non-voting participants. In some cases, confidential sessions are conducted without them; in others, access to supporting documentation is restricted. This ensures that the most consequential deliberations – particularly those concerning audit findings, executive remuneration, and high-risk commercial ventures – occur within closed circles dominated by appointed external members.

Supplementary evidence to the NSW inquiry emphasised that without democratic participation at committee level, the “real decision-making machinery” of the university remains untouched. The formal existence of committees does not guarantee plural deliberation if membership and information flows are tightly controlled.

Transparency arrangements further weaken accountability. Principle 1.2 requires disclosure of committee membership and meeting frequency but does not mandate publication of agendas, minutes, summaries of deliberation, dissenting views, or the external advice on which committees rely. Nor does it require disclosure of how risk priorities are determined or how academic and public-interest considerations are weighed against financial metrics. Stakeholders and Parliament are therefore unable to assess whether committees are exercising genuine oversight or merely certifying compliance.

Remuneration committees provide a particularly acute example. These committees often rely on external benchmarking consultants to set vice-chancellors’ remuneration and performance metrics. Comparator groups are drawn from corporate or international university sectors with markedly different funding models and risk environments. Deliberations are confidential, and justifications for remuneration outcomes are limited. In practice, remuneration committees frequently reinforce executive authority and normalise compensation practices that diverge significantly from public-sector norms.

The same structural issues apply to committees overseeing controlled entities and subsidiary operations. Many such entities are governed by boards dominated by university executives and appointed external members, with minimal academic or community representation. Oversight committees receive consolidated financial information that may obscure entity-specific risk exposures. This fragmentation of governance responsibilities weakens clear lines of accountability and complicates parliamentary scrutiny.

APU therefore submits that Principle 1.2 risks legitimising a committee-based governance model that is highly effective at managing institutional risk in financial terms but poorly equipped to safeguard academic integrity, workforce sustainability, and public stewardship. Without statutory reform of committee composition, disclosure obligations, and independence safeguards, committee proliferation will entrench managerial control rather than strengthen public accountability.

Meaningful accountability requires committees that are representative, transparent, and empowered to scrutinise strategic direction, not merely to monitor compliance with executive-designed systems. In the absence of such reform, Principle 1.2 will reinforce rather than remedy the governance deficiencies identified in our response above to Principle 1.1.

### **1.3 Chancellor**

Principle 1.3 of the Expert Council's framework outlines expectations for the appointment and role of Chancellors, emphasising integrity, independence, leadership capability, and accountability to the governing body. While these aspirations are unobjectionable in the abstract, APU submits that the framework fails to confront the structural conditions that undermine their realisation in practice. As with Principles 1.1 and 1.2, the focus remains on role description and behavioural norms rather than on institutional design.

In contemporary university governance, the Chancellor occupies a pivotal position as chair of the governing body and primary interlocutor between council and executive leadership. However, appointment processes for Chancellors are typically opaque, centralised, and controlled within narrow governance networks. Selection criteria are rarely publicly disclosed; consultation with staff, students, and academic bodies is limited or non-existent; and conflict-of-interest assessments are not routinely published. In jurisdictions where ministers retain appointment powers for certain council positions, ministerial involvement often occurs without transparent criteria or public explanation.

Evidence presented to parliamentary inquiries indicates that Chancellor appointments frequently emerge from overlapping political, corporate, and professional networks. These governance networks generate recurring and often undisclosed conflicts of interest, including overlapping directorships, advisory roles, consultancy relationships, and post-appointment career pathways between universities, private firms, and public agencies. Existing disclosure and recusal arrangements are fragmented, inconsistently applied, and largely unenforceable. As a result, potential conflicts are frequently normalised rather than managed, undermining the independence of governance decisions and weakening public confidence in institutional integrity.

Candidates for chancellorships are commonly drawn from senior corporate, financial, legal, or public administration backgrounds, reinforcing the broader corporatised profile of governing bodies identified above in our response to Principle 1.1. This pattern contributes to social and professional homogeneity within councils and narrows the range of perspectives represented in governance deliberations.

The consequences of this appointment model are structural rather than incidental. Principle 1.3 assumes that integrity and independence are attributes of individuals. However, independence cannot be secured solely through personal probity where institutional arrangements constrain autonomy. When Chancellors are selected through opaque processes dominated by existing council members and

executive networks, and when they preside over councils composed largely of similarly appointed members, accountability becomes internalised and circular.

The framework's emphasis on accountability "to the governing body" is therefore inadequate in circumstances where governing bodies themselves lack democratic legitimacy and sectoral diversity. As demonstrated in our response to Principle 1.1, councils are frequently dominated by appointed external members aligned with executive management. In such environments, the Chancellor's accountability is confined to a body structurally predisposed toward consensus with senior leadership. This significantly limits the capacity for independent challenge.

Over time, the role of the Chancellor has shifted markedly. Traditionally conceived as a guardian of collegial governance, academic standards, and institutional autonomy, the Chancellor has increasingly assumed the functions of a corporate board chair. This transformation reflects and reinforces the broader corporatisation of university governance. Emphasis is placed on strategic growth, risk management, financial sustainability, and reputational positioning, often at the expense of academic deliberation and community engagement.

This evolution has had concrete consequences. Chancellors frequently chair remuneration committees that determine vice-chancellors' salaries, bonuses, and contract renewals. These deliberations are typically confidential and supported by external benchmarking consultants. Comparator groups are often drawn from corporate sectors or international university systems with substantially different funding and governance environments. Public disclosure of performance metrics and remuneration justification is minimal. In this context, executive compensation practices have increasingly diverged from public-sector norms without robust external scrutiny (NSW Parliament 2026; Lucas & Guthrie 2025).

Comparative public-sector remuneration data and Auditor-General reporting demonstrate that vice-chancellor compensation now significantly exceeds analogous statutory officeholders. The absence of transparent performance linkage to statutory objects further weakens justification.

The growing alignment between Chancellors and senior executives further weakens independent oversight. As chairs of councils, Chancellors play a central role in shaping meeting agendas, determining information flows, and framing deliberations. Where governance cultures prioritise board cohesion and reputational management, dissent and critical scrutiny may be discouraged. This dynamic reinforces the "closed governance circuit" identified in our responses to Principles 1.1 and 1.2, in which power, information, and evaluation circulate within a narrow leadership group.

Principle 1.3 does not require transparent publication of appointment processes, independent vetting mechanisms, or meaningful stakeholder participation. Nor does it mandate periodic independent evaluation of Chancellor performance or public reporting on governance leadership. There is no requirement for Chancellors to engage in open forums with staff and students or to report on how council decisions align with statutory purposes and public mission.

The framework therefore relies heavily on voluntary compliance and personal integrity rather than enforceable institutional safeguards. In corporatised governance environments characterised by concentrated authority and limited transparency, this reliance is insufficient.

Without transparent appointment procedures, independent performance review, enforceable conflict-of-interest regulation, and broader accountability obligations extending beyond the governing body itself, the Chancellor's role will remain structurally constrained. Independence will be asserted but not assured. Integrity will be presumed rather than demonstrated. Accountability will remain internal rather than public.

APU therefore submits that Principle 1.3 fails to address the systemic governance conditions that have reshaped the Chancellor's role. It does not restore the position as an independent steward of academic values and public trust, nor does it create mechanisms capable of counteracting circular accountability within corporatised governance structures. Meaningful reform must move beyond aspirational statements to address the institutional architecture within which Chancellors operate.

#### **1.4 Vice-Chancellor, Senior Managers and Controlled Entities**

Principle 1.4 of the Expert Council's framework addresses delegations, performance expectations, and reporting arrangements for Vice-Chancellors, senior executives, and controlled entities. While these matters are central to institutional accountability, APU submits that the framework reinforces executive dominance and managerial centralisation rather than establishing robust and independent oversight mechanisms. By focusing primarily on internal delegation and reporting structures, Principle 1.4 leaves intact the structural conditions that have enabled the concentration of authority within senior management.

These patterns are enabled by broad delegation clauses contained in each Victorian Act (for example, delegation provisions equivalent to s.18 of the RMIT Act and parallel sections in the Melbourne, Monash, Swinburne, and Victoria University Acts). These clauses permit councils to delegate substantial powers to Vice-Chancellors without materiality thresholds or mandatory disclosure requirements. The Acts do not require publication of delegation instruments or impose statutory limits on executive approval of major restructures, financial commitments, or commercial arrangements. Executive centralisation is therefore structurally authorised rather than incidental.

As demonstrated in our responses to Principles 1.1–1.3, contemporary university governance is characterised by limited democratic participation, weak sectoral expertise at council level, and closed leadership networks. Within this environment, Vice-Chancellors operate with exceptionally extensive delegated authority over financial management, staffing, commercial activities, and strategic partnerships. Delegations commonly permit unilateral approval of major contracts, restructures, and investments, subject only to high-level reporting requirements.

Across multiple parliamentary inquiries and sectoral studies, evidence has consistently shown that these powers are exercised within highly centralised executive structures. Strategic initiatives are typically developed by small senior management teams, supported by external consultants, and framed within confidential planning processes (Lucas & Guthrie 2023; Guthrie et al. 2024). Governing bodies and committees are frequently presented with near-final proposals, limiting opportunities for substantive debate or modification. Consultation processes, where they occur, are largely confined to implementation issues rather than fundamental strategic choices.

In addition, major institutional decisions are rarely accompanied by systematic assessments of their impacts on academic capacity, teaching quality, equity of access, regional provision, workforce sustainability, or statutory public purposes. Neither governing bodies nor executive management are

presently required to document how such decisions advance institutional objects or contribute to long-term public benefit.

Each Victorian Act contains “Objects” or “Purposes” clauses (for example, s.5 of the Melbourne, Swinburne, and Victoria University Acts) affirming public benefit, community service, and advancement of knowledge. However, these clauses are declaratory and are not operationalised within decision-making provisions. The Acts do not require councils or executives to demonstrate how major decisions advance statutory objects, nor do they create enforceable standards linking governance practice to public purpose. As a consequence, institutional mission remains rhetorically affirmed but structurally disconnected from governance obligations. As a result, restructures, course closures, commercial ventures, and staffing reductions routinely proceed without transparent justification against legislated missions or educational responsibilities.

This pattern creates a “decision pipeline” in which authority flows from executive leadership through consultants and internal management units to governing bodies and committees, with limited scope for intervention by academic communities. It reinforces information asymmetry, concentrates agenda-setting power within executive offices, and marginalises alternative perspectives.

Consultancy dependence reinforces executive centralisation within Victorian universities. Strategic judgements are increasingly externalised to private advisory firms, yet their methodologies, assumptions, and conflicts are rarely disclosed. This practice substitutes commercial governance frameworks for academic judgement and strengthens information asymmetry between executive management, councils, and university communities (see also Section 1.1 on sectoral expertise deficits and Section 1.2 on committee information controls).

The proliferation of controlled entities compounds these accountability deficits. Australian universities now operate extensive networks of subsidiaries, trusts, joint ventures, and offshore entities responsible for property development, international education, research commercialisation, accommodation services, and ancillary businesses. These entities often manage substantial public assets and liabilities but operate under modified governance and reporting arrangements.

Many controlled entities are governed by boards dominated by university executives and appointed external members, with limited academic or community representation. Reporting is frequently consolidated at group level, obscuring entity-specific financial performance, risk exposure, and governance practices. Parliamentary scrutiny is weakened, and public access to information is restricted.

Over successive legislative reforms, ministerial approval requirements and reporting obligations have been progressively reduced, particularly in relation to commercial activities, borrowings, and subsidiary operations. Universities now exercise substantial financial and strategic autonomy without corresponding public-sector oversight mechanisms (Carnegie et al. 2022; Parker, Martin-Sardesai & Guthrie 2023). This has enabled significant public risk exposure to accumulate beyond effective parliamentary supervision. APU submissions and Senate evidence have documented how these structures facilitate risk transfer, regulatory arbitrage, and debt offloading while diluting accountability.

Part 6 of the Victorian university Acts governs financial management, borrowings, property transactions, and commercial activities. While these provisions include reporting obligations and, in

limited circumstances, ministerial approvals, they are primarily concerned with asset protection rather than governance accountability. The Acts do not require consolidated group reporting for subsidiaries, do not mandate publication of entity-level risk exposure, and do not impose governance standards on controlled entities equivalent to those applying to the parent university. Commercial authority is therefore expansive, while transparency and parliamentary oversight remain comparatively narrow.

Although the Acts contain provisions enabling the Minister to issue guidelines or receive annual reports (for example, reporting divisions within Part 6 of several Acts), these mechanisms are informational rather than supervisory. They do not provide proactive approval powers for high-risk commercial ventures, major borrowings, or structural restructures, nor do they create clear statutory triggers for intervention. In practice, ministerial oversight is reactive and dependent on voluntary disclosure rather than embedded regulatory authority.

Responsibility within these arrangements is fragmented across parent councils, subsidiary boards, joint venture partners, and external advisers. When strategic failures, financial losses, or governance breaches occur, it is often difficult to determine where accountability lies. This diffusion of responsibility undermines both internal learning and external oversight.

Performance management arrangements for Vice-Chancellors and senior executives exhibit parallel weaknesses. Remuneration, bonuses, and contract renewals are typically determined by small remuneration committees operating in closed sessions and supported by external benchmarking consultants. Comparator groups are often drawn from corporate sectors or international university systems with markedly different funding models and governance environments. The resulting remuneration packages frequently exceed public-sector norms and are weakly linked to educational quality, equity outcomes, workforce stability, or civic engagement.

Public disclosure of performance criteria, evaluation processes, and contractual terms is minimal. In many cases, performance assessments remain confidential and are conducted by councils whose composition and incentives align closely with executive leadership. This creates structural conflicts between objective oversight and institutional self-protection. Weak performance management further entrenches executive dominance and limits accountability for strategic failures.

Principle 1.4 does not adequately address these realities. It does not require independent evaluation of executive performance. It does not mandate systematic disclosure of consultancy dependence, advisory influence, or remuneration benchmarking practices. Nor does it impose comprehensive reporting obligations on controlled entities sufficient to enable meaningful parliamentary and public scrutiny.

Instead, the framework assumes that internal reporting lines, delegated authorities, and governance charters are sufficient to secure accountability. However, as demonstrated in our responses to Principles 1.1–1.3, these mechanisms operate within governance systems characterised by information asymmetry, limited democratic participation, and weak external oversight. Under such conditions, internal controls are easily absorbed into managerial structures rather than functioning as independent constraints.

These arrangements consolidate executive authority while diffusing responsibility across councils, subsidiary boards, and advisory networks. Accountability becomes internalised and opaque,

particularly where Part 6 commercial powers operate without parallel academic governance safeguards (see also Principle 4 analysis on transparency).

APU therefore submits that Principle 1.4, in its current form, risks legitimising and entrenching this managerial governance model. Without independent performance evaluation, enforceable transparency requirements, strengthened oversight of consultancy and subsidiary activity, and restored parliamentary supervision, the objectives of integrity, stewardship, and public accountability cannot be reliably achieved.

Comprehensive reform is required to rebalance authority, restore transparency, and ensure that Vice-Chancellors, senior executives, and controlled entities are accountable not only to aligned councils but to university communities, governments, and the broader public they are funded to serve.

The governance deficiencies identified above are embedded in the structural design of Victoria's university legislation. The concentration of authority in councils, the advisory status of Academic Boards, the permissive delegation framework, the limited regulation of committees, and the declaratory nature of public purpose clauses collectively entrench a corporatised governance model. Principle 1 cannot be realised through procedural refinement alone; it requires targeted amendment of the governing Acts themselves.

## **Principle 2: Diversity of Perspectives**

### **Composition of the Governing Body Enables Purpose and Performance**

#### **Introduction**

Principle 2 seeks to ensure that governing bodies possess the skills, knowledge, independence of mind, and diversity of perspectives required to discharge their responsibilities in the public interest. APU strongly supports this objective. However, as with Principle 1, we submit that the Expert Council’s framework adopts an overly procedural and technocratic understanding of diversity, capability, and renewal.

The framework treats “diversity of perspectives” primarily as a function of skills matrices, appointment processes, and board development programs. This approach assumes that diversity can be engineered through administrative design and periodic review. It fails to recognise that the principal barriers to plural governance in Australian universities are cultural, ethical, and structural, and that these barriers are deeply embedded in corporatised governance systems (Guthrie & Lucas 2022; Martin-Sardesai, Guthrie & Parker 2023; NTEU 2024).

This technocratic understanding of “capability” is reinforced by Victorian legislation. Across the nine university Acts, council membership provisions rely on broad references to “knowledge, skills and experience” and “appreciation of university values” (for example, ss.11–14 of the *University of Melbourne Act 2009* and parallel provisions in the *RMIT Act 2010*, *Swinburne Act 2010*, and *Victoria University Act 2010*). These clauses do not specify academic, pedagogical, or research expertise as core governance competencies. Their legislative flexibility does, however, permit prevailing governance norms to shape definitions of merit.

APU therefore submits that Principle 2 underestimates the extent to which diversity, integrity, and academic autonomy are interdependent. Diversity of background or professional experience does not translate into diversity of judgement where dissent is discouraged, information is controlled, and reputational risk management prevails over scholarly values. Without enforceable protections for academic freedom, cultural pluralism, and ethical independence, “diversity of perspectives” risks becoming performative rather than substantive.

Accordingly, our response to Principle 2 emphasises that governance diversity must be understood not merely as a means to improve board performance, but as a public-purpose obligation grounded in pluralism, epistemic openness, and the protection of academic autonomy. These considerations must be embedded structurally within governance systems, rather than treated as optional attributes of individual board members.

It is important to note that democratic and collegial forms of decision-making are still favoured in many university systems throughout the world. For example, unlike systems in the Netherlands, Belgium, Spain, Norway, Slovenia, and parts of Latin America, where rectors are elected through weighted community voting, Victorian legislation leaves leadership appointment entirely to councils. The Victorian Acts contain no provisions permitting community-based election of Vice-Chancellors or faculty leaders.

This legislative silence entrenches executive selection by small governing bodies rather than by the academic community. Without statutory participatory rights, inclusiveness depends on executive goodwill.

To follow is a list of eight recommendations that respond directly to the structural, cultural, and legislative barriers to genuine diversity of perspectives identified in the subsequent “Background, Analysis & Comment” section. They are designed to ensure that diversity in Victorian university governance is not reduced to skills management or symbolic representation, but functions as a foundation for ethical independence, academic freedom, and public accountability.

Together with the reforms proposed under Principle 1, these measures seek to reconstruct governance systems capable of sustaining plural deliberation, intellectual integrity, and democratic stewardship in Victorian public universities.

## **RECOMMENDATIONS FOR ACTION: PRINCIPLE 2 – DIVERSITY OF PERSPECTIVES**

### **2.1. Statutory Guarantees of Plural and Representative Governance**

- a) Victorian University Acts should be amended to require governing bodies to include substantial elected representation of academic staff, professional staff, and students, together with mandated representation of First Nations and culturally diverse communities.
- b) These provisions should be embedded in primary legislation and not alterable through institutional statutes.
- c) Appointment criteria for external members should prioritise demonstrated commitment to academic freedom, public purpose, and ethical governance in addition to professional expertise.

### **2.2. Independent and Participatory Appointment Processes**

- a) Victorian legislation should require that appointment committees include representatives of Academic Boards, staff and student bodies, and independent external members.
- b) Appointment criteria, shortlisting processes, and final selection rationales should be publicly disclosed.
- c) Mechanisms should be established to enable university communities to make formal submissions regarding appointments to governing bodies.

### **2.3. Academically Grounded Governance Induction and Development**

- a) Victorian legislation should mandate minimum standards for council induction and governance development programs, including compulsory education in academic governance, disciplinary diversity, Indigenous knowledge systems, research integrity, and the statutory public mission of universities.
- b) Academic Boards should be formally involved in the design and delivery of governance development programs, and institutions should be required to report publicly on induction content and providers.

### **2.4. Independent Evaluation of Governing Body Performance**

- a) Universities should be required to undergo regular independent evaluations of governing body performance, commissioned externally and conducted by bodies independent of institutional management and major consultants.

- b) Evaluation frameworks should include assessment of democratic participation, treatment of dissent, protection of academic autonomy, diversity of deliberation, and responsiveness to university communities.
- c) Summary findings should be published and tabled in the Victorian Parliament.
- d) Acknowledgement of the workload implications of additional compliance and oversight for staff and students engaged in governance processes should be a matter of consideration.

## **2.5. Legislative Protection of Ethical Independence and Dissent**

- a) Victorian University Acts should be amended to provide explicit protections for dissenting members, whistleblowers, and minority viewpoints within governance processes.
- b) These provisions should prohibit retaliation, exclusion from deliberations, or reputational sanction arising from the expression of critical perspectives.
- c) Independent mechanisms should be established for investigating allegations of governance misconduct, undue influence, or ethical breaches.

## **2.6. Strengthened Conflict of Interest and Network Governance Regulation**

- a) Victorian legislation should impose enhanced disclosure, monitoring, and enforcement requirements concerning conflicts of interest, overlapping directorships, consultancy relationships, and revolving-door appointments.
- b) Public registers should be maintained for governing bodies, committees, senior executives, and controlled entities, with enforceable sanctions for non-compliance.

## **2.7. Regulation of Consultancy and External Advisory Influence**

- a) Universities should be required to disclose the role of external consultants in governance development, appointment processes, strategic planning, and evaluation activities.
- b) Major advisory engagements affecting governance structures should be subject to independent review and public reporting.

## **2.8. Embedding Public Purpose and Cultural Integrity in Governance Standards**

- a) Victorian legislation should require governing bodies to demonstrate how their composition, deliberative practices, and decision-making processes advance statutory objects relating to public benefit, equity, Indigenous engagement, and community service.
- b) Universities should be required to publish annual statements on governance diversity, ethical culture, and academic autonomy, subject to independent verification.

# **BACKGROUND, ANALYSIS & COMMENT**

## **2.1 Capabilities, Diversity, Renewal and Succession**

Principle 2.1 proposes that governing bodies document required capabilities, maintain skills matrices, develop renewal and succession plans, and implement transparent, merit-based appointment processes. While these measures are presented as mechanisms for enhancing diversity and effectiveness, APU submits that they are inadequate to address the systemic governance failures identified in our response to Principle 1.

As demonstrated in our response to Principle 1.1, existing appointment and composition frameworks have produced governing bodies dominated by members with corporate, financial, and consulting

backgrounds, and with limited professional experience in higher education. Within this context, skills matrices function primarily as instruments of managerial rationalisation rather than as tools for democratic renewal (Parker, Martin-Sardesai & Guthrie 2023; NTEU 2024). They codify prevailing definitions of “merit” and “capability” developed by existing governance elites (Martin-Sardesai, Guthrie & Parker 2023).

In practice, “merit-based” appointment processes tend to privilege corporate governance credentials, managerialist ideology, alignment with executive strategy, and reputational risk-management orientations (Pelizzon et al. 2021; Parker, Martin-Sardesai & Guthrie 2023). They do not demonstrate commitment to academic values, ethical leadership, or the protection of scholarly independence (Pelizzon et al. 2021). As a result, appointment reform based solely on procedural transparency risks reproducing existing patterns of homogeneity under the guise of objectivity.

Principle 2.1 further assumes that diversity can be achieved by balancing professional backgrounds within a matrix. This treats cultural, epistemic, and social diversity as variables within a technical framework rather than as governance obligations grounded in pluralism and public accountability. In particular, the framework fails to address the need for structurally embedded representation of First Nations communities, culturally diverse groups, and academic disciplines, beyond symbolic or consultative roles.

Even where institutions acknowledge that a single representative cannot reflect the diversity of Indigenous, student, or staff perspectives, the operational response remains limited to consultation mechanisms rather than enforceable governance rights. This leaves culturally diverse voices vulnerable to marginalisation whenever they conflict with executive priorities or commercial imperatives.

Although several Victorian Acts refer to community engagement and social inclusion within their Objects clauses (for example, s.5 of the *Swinburne Act 2010* and *Victoria University Act 2010*), these commitments are not translated into enforceable governance representation requirements. The legislation does not mandate the inclusion of First Nations representatives, culturally diverse members, or disciplinary specialists on governing bodies. Diversity is therefore framed as an aspirational value rather than as a structural governance obligation.

The emphasis on renewal and succession planning similarly reflects a managerial logic. Succession processes are typically controlled by existing councils and appointment committees, reinforcing continuity of professional networks and governance culture. Without external oversight and democratic participation, renewal mechanisms function primarily to stabilise existing power structures rather than to promote genuine pluralism (Martin-Sardesai, Guthrie & Parker 2023).

Principle 2.1 also places considerable weight on disclosure of skills matrices and appointment processes. While transparency is important, disclosure alone does not alter the substantive criteria by which candidates are assessed. Where definitions of capability remain corporatised and compliance-oriented, transparency serves to legitimise exclusion rather than to remedy it.

Without enforceable protections for plural deliberation and enforceable protections for dissent (see **Recommendation 2.5** and our response to Principle 1.1), procedural diversity mechanisms cannot ensure substantive influence.

## 2.2 Appointments

Principle 2.2 requires governing bodies to establish committees to support appointments and membership changes, with reference to agreed skills matrices. APU submits that this provision reinforces the closed governance dynamics identified in Principles 1.1 and 1.2, rather than promoting openness, accountability, or pluralism.

Appointment committees are typically constituted by existing council members and senior executives. As a result, they reproduce the professional, social, and ideological homogeneity of governing bodies. Their deliberations are confidential, their criteria are rarely subject to external scrutiny, and their decisions are insulated from meaningful challenge by staff, students, or broader communities. In this context, appointment committees function as mechanisms of internal reproduction rather than as instruments of renewal (NTEU 2024). They select candidates who are perceived as “safe,” “collegial,” and aligned with prevailing strategic priorities. Candidates who demonstrate strong commitments to academic autonomy, workforce advocacy, or critical scrutiny of executive decision-making are less likely to be favoured.

The reliance on skills matrices within appointment committees further entrenches this dynamic. As discussed in our response to Principle 2.1, matrices typically privilege corporate and managerial competencies. Appointment committees interpret these frameworks in ways that reinforce dominant governance norms rather than expanding epistemic or cultural diversity.

Principle 2.2 does not require:

- independent participation in appointment processes
- representation of academic bodies or staff unions
- public reporting of selection rationales
- external review of appointment outcomes.

This exclusion is reinforced by the absence of statutory consultation requirements. The Victorian Acts do not require councils or appointment committees to consult Academic Boards, staff representative bodies, or student organisations in relation to governance appointments. Nor do they establish formal mechanisms through which university communities may challenge or review appointment outcomes. Legislative silence thus legitimises the marginalisation of internal constituencies from governance renewal. As a result, appointment processes remain largely disconnected from university communities.

The Acts’ silence regarding appointment transparency and community participation enables councils to regulate their own composition without external constraint. In corporatised governance environments, this discretion predictably reproduces managerial and commercial orientations (see our response to Principle 1.1).

This insularity is particularly problematic in light of the evidence presented to parliamentary inquiries concerning the corporatisation of governance. As documented in our response to Principle 1, governing bodies are already structurally aligned with executive management. Appointment committees operating within those bodies therefore tend to reinforce executive dominance rather than constrain it.

The conflict-of-interest and network governance implications of this appointment model are analysed in detail under Principle 1.3 and are not repeated here.

Furthermore, Principle 2.2 does not address the cumulative impact of repeated appointment cycles. Over time, even formally transparent processes can generate highly uniform governance cultures if selection criteria and decision-makers remain stable. This produces what has been described in evidence to inquiries as “ethical capture”, in which governing bodies internalise managerial and commercial priorities as normative (Guthrie & Lucas 2022).

Current appointment and succession provisions of the Victorian university Acts institutionalise discretion without accountability. They enable governing bodies to regulate their own composition, criteria, and renewal processes with minimal external constraint. Within corporatised governance environments, this discretion operates to reproduce managerial and commercial orientations rather than to cultivate epistemic, cultural, and ethical diversity.

APU therefore submits that Principle 2.2 is inadequate as a mechanism for promoting diversity of perspectives. Appointment committees operating within corporatised governance structures cannot, on their own, generate pluralism, independence of mind, or ethical leadership. Without democratic participation, external oversight, and enforceable diversity obligations, appointments will continue to reproduce existing governance pathologies.

### **2.3 Induction, Development and Ongoing Capability Building**

Principle 2.3 emphasises the importance of induction, professional development, and ongoing capability building for governing body members. APU recognises that effective orientation and training are necessary components of responsible governance. However, we submit that, within the current statutory and institutional framework of Victorian universities, these mechanisms function primarily to socialise members into corporatised governance cultures rather than to promote critical independence, ethical pluralism, or academic stewardship.

Across the Victorian university Acts, provisions relating to council membership and procedures confer broad discretion on governing bodies to determine their own internal governance arrangements. For example, provisions concerning “membership and procedure of Council” in the *University of Melbourne Act 2009*, *RMIT Act 2010*, *Swinburne University of Technology Act 2010*, and *Victoria University Act 2010* leave induction, training, and performance development entirely to internal statutes and policies. The legislation does not prescribe minimum content, independence standards, or public reporting requirements for induction programs.

As a consequence, induction and development processes are typically designed and delivered by executive management or external governance consultants. They prioritise financial management, regulatory compliance, risk frameworks, and reputational protection. Academic governance traditions, collegial decision-making, disciplinary cultures, and the ethical foundations of academic freedom are often marginalised within these programs.

Evidence from parliamentary inquiries and staff submissions indicates that new council members are routinely inducted into managerial norms that privilege consensus, confidentiality, and strategic alignment with executive leadership. Rather than equipping members to interrogate assumptions or challenge dominant paradigms, induction processes encourage conformity and institutional loyalty

(Guthrie & Lucas 2022). This reinforces the “closed governance circuit” identified in our response to Principle 1.

The Victorian Acts further entrench this pattern by failing to recognise Academic Boards as central participants in governance development. Although each Act establishes an Academic Board (typically under provisions equivalent to s.20), there is no statutory requirement for Academic Boards to participate in council induction, governance training, or capability development. Academic expertise is therefore institutionally separated from governance education.

Principle 2.3 does not address these structural constraints. It assumes that development programs can foster diversity of perspectives within existing governance architectures. In practice, however, induction and training processes operate as instruments of cultural reproduction rather than pluralisation.

APU therefore submits that, without statutory requirements for independent, academically grounded, and publicly accountable governance development, Principle 2.3 risks reinforcing managerial conformity rather than strengthening ethical independence and intellectual diversity.

## **2.4 Evaluation and Performance of Governing Bodies**

Principle 2.4 requires governing bodies to evaluate their performance and effectiveness. APU supports systematic evaluation in principle. However, we submit that, under existing Victorian legislative arrangements, performance review mechanisms lack independence, transparency, and substantive scope.

The Victorian university Acts do not require governing bodies to undergo external performance evaluation. Provisions relating to reporting and accountability, typically located in Part 6 of the Acts, focus on financial statements and annual reports rather than governance quality. For example, reporting obligations in the *Monash University Act 2009*, *La Trobe University Act 2009*, and *Federation University Australia Act 2010* emphasise financial compliance and ministerial reporting, not democratic legitimacy, academic integrity, or decision quality.

As a result, council evaluations are typically conducted internally or facilitated by governance consultants engaged by the institution (Guthrie, Andrew & Twyford 2023a; NTEU 2024). These reviews are confidential, framed in terms of “board effectiveness”, and benchmarked against corporate governance models. Their findings are rarely published, debated publicly, or subjected to parliamentary scrutiny.

This internalised evaluation model mirrors the accountability deficiencies identified in our response to Principle 1. Councils assess themselves against criteria that they have largely defined, using information supplied by executive management and external advisers. Critical issues such as marginalisation of elected members, suppression of dissent, or erosion of academic authority are unlikely to be rigorously examined.

The Victorian Acts further weaken accountability by providing no statutory mechanisms for staff, students, or Academic Boards to initiate governance reviews or contribute formally to performance evaluation processes. Nor do they establish consequences for persistent governance failure, other than extreme interventions rarely exercised in practice.

Principle 2.4 does not address these deficiencies. It assumes that self-evaluation and peer benchmarking can generate accountability in the absence of independent oversight. However, evidence from multiple inquiries demonstrates that such mechanisms are ineffective within corporatised governance systems characterised by information asymmetry and reputational risk management.

APU therefore submits that Principle 2.4, as currently framed, risks legitimising symbolic performance assessment rather than promoting genuine institutional learning and reform.

## **2.5 Ethical Conduct, Independence of Mind, and Cultural Integrity**

Principle 2.5 emphasises ethical behaviour, independence of mind, and respectful deliberation within governing bodies. APU supports these objectives. However, we submit that the Victorian legislative framework does not provide adequate institutional support for their realisation.

The Victorian university Acts contain limited provisions concerning ethical governance beyond general duties of members and conflict-of-interest requirements. While most Acts include clauses requiring disclosure of material interests, these provisions are fragmented, inconsistently enforced, and largely procedural. They do not address the broader ethical risks arising from networked governance, consultancy dependence, and revolving-door relationships between universities, private firms, and public agencies (Lucas & Guthrie 2023; Guthrie et al. 2023c).

As discussed in our response to Principle 1.3, appointment provisions in the Acts establish the offices of Chancellor and council members but do not mandate transparent selection processes, public vetting, or independent integrity assessments. This legislative silence facilitates the formation of overlapping professional and social networks that undermine independence of mind.

Similarly, the Acts' delegation and commercial powers provisions enable extensive interaction with private partners and consultants without corresponding ethical governance safeguards. Part 6 of the Acts authorises joint ventures, corporations, and commercial subsidiaries but does not impose robust integrity frameworks for those entities. Ethical standards applicable to councils are therefore diluted as governance authority is dispersed.

While the Victorian Acts contain general conflict-of-interest provisions, these are typically limited to disclosure of material financial interests and do not address broader relational and institutional conflicts arising from overlapping directorships, advisory roles, or consultancy relationships. Appointment committees operating within these weak statutory frameworks lack effective tools to interrogate networked influence or to prevent cumulative conflicts from shaping governance composition.

Within this statutory context, formal codes of conduct and behavioural standards operate as internal compliance instruments rather than as enforceable ethical regimes. Allegations of misconduct, undue influence, or suppression of dissent are typically handled internally, with limited transparency and minimal external oversight.

The absence of legislated protections for whistleblowers, dissenting members, and minority viewpoints further constrains ethical governance. Elected representatives and critical members

frequently report experiencing marginalisation, exclusion from confidential deliberations, or reputational pressure when challenging dominant narratives. The Acts do not provide remedies for such institutional retaliation.

Principle 2.5 does not engage with these structural vulnerabilities. It treats ethical governance as a matter of individual character and organisational culture, rather than as a function of legal design and power distribution. In doing so, it underestimates the extent to which corporatised governance environments inhibit independence of mind and critical deliberation.

APU therefore submits that ethical integrity and cultural pluralism cannot be secured through voluntary standards alone. They require statutory protections, independent oversight mechanisms, and enforceable transparency obligations embedded within Victorian university legislation.

## **Principle 3: Independence Protecting and Respecting Academic Standards and Freedom**

### **Introduction**

Principle 3 of the Expert Council on University Governance Final Report recognises that academic standards and freedom must be respected and protected from undue political and commercial pressures. APU strongly supports this objective. However, as with Principles 1 and 2, the framework treats academic independence primarily as a cultural aspiration to be upheld through leadership example, policy statements, and internal governance processes. It does not sufficiently recognise academic independence as a legally enforceable right requiring structural and legislative protection.

As presently framed, the protection of academic freedom remains contingent on executive goodwill, council culture, and prevailing financial and political pressures. In contemporary corporatised governance environments, such contingency renders independence fragile.

Internationally recognised standards provide a stronger foundation. The University of Chicago's Kalven Report (1967) articulated the principle of institutional neutrality, affirming that the university must be the "home and sponsor of critics" and must not impose collective ideological positions that constrain individual expression. The Chicago Statement on Freedom of Expression (2014) further affirmed the university's commitment to free, robust, and uninhibited debate among all members of its community. These traditions recognise academic freedom not as a discretionary governance value, but as foundational to institutional legitimacy (Kalven 1967; University of Chicago 2014).

The Council's framework does not adequately reflect this conception. It acknowledges external risks – political interference, donor influence, commercial partnerships – but largely overlooks the internal governance mechanisms that now constitute the most pervasive constraints on academic independence.

Drawing on parliamentary evidence and sectoral research, APU has consistently demonstrated that internal managerial pressures frequently shape research agendas, teaching practices, and public engagement more profoundly than overt external interference (Tregear et al. 2022; Vodeb et al. 2022; Parker, Martin-Sardesai & Guthrie 2023; NTEU 2024). These include:

- performance management systems tied to narrow metrics
- non-transparent budget-driven restructures
- executive control over appointments and promotions
- dependence on external consultancy advice
- widespread employment insecurity.

These pressures exert powerful disciplinary effects. Academics are incentivised to avoid controversial research, public criticism of institutional decisions, or dissent from strategic priorities where such actions may affect promotion, workload allocation, research funding, or contract renewal. The workforce governance implications of these reforms are further operationalised under Principle 6.

Financialisation has further intensified these dynamics (Parker, Martin-Sardesai & Guthrie 2023; Martin-Sardesai, Guthrie & Parker 2023). Victorian universities increasingly rely on volatile revenue sources, including international student fees, property development, offshore campuses, and public–

private partnerships. Within this environment, academic decisions are routinely subjected to margin analysis, enrolment optimisation modelling, and short-term revenue projections. Course closures, discipline reductions, and research reprioritisations are frequently justified on financial grounds with limited transparent evaluation of long-term intellectual or social consequences (Martin-Sardesai, Guthrie & Parker 2023; Parker, Martin-Sardesai & Guthrie 2023; Carnegie et al. 2022).

Principle 3 does not impose meaningful limits on the influence of financial imperatives over academic governance.

### *Victorian Legislative Context*

The vulnerabilities described above are exacerbated by the structure of the Victorian university Acts. Each Act contains “Objects” or “Purposes” clauses affirming public benefit, advancement of knowledge, and community service (s.5 in most of the Acts). However, these clauses are declaratory and not operationalised within decision-making provisions. Councils and executives are not required to demonstrate how major academic restructures or program closures advance statutory objects.

Academic Boards are established under provisions equivalent to s.20 across the Acts. However:

- Their powers are defined by internal statutes approved by councils.
- They lack binding authority over curriculum, research standards, or staffing structures.
- Councils retain ultimate authority over statutes and regulations.
- Executive override is not constrained by statutory thresholds.

As established under Principle 1, Victorian legislation centralises authority in councils and renders Academic Boards advisory. Academic bodies therefore operate within a hierarchy that structurally subordinates scholarly judgement to managerial authority.

Academic independence in Victorian universities cannot be secured through policy statements and cultural aspirations alone. In contemporary corporatised governance environments, independence must be structurally guaranteed, legally protected and independently enforced. These principles are consistent with internationally recognised standards of institutional neutrality and freedom of expression (Kalven 1967; University of Chicago 2014).

As established under Principle 1, Victorian legislation centralises authority in councils, permits extensive delegation, and renders Academic Boards advisory. Within this structure, academic independence remains contingent rather than guaranteed.

Principle 3, as presently framed, does not confront these structural realities. It treats independence as a governance virtue rather than a constitutional safeguard. In short, the legal architecture of Victorian university governance does not secure academic independence. It leaves it vulnerable to managerial, commercial, and political pressures.

Without legislative reform conferring binding authority on academic bodies, protecting dissent, regulating financialisation, and establishing independent enforcement mechanisms, academic freedom will remain conditional and fragile. Universities’ capacity to fulfil their public mission as independent centres of inquiry will continue to erode.

To follow is a list of ten recommendations that respond directly to the legislative, cultural, and structural vulnerabilities identified in the subsequent “Background, Analysis & Comment” section. They are designed to transform academic independence from a discretionary governance value into a legally protected institutional principle.

## **RECOMMENDATIONS FOR ACTION: PRINCIPLE 3 – INDEPENDENCE**

### **3.1. Statutory Recognition of Academic Freedom and Institutional Neutrality**

- a) Victorian University Acts should be amended to include explicit, justiciable protections for academic freedom, freedom of expression, and institutional neutrality, consistent with internationally recognised standards (Kalven 1967; University of Chicago 2014)
- b) These provisions should affirm the right of staff and students to pursue, publish, and communicate knowledge without institutional, political, or commercial interference, and should prohibit the adoption of collective ideological positions that constrain individual scholarly expression.

### **3.2. Binding Academic Authority in Core Scholarly Domains**

- a) Victorian legislation should be amended to confer defined decision-making authority on Academic Boards in relation to curriculum approval, academic standards, assessment frameworks, research integrity, and disciplinary governance.
- b) Councils and executives should be required to provide publicly disclosed reasons where Academic Board advice is not accepted; such decisions should be subject to independent review.

### **3.3. Independent Resourcing and Information Access for Academic Governance**

- a) Victorian legislation should require universities to provide Academic Boards with guaranteed independent resourcing, including dedicated secretariats, analytical capacity, and direct access to institutional data.
- b) Control over academic governance infrastructure should not be vested solely in executive management.

### **3.4. Regulation of Executive Override and Delegations Affecting Academic Matters**

- a) Victorian University Acts should impose statutory limits on executive and council delegations relating to academic matters.
- b) Major decisions affecting academic structures, disciplines, delivery modes, and staffing profiles should require formal Academic Board approval and public justification.
- c) Delegation instruments affecting academic governance should be published and subject to parliamentary scrutiny.

### **3.5. Independent Academic Freedom and Integrity Oversight Mechanism**

- a) Victoria should establish an independent Academic Freedom and Integrity Commissioner or equivalent statutory body with authority to:
  - investigate alleged breaches of academic freedom,
  - review governance interference in scholarly activity,
  - audit institutional compliance with academic governance standards, and
  - report publicly to Parliament.

- b) This body should operate independently of universities and executive government.

### **3.6. Strengthened Protections for Dissent, Whistleblowing, and Minority Views**

- a) Victorian legislation should provide explicit protections for staff, students, and governing body members who express dissenting academic, professional, or ethical perspectives.
- b) These provisions should prohibit retaliation, exclusion from deliberative processes, adverse employment consequences, or reputational sanction arising from protected expression.
- c) Independent complaint-handling mechanisms should be established outside institutional management structures.

### **3.7. Regulation of Commercial and Offshore Activities Affecting Academic Standards**

- a) Part 6 of the Victorian university Acts should be amended to require that all controlled entities, offshore operations, joint ventures, and commercial partnerships be subject to equivalent academic governance standards as onshore activities.
- b) Academic Boards should have formal oversight of academic quality, staffing arrangements, and assessment standards in all affiliated operations, with enforceable reporting obligations.

### **3.8. Transparency in the Treatment of Academic Advice and Dissent**

- a) Universities should be required to publish:
  - Academic Board recommendations
  - council responses to those recommendations
  - instances of executive override
  - dissenting or minority reports.
- b) These disclosures should be made within defined timeframes and subject to limited and reviewable confidentiality exemptions.

### **3.9. Employment Security as a Foundation of Academic Independence**

- a) Victorian and Commonwealth governments should recognise employment security as a prerequisite for academic freedom.
- b) Legislative and funding frameworks should be reformed to reduce excessive casualisation and fixed-term employment, and to strengthen protections against contract non-renewal linked to protected expression or critical scholarship.

### **3.10. Federal Reinforcement through HESA and TEQSA**

The Commonwealth Government should amend the *Higher Education Support Act* and TEQSA regulatory framework to:

- establish enforceable national standards for academic freedom,
- require independent monitoring of governance interference,
- integrate academic independence into provider risk assessments, and
- support consistent protections across jurisdictions.

## **BACKGROUND, ANALYSIS & COMMENT**

### **3.1 Academic Governance**

Principle 3.1 requires universities to establish an academic body, ensure independent election or appointment of its chair, and provide ex officio membership on the governing body.

APU supports these principles. However, under the current Victorian legislative framework, these measures are insufficient.

Academic Boards are constituted as advisory bodies operating “subject to the oversight of the governing body.” The Acts do not:

- confer exclusive authority over curriculum design,
- guarantee control over academic standards and assessment,
- protect research prioritisation from executive override,
- require transparent justification where council rejects academic advice.

Parliamentary testimony and sectoral case studies document numerous instances where Academic Board advice on course closures and restructures was formally noted but not determinative.

The presence of the Academic Board chair on council does not remedy this imbalance where councils are dominated by appointed external members aligned with executive management. In such environments, academic representation risks being consultative rather than determinative.

Furthermore, Principle 3.1 does not address the resourcing and information asymmetries that constrain academic governance. Secretariat support, data access, and policy development capacity are typically controlled by executive units. Academic Boards lack independent analytical infrastructure. Nor does the framework protect Academic Board members from retaliation or marginalisation when raising concerns about academic standards, employment practices, or institutional priorities.

Without statutory recognition of Academic Boards as principal authorities over defined academic domains, Principle 3.1 risks entrenching symbolic rather than substantive academic governance.

### **3.2 Academic Body**

Principle 3.2 requires that academic bodies have clear charters, appropriate resourcing, effective reporting, and public disclosure.

APU supports transparency and clarity. However, charters and reporting obligations alone cannot secure independence. In practice Academic Board charters are internally determined. Furthermore, their decision-making remit is often confined to implementation and disclosure obligations do not extend to dissenting views or instances of override. Override practices are neither procedurally transparent nor independently reviewable under current legislative settings.

Principle 3.2(b) requires academic bodies to work with councils to manage academic risk. However, risk frameworks frequently prioritise financial indicators over scholarly judgement.

The Acts do not require independent adjudication of disputes concerning academic freedom. Internal grievance procedures are typically administered by management and lack structural independence. They are frequently opaque, procedurally complex, and slow. Complainants may fear reputational or career consequences.

In environments characterised by high levels of casualisation and fixed-term employment, such vulnerabilities create a powerful chilling effect. Employment insecurity is incompatible with meaningful academic independence (see **Recommendation 3.9**) (Tregear et al. 2022; Littleton & Stanford 2021).

Principle 3.2 does not mandate enforceable safeguards against retaliation, reverse-onus protections, interim relief mechanisms, or independent oversight.

Nor does it address the implications of commercial ventures, offshore campuses, and public–private partnerships for academic governance. Part 6 of the Victorian Acts authorises such ventures without imposing parallel academic governance safeguards. Academic standards may therefore be compromised by commercial arrangements beyond traditional governance scrutiny (Lucas & Guthrie 2023; Parker, Martin-Sardesai & Guthrie 2023).

### ***Institutional Neutrality and Public Trust***

A critical omission in Principle 3 is the absence of explicit recognition of institutional neutrality. The Kalven Report established that universities, as institutions, should not adopt collective political or ideological positions unrelated to their academic mission, in order to preserve the freedom of individual scholars. Without neutrality, internal dissent may be chilled and intellectual pluralism undermined (Kalven 1967).

Victorian legislation contains no explicit articulation of institutional neutrality. Nor does it establish enforceable standards for protecting controversial or critical scholarship.

These pressures have cumulative effects on research scope, curriculum breadth, and public engagement.

### ***Federal Context***

At the federal level, the *Higher Education Support Act* (HESA) does not currently provide comprehensive, justiciable guarantees of academic freedom or institutional autonomy. TEQSA's mandate focuses primarily on quality assurance and provider registration, rather than systematic assessment of executive interference, retaliation, or suppression of dissent. Without federal reinforcement, state-level reforms may remain uneven and vulnerable.

## **Principle 4: Transparency**

### **Purpose, Strategy and Performance Are Clear and Openly Communicated**

#### **Introduction**

Principle 4 seeks to ensure that universities' purposes, strategic objectives, and performance outcomes are clearly articulated and transparently communicated to stakeholders. Although it articulates important aspirations, as with the preceding Principles, it relies excessively on disclosure practices and reporting mechanisms while failing to address the structural and legislative conditions that have enabled systematic opacity in contemporary university governance.

Over successive decades, transparency in Australian public universities has been progressively narrowed (Carnegie, Martin-Sardesai & Guthrie 2022; Carnegie et al. 2021). Governance systems that were once characterised by open deliberation, accessible documentation, and meaningful stakeholder participation have been replaced by managerial structures centred on confidentiality, reputational risk management, and commercial sensitivity. Within this environment, transparency has increasingly been reframed as selective information release rather than as institutional openness.

The current Victorian university Acts permit extensive confidentiality and prioritise financial reporting over governance accountability. None of the Acts contain requirements to operationalise public-purpose clauses, nor do any of them mandate the disclosure of strategic reasoning. There are few checks and balances on executive decision-making and even fewer transparency obligations on Victorian universities to disclose the operations of controlled entities.

Within this framework, transparency is contingent, selective, and managerial. These dynamics reflect the governance architecture analysed under Principle 1.

Principle 4 does not confront these realities. Instead, it assumes that improved communication practices within existing structures will be sufficient to secure transparency.

Transparency cannot be achieved through procedural refinement alone: it must be legislatively embedded rather than administratively appended. Without enforceable disclosure standards, independent verification, and redistribution of informational authority, Principle 4 risks institutionalising managed visibility rather than genuine openness.

To follow is a list of eleven recommendations that respond directly to the legislative and institutional barriers to transparency identified in the subsequent "Background, Analysis & Comment" section. They are designed to transform transparency from a discretionary communication practice into a legally enforceable governance obligation. The workforce governance implications of these reforms are further operationalised under Principle 6.

## RECOMMENDATIONS FOR ACTION: PRINCIPLE 4 – TRANSPARENCY

### 4.1 Statutory Duty of Openness and Public Justification

- a) Victorian University Acts should be amended to establish a statutory duty of openness requiring governing bodies and senior executives to publicly justify major strategic, financial, and organisational decisions.
- b) This duty should require disclosure of the objectives, evidentiary basis, alternatives considered, and anticipated impacts of decisions affecting academic structures, staffing profiles, commercial activities, and public assets.

### 4.2 Mandatory Publication of Governance Records

- a) Victorian legislation should require public universities to publish, within defined timeframes:
  - governing body and committee agendas
  - non-confidential minutes and decision summaries
  - recorded votes and dissenting views
  - statements of reasons for major resolutions.
- b) Confidentiality exemptions should be narrowly defined and subject to independent review.

### 4.3 Reform of Commercial-in-Confidence and Confidentiality Provisions

- a) Victorian University Acts should be amended to confine “commercial-in-confidence” exemptions to genuinely competitive market information and to prohibit their use to shield governance failures, restructures, or public-interest decisions from scrutiny.
- b) Independent oversight mechanisms should be established to review and, where appropriate, overturn confidentiality classifications.

### 4.4 Enforceable Public-Purpose Impact Reporting

- a) Victorian legislation should require universities to prepare and publish public-purpose impact statements for major strategic initiatives, including restructures, course closures, offshore expansions, property developments, and major partnerships.
- b) These statements should assess alignment with statutory objects, academic quality, equity impacts, regional access, workforce sustainability, and long-term public benefit, and should be subject to independent review.
- c) Academic Boards should be required to produce annual public Academic Integrity and Standards Statements, written for non-specialist audiences and approved by the Academic Board rather than executive management. These statements should report on:
  - academic standards
  - quality assurance processes
  - staff qualifications
  - risks to academic integrity (including casualisation and outsourcing).

### 4.5 Decision Responsibility and Delegation Transparency

- a) Victorian University Acts should require governing bodies to publish clear decision responsibility maps identifying:
  - which body or officer holds authority for specific categories of decision
  - where decision-making authority has been delegated
  - the scope and limits of delegated authority

- pathways for review or challenge of delegated decisions
  - the relationship between Council, executive management, and subordinate governance bodies.
- b) These maps should be presented in plain language and accessible formats so that staff, students, and stakeholders can understand how decisions are made and where accountability resides.
  - c) Changes to delegation arrangements that materially affect governance responsibilities should be publicly reported and accompanied by explanatory statements outlining the rationale for delegation and associated accountability safeguards.
  - d) Decision responsibility maps and delegation disclosures should be reviewed annually and published alongside governance records to ensure ongoing transparency and institutional understanding of governance structures.

#### **4.6 Independent Verification of Performance Reporting**

- a) Universities should be required to subject non-financial performance reporting – relating to teaching quality, research integrity, academic freedom, workforce wellbeing, and community engagement – to independent verification.
- b) The Victorian Auditor-General’s mandate should be expanded to include regular performance audits of governance transparency and reporting accuracy.
- c) At the federal level, TEQSA’s oversight role should extend to evaluating not only the existence of disclosures but their clarity, accessibility, and completeness.
- d) Assessment criteria should include whether information is intelligible to non-specialist audiences, whether academic governance processes are visible, and whether known risk areas are transparently reported.
- e) TEQSA evaluations should be publicly available in standardised comparative formats.

#### **4.7 Transparency in Executive Performance Evaluation and Remuneration**

- a) Victorian legislation should require publication of vice-chancellor and senior executive performance frameworks, assessment methodologies, and remuneration rationales.
- b) Remuneration benchmarking practices and consultant advice should be disclosed, subject to limited and reviewable confidentiality exemptions.

#### **4.8 Consolidated Group Reporting and Subsidiary Disclosure**

- a) Universities should be required to publish comprehensive consolidated and entity-level reports covering all controlled entities, joint ventures, trusts, and offshore operations.
- b) These reports should disclose governance arrangements, financial performance, risk exposure, related-party transactions, and academic oversight mechanisms.

#### **4.9 Disclosure of Consultancy and External Advisory Influence**

- a) Victorian legislation should require public disclosure of significant consultancy and advisory engagements affecting strategy, governance, restructuring, and performance evaluation.
- b) Universities should publish summaries of consultant recommendations and explain how such advice was considered or adopted in decision-making.

#### **4.10 Participatory Transparency and Community Access**

- a) Universities should be required to establish formal mechanisms enabling staff, students, and community representatives to access governance information, submit questions to governing bodies, and receive timely responses.
- b) Public forums and reporting processes should be embedded within institutional governance frameworks.
- c) Transparency obligations should extend to faculty-, school-, and program/discipline-level governance, including elected staff and student representation, documented decision-making procedures, and accessible records of decisions affecting curriculum, staffing, workload, and resource allocation.
- d) Governing bodies should be subject to minimum communicative standards requiring the use of clear language rather than managerial jargon, the provision of visual summaries of governance structures and performance, and the proactive dissemination of governance information through channels accessible to staff, students, and the broader public.

#### **4.11 Parliamentary Reporting and Oversight Enhancement**

- a) Victorian legislation should strengthen parliamentary reporting requirements by mandating regular tabling of governance transparency reports, Auditor-General findings, and consolidated group disclosures.
- b) Committees of Parliament should be empowered to initiate inquiries into systemic transparency failures.
- c) Victorian legislation should also require universities to publish an annual Public Governance Transparency Report. This report should:
  - reconcile strategic claims with operational realities,
  - explain areas of non-compliance with governance standards,
  - disclose consultancy use and conflicts of interest, and
  - provide timelines for remediation.

## **BACKGROUND, ANALYSIS & COMMENT**

### **4.1 Purpose, Strategy and Objectives**

Principle 4.1 requires governing bodies to document institutional purpose, align decision-making with that purpose, and develop strategic plans with clear objectives and performance measures. APU supports the articulation of purpose and mission. However, we submit that, under current governance arrangements, such statements function largely as symbolic instruments rather than as operative constraints on decision-making.

All Victorian university Acts contain “Objects” or “Purposes” clauses affirming public benefit, advancement of knowledge, and community service (for example, s.5 of the *University of Melbourne Act 2009*, *Swinburne Act 2010*, and *Victoria University Act 2010*). These clauses establish universities as public institutions with civic responsibilities. However, they are declaratory and are not operationalised within governance and decision-making provisions.

The Acts do not require councils or executives to demonstrate how major strategic decisions – such as course closures, restructures, offshore expansions, or commercial ventures – advance statutory

purposes. Nor do they mandate public-purpose impact assessments or independent evaluation of mission alignment. As a result, institutional purpose is rhetorically affirmed but structurally disconnected from governance practice.

Strategic planning processes are typically developed by senior management teams, supported by external consultants, and conducted within confidential frameworks (Lucas & Guthrie 2023; Guthrie et al. 2024). Draft strategies are rarely released for meaningful staff, student or community consultation. Performance indicators emphasise financial growth, market share, and reputational rankings, while academic quality, workforce sustainability, equity outcomes, and regional provision receive secondary attention (Parker, Martin-Sardesai & Guthrie 2023).

Evidence to parliamentary inquiries indicates that strategic plans are often presented to councils as near-final products, limiting opportunities for substantive revision. Academic Boards, staff bodies, and student representatives are commonly consulted late in the process, after strategic parameters have been set.

This pattern reflects the governance dynamics identified in our response to Principle 1.4. Strategic authority is concentrated within executive leadership and mediated through consultants. Purpose statements function as legitimating narratives rather than as governing constraints.

Principle 4.1 does not require publication of strategic options considered, alternatives rejected, or risk assessments undertaken. Nor does it require disclosure of the role played by external advisers in shaping strategic priorities. Stakeholders are therefore unable to assess whether strategies reflect independent institutional judgement or outsourced managerial templates.

As public statutory bodies exercising significant authority over public resources, universities should be subject not merely to disclosure requirements but to a positive duty of public justification. Major strategic decisions should be accompanied by transparent explanations of objectives, evidentiary bases, alternatives considered, and anticipated impacts. Without such a duty, institutional purpose remains rhetorical rather than operational.

Principle 4.1 fails to ensure that institutional purpose meaningfully governs decision-making. Without enforceable links between statutory objects and strategic authority, purpose statements remain largely performative.

## **4.2 Performance and Transparency**

Principle 4.2 requires governing bodies to adopt transparent decision-making practices, monitor performance, evaluate vice-chancellors, and report publicly on objectives and outcomes. While these measures are necessary, they are insufficient within existing legislative and institutional frameworks.

### ***Decision-Making Transparency***

A persistent weakness in the current governance framework is the opacity surrounding decision-making authority and delegation arrangements.

Victorian university Acts grant councils broad discretion over meeting procedures, confidentiality, and information disclosure. Provisions concerning council procedure, typically located in schedules or internal governance sections, permit extensive use of closed sessions and confidential documentation. The Acts do not require publication of agendas, minutes, voting records, dissenting views, or reasons for major decisions. Disclosure is governed primarily by internal policies and commercial-in-confidence exemptions.

As a result, decisions concerning restructures, asset sales, borrowings, partnerships, and staffing changes are frequently taken without public explanation. Affected communities receive post hoc announcements rather than contemporaneous justifications.

Principle 4.2(a) permits confidentiality for legal and commercial reasons but does not define these categories narrowly. In practice, “commercial sensitivity” has become a default rationale for non-disclosure, extending far beyond genuine commercial risk. This dynamic reflects the committee-based opacity analysed under Principle 1.2 and the executive centralisation described under Principle 1.4.

The absence of statutory limits on commercial-in-confidence claims enables expansive and discretionary secrecy. Legislative reform should therefore confine such exemptions to genuinely competitive market information and subject their invocation to independent review. This clearly supports **Recommendation 4.3**.

Furthermore, although the Victorian University Acts vest ultimate management and control in Councils (for example, s.8 *University of Melbourne Act 2009*; s.10 *RMIT University Act 2010*; s.10 *Swinburne University of Technology Act 2010*) and permit broad delegation of powers to Vice-Chancellors and other officers (e.g. s.23 *University of Melbourne Act 2009* and equivalent provisions), there is no statutory requirement to publish comprehensive, intelligible accounts of how authority is distributed in practice.

As documented in earlier sections of this submission, extensive delegation – combined with internal statute-making powers and committee structures – has produced highly centralised executive governance that is difficult for staff, students, and even Council members to navigate. Decision-making pathways are frequently obscured by layered delegations, confidential instruments, and evolving administrative arrangements that are not systematically disclosed. This lack of transparency undermines meaningful participation (Principle 6), weakens accountability (Principle 1), and frustrates public understanding of where responsibility lies when governance failures occur.

A clear, publicly accessible “decision responsibility map” (**Recommendation 4.5**) would address this structural deficit by making visible the relationship between Council, executive management, Academic Boards, committees, and controlled entities, and by identifying the scope and limits of delegated authority. Such transparency is not merely informational; it is foundational to democratic accountability in publicly funded statutory institutions. Without a legislated obligation to disclose and regularly update delegation structures in accessible formats, governance opacity will continue to shield concentrations of authority from effective scrutiny and review.

### ***Performance Monitoring and Reporting***

Reporting obligations under the Victorian Acts, particularly in Part 6, focus predominantly on financial statements and annual reporting to Ministers. They do not require systematic disclosure of governance performance, decision quality, academic outcomes, or community impacts.

Annual reports typically contain high-level summaries of activities and achievements, framed through reputational narratives. Negative outcomes, contested decisions, or failed initiatives are rarely examined in detail.

Performance frameworks privilege quantitative metrics linked to enrolments, revenue, research income, and rankings. Qualitative indicators relating to teaching quality, academic freedom, workforce wellbeing, or regional engagement receive limited attention.

Principle 4.2(b) does not require independent verification of performance claims or external auditing of non-financial indicators. As a result, performance reporting functions primarily as reputational management.

The marginalisation of Academic Boards within performance reporting further weakens transparency. Academic standards, workforce sustainability, and risks to integrity are often reported through executive channels rather than through independent academic governance bodies. Academic Boards should therefore be required to report directly and publicly on academic quality and integrity matters in accessible formats (**Recommendation 4.4**).

In the absence of independent verification, performance reporting cannot provide meaningful accountability. The mandate of the Victorian Auditor-General should therefore extend beyond financial audit to include governance transparency and performance integrity. Similarly, federal regulatory oversight should evaluate not only compliance but the clarity, accessibility, and completeness of public disclosures (**Recommendation 4.6**) (Secundo et al. 2023).

### ***Vice-Chancellor Evaluation***

As analysed in detail in our response to Principle 1.4, vice-chancellor performance evaluation is typically conducted internally by remuneration committees operating in closed sessions. Criteria, methodologies, and outcomes are rarely disclosed (Parker, Martin-Sardesai & Guthrie 2023).

The Victorian Acts do not mandate publication of performance objectives, assessment processes, or evaluation results. Nor do they require independent participation in executive review.

Consequently, executive accountability is weak, and performance evaluation operates within aligned governance networks rather than as an independent scrutiny mechanism.

### ***Controlled Entities and Group Transparency***

Part 6 of the Acts authorises extensive commercial activity and the establishment of controlled entities. However, the legislation does not mandate consolidated group reporting at a level sufficient to enable public scrutiny of subsidiary operations.

Entity-level risk exposure, governance arrangements, and related-party transactions are frequently obscured within consolidated financial statements. Stakeholders and Parliament are therefore unable to assess the full scope of institutional risk.

This fragmentation of transparency reinforces the accountability deficits identified in our response to Principle 1.4.

### ***Systemic Barriers to Transparency***

The limitations of Principle 4 must be understood within the broader governance environment analysed under Principles 1–3.

Concentrated authority, corporatised appointment processes, consultancy dependence, and weak academic governance create incentives to restrict information flows. Transparency becomes incompatible with reputational management, executive discretion, and commercial strategy. Within this environment:

- dissent is discouraged,
- deliberation is confined,
- documentation is controlled, and
- disclosure is strategic.

Transparency cannot flourish where information is structurally monopolised.

Principle 4 does not address these power relations. It treats transparency as a communication function rather than as a governance right.

The fragmented and dispersed nature of current reporting prevents coherent public evaluation of governance performance. A structured annual transparency report, aligned to governance principles and reconciled with operational realities, would provide an integrated accountability mechanism capable of bridging the gap between strategic claims and institutional practice.

## **Principle 5: Trustworthy**

### **The University Operates Lawfully, Ethically, Responsibly, and Consistent with its Public Purpose**

#### **Introduction**

Principle 5 of the Expert Council on University Governance Final Report states that universities should instil and reinforce a culture of acting lawfully, ethically, and responsibly, consistent with institutional values and purpose. APU strongly supports the objective that universities operate as lawful, ethical, and publicly accountable institutions. However, we submit that the framework adopted in Principle 5 is overly reliant on leadership behaviour, internal compliance systems, and cultural aspirations, rather than on structural safeguards, independent oversight, and enforceable accountability mechanisms.

The central weakness of Principle 5 is that it treats trust as an attribute to be modelled by senior leaders, rather than as a condition produced by transparent, accountable, and independently scrutinised governance systems. As with earlier principles, the Expert Council frames trustworthiness primarily as a matter of “tone from the top” and internal governance culture. While ethical leadership is important, experience across the sector demonstrates that rhetorical commitments to integrity frequently coexist with systemic governance failures.

Trust cannot be secured through behavioural exhortation alone. It must be embedded in institutional design. Trust in leadership is not produced by noble rhetoric, codes of conduct, or aspirational values alone. It emerges from enforceable public-purpose obligations, independent oversight, protected dissent, transparent reporting, and meaningful sanctions for misconduct.

The Victorian university Acts do not currently provide binding public-purpose obligations, independent integrity oversight, or robust whistleblower protections.

Without legislative reform, universities remain reliant on internal self-regulation, which has repeatedly proven inadequate. Principle 5 must therefore move beyond tone-setting and compliance rhetoric toward structural reform.

To follow is a list of ten recommendations that respond directly to the legislative and institutional barriers to trust in leadership identified in the subsequent “Background, Analysis & Comment” section. They are designed to restore universities as lawful, ethical, and publicly accountable institutions worthy of public trust and sustained public investment.

## RECOMMENDATIONS FOR ACTION: PRINCIPLE 5 – TRUSTWORTHY

### 5.1. Statutory Public Purpose and Ethics Charters

- a) Victorian University Acts should be amended to require the adoption of legally binding Public Purpose and Ethics Charters for each university.
- b) These Charters should:
  - define institutional mission, academic values, civic obligations, and integrity standards;
  - operationalise statutory “Objects” clauses within decision-making processes;
  - require governing bodies to certify that major strategic, financial, and commercial decisions are consistent with public-purpose obligations.
- c) Compliance with these Charters should be enforceable and subject to independent review.
- d) Ethical alignment must apply vertically across all levels of the institution, not merely at executive level.

### 5.2. Independent Ethics and Integrity Commissions

- a) Victorian legislation should establish independent Ethics and Integrity Commissions, either:
  - within each university, or
  - as a system-wide Victorian Higher Education Integrity Authority.
- b) These bodies should have statutory powers to:
  - investigate allegations of misconduct and systemic ethical failure;
  - audit compliance with statutory public-purpose obligations;
  - protect whistleblowers;
  - issue binding recommendations;
  - report directly to Parliament.
- c) They must be structurally independent of executive management and adequately resourced.

### 5.3. Mandatory Public Reporting of Ethical Breaches

- a) Victorian universities should be required to publish annual reports detailing substantiated breaches, including:
  - wage underpayment and industrial non-compliance;
  - regulatory violations;
  - procurement and contracting irregularities;
  - conflict-of-interest breaches;
  - findings of systemic cultural failure.
- b) De-identified reporting should be mandatory, with privacy preserved but institutional accountability maintained.

### 5.4. Strengthened Whistleblower Protections

- a) Victorian legislation should introduce strengthened whistleblower protections specific to higher education institutions, including:
  - reverse onus provisions in retaliation cases;
  - interim protective measures for complainants;
  - accessible and independent complaint pathways;
  - compensation mechanisms for career harm;
  - prohibition of non-renewal or performance penalties linked to protected disclosures.
- b) Whistleblower investigations must be conducted independently of executive reporting lines.

### **5.5. Public-Purpose Certification of Strategic and Commercial Activity**

- a) Governing bodies should be required to certify annually that institutional strategies and major commercial activities – including property development, offshore ventures, partnerships, and subsidiary operations – are consistent with statutory public-purpose obligations.
- b) Public-purpose impact assessments should accompany major decisions and be subject to independent review.

### **5.6. Sanctions for Systemic Governance Failure**

- a) Victorian legislation should establish clear consequences for systemic governance and ethical failure, including:
  - removal or suspension of council members;
  - ministerial intervention powers;
  - funding conditions linked to compliance;
  - appointment of special administrators in extreme cases.
- b) Sanctions must be transparent, proportionate, and reviewable.

### **5.7. Expanded TEQSA Mandate for Integrity Oversight**

- a) At the federal level, amendments to the Higher Education Support Act and TEQSA's regulatory framework should:
  - expand TEQSA's mandate to investigate systemic ethical failures;
  - integrate governance integrity into provider risk assessments;
  - impose enforceable conditions where institutional autonomy is compromised by misconduct;
  - require public reporting of findings in standardised formats.
- b) State and federal reforms should operate in a coordinated manner.

### **5.8. State-Level Whistleblowing Authority for Higher Education**

- a) Consideration should be given to establishing a Victorian Higher Education Whistleblowing Authority to oversee protected disclosures across the sector.
- b) Such an authority should:
  - receive confidential disclosures;
  - ensure independent investigation;
  - monitor patterns of retaliation;
  - report systemic risks to Parliament.

### **5.9. Transparent Integrity Governance Practices Within Institutions**

- a) Institutional reforms should complement legislative change by requiring:
  - publication of de-identified ethics committee decisions;
  - regular integrity audits;
  - ethics impact statements for major restructures and partnerships;
  - elected staff and student integrity advisory councils;
  - transparent procurement and consultancy registers linked to governance reporting.
- b) These measures ensure ethical governance is embedded throughout institutional practice rather than confined to executive compliance units.

## **5.10. Annual Ethical Governance Certification and Reporting**

- a) Victorian universities should publish an Annual Ethical Governance Report addressing:
  - compliance with statutory ethics obligations;
  - cultural risk monitoring outcomes;
  - integrity investigations and systemic reforms;
  - workforce compliance (including enterprise agreements);
  - alignment of strategy with public mission.
- b) This report should be tabled in Parliament and subject to independent verification.

## **BACKGROUND, ANALYSIS & COMMENT**

### **5.1 Tone from the Top**

Principle 5.1 emphasises the role of the Chancellor and governing body members as exemplars of ethical conduct and cultural leadership. It proposes informal engagement with staff and feedback mechanisms to reinforce positive culture.

APU submits that this approach significantly underestimates the structural drivers of ethical failure in contemporary university governance.

Across the Australian higher education sector, recurrent governance failures have occurred under leaders who publicly endorsed ethical standards, compliance frameworks, and codes of conduct. Documented cases include wage underpayment, breaches of enterprise agreements, procurement irregularities, undisclosed conflicts of interest, and inadequate consultation processes. In many instances, these failures were not the result of individual misconduct alone, but of systemic incentives embedded in corporatised governance environments.

The shift towards commercial revenue dependence, international fee reliance, property development, branding strategies, and ranking optimisation has altered institutional priorities. Strategic and financial imperatives increasingly shape decision-making. Within such environments, ethical considerations may be subordinated to reputational management and revenue preservation.

“Tone from the top” cannot counteract structural misalignment between public purpose and commercial strategy. Informal engagement by chancellors does not compensate for opaque decision-making structures, concentrated executive authority, or limited independent oversight.

Moreover, Principle 5.1 does not address the composition and appointment processes of governing bodies analysed under Principles 1 and 2. Where councils are dominated by appointed members with corporate and financial backgrounds, and where appointment committees operate without external scrutiny, the cultural tone of the institution is already shaped by managerial logics. Ethical leadership in such contexts is constrained by the governance architecture itself.

APU therefore submits that ethical culture cannot be secured solely through exemplarity and informal dialogue. It requires enforceable obligations, transparent reporting, and independent review.

## 5.2 Oversight of Culture

Principle 5.2 requires governing bodies to adopt codes of conduct, articulate desired values, monitor culture, and ensure appropriate responses to misconduct. APU supports the existence of codes and monitoring mechanisms. However, we submit that these measures are insufficient without structural independence and public accountability.

### *Internalised Ethics and Compliance Systems*

Most Victorian universities maintain internal audit units, compliance offices, integrity committees, and whistleblower policies. However, these bodies are typically embedded within executive reporting lines. They lack structural independence from the management whose conduct they may be required to scrutinise.

Complaints are often investigated internally, findings are rarely published, and outcomes are managed through confidential processes. This internalisation of integrity functions contributes to underreporting and erodes public confidence.

The Victorian university Acts do not establish independent ethics oversight bodies. Nor do they mandate external reporting of substantiated breaches beyond financial audit obligations contained in Part 6 of the Acts. Reporting frameworks prioritise financial compliance rather than ethical governance quality.

As demonstrated in our response to Principle 4, opacity in governance structures reinforces this problem. Where misconduct is treated as reputational risk rather than as public governance failure, corrective action remains hidden.

### *Whistleblower Vulnerability*

Whistleblower protections represent a critical test of institutional trustworthiness. Evidence across the sector indicates that staff and students who raise concerns frequently face marginalisation, contract non-renewal, reputational harm, or legal threats. Casualisation and fixed-term employment amplify these risks (see **Recommendation 3.9**).

While internal whistleblower policies exist, they are commonly administered by executive units. The absence of independent investigation mechanisms and effective remedies discourages reporting and enables systemic misconduct to persist.

Principle 5 does not mandate reverse-onus protections, interim safeguards, compensation mechanisms, or independent adjudication. Nor does it require public reporting of systemic ethical failings.

### *Misalignment with Public Purpose*

The Victorian university Acts contain “Objects” clauses affirming advancement of knowledge, community benefit, and public service. However, as analysed under Principle 4, these clauses are not operationalised within governance decision-making.

Strategic decisions relating to commercial ventures, property development, outsourcing, and offshore expansion are not subject to mandatory public-purpose certification. Governing bodies are not required to demonstrate that such decisions align with statutory objects.

This structural gap undermines trust. Universities are publicly funded statutory institutions. Where strategic decisions diverge from public purpose without transparent justification, public confidence erodes.

Principle 5 does not impose binding public-purpose consistency requirements. It treats ethical conduct as behavioural compliance rather than as fidelity to statutory mission.

### ***Legislative Context and Structural Weaknesses***

The Victorian legislative framework provides limited enforceable safeguards concerning ethical governance. In the current Acts:

- Conflict-of-interest provisions are procedural and disclosure-based, not structural.
- Councils retain broad discretion over integrity systems.
- No statutory requirement exists for independent ethics commissions.
- No mechanism mandates public reporting of systemic non-compliance.
- Sanctions for governance failure are limited and rarely exercised.

Without statutory reform, ethical oversight remains largely self-regulatory.

This mirrors the structural weaknesses identified in earlier principles:

- Concentrated authority (Principle 1),
- Closed appointment systems (Principle 2),
- Subordinated academic governance (Principle 3),
- Managed transparency (Principle 4).

Trustworthiness cannot be isolated from these systemic dynamics.

### ***Systemic Consequences***

Where ethical oversight is internalised and public-purpose alignment is weak:

- wage underpayment scandals recur
- industrial disputes escalate
- conflicts of interest remain undisclosed
- regulatory interventions become reactive rather than preventive
- reputational damage accumulates
- public trust declines.

Universities' social licence to operate depends not on rhetoric, but on demonstrable accountability. Principle 5, as currently framed, does not sufficiently embed enforceable mechanisms capable of addressing systemic ethical failure.

## **Principle 6: Inclusive + Responsive**

### **Expectations of the University's Community and Stakeholders Are Understood, Respected and Responded To**

#### **Introduction**

Principle 6 of the Expert Council on University Governance Final Report requires universities to understand and respond to the expectations of students, staff, unions, First Nations communities, regulators, and other stakeholders through structured engagement mechanisms. While APU supports the objective of inclusive and responsive governance, as we have stated repeatedly throughout our submission, the current framework relies too heavily on consultation processes operating within statutory architectures that centralise authority and limit participatory influence.

The core limitation of Principle 6 is that it assumes engagement generates responsiveness. Victorian legislation demonstrates that consultation occurs within governance structures where final authority remains concentrated in councils and delegated executives.

The Victorian university Acts consistently centralise governing authority in the university Council. For example, the **University of Melbourne Act 2009, s 8** vests the “management and control of the University” in the Council. The **RMIT University Act 2010, s 10** confers similar plenary authority on the Council, while the **Swinburne University of Technology Act 2010, s 10** likewise provides that the Council has the full power to manage the University's affairs.

These provisions are structurally decisive. While stakeholder consultation may occur, ultimate authority resides in councils whose composition and appointment processes (addressed under Principles 1 and 2) limit democratic representation.

The Acts do not require Council decisions to reflect stakeholder input. There is no statutory obligation to demonstrate how consultation has influenced outcomes. Responsiveness is therefore discretionary rather than enforceable.

Each of the representative Acts contains an “Objects” clause affirming public purposes (**s.5**), including the advancement of knowledge, service to the community, and contributing to public life. However, the Acts do not operationalise these purposes through participatory governance requirements. There is no statutory guarantee of staff or student decision-making rights in relation to strategic planning, restructuring, or leadership selection. Public purpose is declared but not democratically embedded.

The representative provisions of the *University of Melbourne Act 2009* (ss 5, 8, 20, 23; Part 6), *RMIT University Act 2010* (ss 5, 10, 20, 24; Part 6), and *Swinburne University of Technology Act 2010* (ss 5, 10, 20, 23; Part 6) demonstrate a consistent pattern:

1. Centralisation of authority in councils
2. Broad delegation to executives
3. Limited determinative power for Academic Boards
4. Extensive commercial powers
5. Absence of statutory participatory guarantees.

Within this architecture, consultation frameworks required by Principle 6 cannot produce genuine inclusiveness or responsiveness.

APU therefore submits that Principle 6 must move beyond structured engagement and require legislative reform embedding participatory governance rights, democratic leadership accountability, and enforceable protection for stakeholder influence.

To follow is a list of fifteen recommendations that respond directly to the legislative and institutional barriers to inclusive and responsive decision-making that are described in detail in the subsequent “Background, Analysis & Comment” section. These recommendations are deliberately integrated with the reforms proposed under:

- **Principle 1 (Accountability)** – restoring democratic legitimacy and constraining executive delegation;
- **Principle 2 (Diversity of Perspectives)** – embedding plural representation in decision-making;
- **Principle 3 (Independence)** – strengthening Academic Board authority and protecting dissent;
- **Principle 4 (Transparency)** – ensuring consultation is accompanied by public justification;
- **Principle 5 (Trustworthy)** – aligning participation rights with enforceable public-purpose obligations and integrity oversight.

The recommendations under Principle 6 should be read in conjunction with, and as extensions of, the structural reforms proposed under Principles 1–4, rather than as standalone procedural enhancements. Principle 6 cannot operate effectively without the structural reforms outlined below and in previous recommendations. Engagement mechanisms within existing statutory architectures (e.g. ss 8/10 vesting full authority in councils; delegation clauses such as s 23; Part 6 commercial powers) will otherwise remain advisory rather than determinative.

## RECOMMENDATIONS FOR ACTION: PRINCIPLE 6 – INCLUSIVE + RESPONSIVE

### 6.1 Statutory Embedding of Participatory Governance Rights

- a) Victorian University Acts should be amended to ensure that the participatory governance reforms proposed under **Recommendations 1.1, 2.1** and **3.2** are expressly extended to major strategic, academic and structural decisions.
- b) These rights should apply to decisions taken pursuant to the Council’s general powers (e.g. s.8 *University of Melbourne Act 2009*; s.10 *RMIT Act 2010*; s.10 *Swinburne Act 2010*) and should not be alterable by internal statutes.
- c) This reform should operate in conjunction with **Recommendation 1.1** (democratic representation) and **Recommendation 2.1** (statutory guarantees of plural governance), ensuring that participatory rights are not merely consultative but embedded within decision-making architecture. This provision clarifies and operationalises the democratic representation requirements already proposed under Principles 1 and 2

### 6.2 Weighted Community Election of Vice-Chancellors

- a) Victorian University Acts should be amended to require Vice-Chancellors to be elected by the university community following public presentation of candidates’ programs.

- b) Voting should be weighted to balance scholarly expertise and democratic participation (e.g., academic staff majority weighting; student and professional staff participation).
- c) Terms should be fixed of between four and five (4–5) years), renewable once only, with open-ended appointments prohibited.
- d) Removal mechanisms should be available through structured Academic Board review and community vote.

### **6.3 Democratic Election of Faculty and School Leadership**

- a) Heads of faculties, departments, schools, programs and disciplines should be elected by academic staff within their units through transparent processes that include secret ballots.
- b) These positions should all have fixed terms of three (3) years, with a maximum of two consecutive terms.
- c) All academics serving in these positions should be required to return to their full-time academic roles upon completion.
- d) Student representatives should participate through formal consultation and attendance at public candidate forums.
- e) Leadership accountability should include periodic review by the academic communities concerned.

### **6.4 Binding Academic Co-Determination**

- a) Implementation of **Recommendations 3.2** (Binding Academic Authority), **3.3** (Independent Resourcing), **3.4** (Regulation of Executive Override) and **3.8** (Transparency in Treatment of Advice) should be treated as foundational requirements for fulfilling Principle 6. Academic Board authority and resourcing reforms proposed under Principle 3 are integral to participatory governance under Principle 6.

### **6.5 Mandatory Public Consultation and Response Requirements for Major Decisions**

- a) Victorian legislation should require that governing bodies publish consultation papers and draft proposals for major restructures, course closures, commercial ventures (including those authorised under Part 6 of the Acts), and strategic realignments before final approval.
- b) Councils should be required to publish formal statements explaining how stakeholder submissions were considered and why recommendations were accepted or rejected.
- c) These requirements should align with **Recommendation 4.1** (statutory duty of public justification) and **Recommendation 5.5** (public-purpose certification of major decisions).
- d) Confidentiality exemptions should be narrowly confined and subject to independent review consistent with **Recommendation 4.3**.

### **6.6 Limits on Delegations Affecting Workforce Governance**

- a) In addition to the delegation limits proposed under **Recommendations 1.7** and **3.4**, Victorian University Acts should prohibit delegation of authority over institution-wide performance management systems, workforce restructures, and workload models without Academic Board consultation and publicly disclosed workforce impact assessments.
- b) These provisions operate in conjunction with **Recommendation 4.5** (delegation transparency).

## **6.7 Protection of Governance Participation and Dissent**

- a) In addition to the protections proposed under **Recommendations 2.5** and **3.6**, Victorian legislation should explicitly protect participation in governance processes as legitimate professional activity, including protections against retaliation linked to performance assessment, promotion decisions, contract renewal, or workload allocation where staff have exercised academic freedom or governance dissent.
- b) Reverse-onus protections and independent complaint pathways should be established consistent with **Recommendation 5.4** (strengthened whistleblower protections) and **Recommendation 3.6** (protection of dissent).
- c) Participation in governance should be recognised as legitimate professional activity within workload models.
- d) Independent review pathways for performance determinations should be established outside executive management structures.

## **6.8 Democratic Governance of Academic Performance**

- a) Performance management frameworks in Victorian public universities should be co-designed with elected academic and professional staff representatives and formally endorsed by Academic Boards or equivalent representative bodies.
- b) Authority for academic performance review should be exercised by democratically elected Heads of School, Faculty Deans, or equivalent academic leaders, rather than solely through executive line-management hierarchies.
- c) Legislation should require that performance frameworks in academic domains reflect peer review principles, disciplinary expertise, and collegial governance traditions.

## **6.9 Developmental and Proportionate Evaluation Cycles**

- a) Victorian legislation should require universities to demonstrate that performance systems prioritise professional development and scholarly quality rather than punitive compliance escalation.
- b) Institution-wide performance cycles should be proportionate and aligned with teaching and research rhythms; excessively frequent monitoring regimes should require explicit public justification against statutory objects (s.5 of the Acts).
- c) Performance criteria must recognise qualitative dimensions of teaching, research, supervision, and service consistent with universities' legislated public purposes.

## **6.10 Regulation of KPI Alignment and Financialisation**

- a) In addition to executive remuneration accountability under **Recommendation 1.9**, universities should be required to disclose the relationship between executive KPIs, institutional strategic plans, and staff performance metrics.
- b) KPIs tied to revenue growth, enrolment optimisation, or cost reduction should not override statutory objects relating to academic quality, equity, and public benefit.
- c) Executive remuneration frameworks should demonstrate alignment between performance metrics, workforce sustainability and academic standards.

## **6.11 Employment Security as a Governance Obligation**

- a) Implementation of **Recommendation 3.9** (Employment Security as a Foundation of Academic Independence) is a necessary condition for fulfilling Principle 6.
- b) Workforce stability indicators should form part of independent governance evaluations (see **Recommendation 2.4**).

## 6.12 Psychosocial Risk Transparency and Independent Oversight

- a) Victorian University Acts should require annual Psychosocial Risk and Workforce Sustainability Statements reporting on:
  - staff turnover and attrition
  - emotional exhaustion indicators
  - restructuring frequency
  - levels of casual and fixed-term employment
  - workload intensification trends.
- b) These statements should be independently reviewed and tabled in Parliament alongside annual reports.
- c) Governing bodies should be required to treat psychosocial risk as a core governance risk within audit and risk committee frameworks.

## 6.13 Participatory Oversight of Controlled Entities and Commercial Activities

- a) In addition to the group transparency and oversight requirements proposed under **Recommendations 1.4, 1.10 and 3.7**, legislation should require stakeholder consultation and Academic Board oversight in relation to academic standards, offshore delivery, and partnership arrangements, especially where the proposed activities materially affect academic delivery or workforce structures.
- b) Consolidated reporting requirements under **Recommendation 1.4** and **Recommendation 4.8** should explicitly include disclosure of community consultation undertaken for controlled entities, subsidiaries, joint ventures, and offshore campuses.
- c) Public-purpose impact assessments (**Recommendation 4.4** and **5.5**) should be mandatory for commercial ventures that affect staffing, curriculum, or regional access.

## 6.14 Transparency and Accessibility of Governance Information

- a) The transparency reforms proposed under **Recommendations 4.2** (Mandatory Publication of Governance Records) and **4.10** (Participatory Transparency Mechanisms) should be extended to faculty and discipline-level governance structures to ensure accessibility and participatory comprehension.

## 6.15 Parliamentary Oversight of Stakeholder Responsiveness

- a) Building on **Recommendation 1.2** (Auditor-General oversight), Victorian legislation should require annual reporting to Parliament on stakeholder engagement practices, including:
  - consultation processes undertaken
  - themes raised by staff and students
  - instances of Academic Board advice not adopted
  - governance disputes resolved.
- b) The Victorian Auditor-General's expanded governance audit mandate (**Recommendation 1.2**) should include assessment of participatory effectiveness and responsiveness.
- c) Persistent failures of engagement should trigger ministerial review powers consistent with **Recommendation 5.6** (Sanctions for Systemic Governance Failure).

## BACKGROUND, ANALYSIS & COMMENT

### 6.1 Stakeholder Expectations and Engagement

Principle 6.1 requires universities to establish formal systems for stakeholder engagement. Victorian universities already maintain consultation processes. However, as demonstrated under Principles 1–3, consultation occurs within a statutory framework that centralises authority in councils and executives, permits extensive delegation, and renders academic bodies advisory rather than determinative. Section 20 of the post-2009 Victorian university Acts establishes Academic Boards as responsible for academic matters.

Yet across all Acts, Councils retain ultimate authority to override internal governance instruments. No Act confers co-equal or veto power in academic domains.

The delegation provisions of the Acts (e.g., s.23 *University of Melbourne Act 2009*; s.24 *RMIT Act 2010*; s.23 *Swinburne Act 2010*) permit councils to vest broad decision-making power in the Vice-Chancellor. Strategic parameters are frequently determined before consultation begins. Engagement becomes reactive rather than formative.

In each case, the provision establishes an Academic Board (or equivalent body) and recognises it as responsible for s.20 matters or academic affairs of the university. However, the degree of independence implied varies subtly: some Acts frame the Board as having primary responsibility for academic matters (subject to statutes), while others more clearly characterise it as exercising functions conferred by Council or advising Council on academic affairs.

In all cases, the Academic Board's powers are ultimately subject to statutes made by Council, and Councils retain authority to amend statutes, override internal governance instruments and determine or vary composition and functions. There is no Act that confers entrenched, co-equal or veto authority on Academic Boards in relation to major strategic, financial or structural decisions. The *Australian Catholic University (Victoria) Act 1991* differs more substantially, reflecting ACU's federated and ecclesial governance model rather than the template adopted in the 2009-2010 reforms.

Thus, while academic staff may be consulted, the legislative framework does not confer determinative authority. Academic engagement therefore operates within a hierarchy that structurally subordinates scholarly judgement to managerial authority (see Principle 3).

Similarly, although staff and student members sit on councils, their representation remains numerically limited. The Acts do not require weighted voting or proportional influence. Consultation therefore occurs within a structure where authority is predetermined.

The lack of democratic oversight and representation in the governance of Australian universities is in stark contrast to the elective democratic models that continue to operate in many countries in Europe and the Americas (see **Part III: International Precedents for Elected University Leadership**). Arguments that a large, modern university with tens of thousands of students cannot be run far more democratically are therefore not based on evidence.

### ***Delegation and Executive Dominance***

Victorian Acts currently permit extensive delegation of Council powers to the Vice-Chancellor (e.g. *University of Melbourne Act 2009*, s 23; *RMIT University Act 2010*, s 24; *Swinburne University of Technology Act 2010*, s 23). These delegation provisions allow councils to transfer broad decision-making authority to executive leadership. As a result, strategic parameters are frequently set by executives before consultation begin. Restructuring proposals are developed within executive offices, and stakeholder engagement often occurs after decisions are substantially shaped.

Principle 6 does not address this statutory delegation structure. Without reform of delegation frameworks, responsiveness remains subordinate to executive discretion.

### ***Commercial Powers and Market Responsiveness***

Part 6 of the Acts further authorises universities to engage in commercial activities, enter joint ventures, invest in property development, and establish subsidiaries and offshore operations.

These provisions significantly expand commercial capacity but do not impose corresponding participatory safeguards. There is no statutory requirement that staff, students, or affected communities approve or co-determine major commercial ventures. This imbalance reinforces a structural tendency toward market responsiveness rather than community responsiveness.

In short, stakeholder engagement is structurally constrained by:

- Concentrated council authority (Principle 1)
- Broad executive delegation (Principle 1.4)
- Advisory Academic Boards (Principle 3)
- Commercial expansion without participatory rights (Principle 4)

Within this architecture, consultation cannot function as genuine democratic governance.

### ***The Necessity of Democratic Reform***

If Principle 6 is to be meaningful, engagement must move from advisory consultation to participatory authority.

A hybrid democratic governance model provides the necessary structural reform. Such models operate successfully in numerous international systems (see **PART III**). They combine professional expertise with democratic legitimacy by embedding community-based elections within institutional frameworks.

Under these models, vice-chancellors are elected by the university community following public presentation of their programs. Voting is weighted to reflect academic expertise while ensuring representation of students and professional staff. Terms are fixed and limited, with removal mechanisms grounded in academic review.

Similarly, Heads of Faculty, School, and Department should be appointed or elected by the academic communities they lead, with structured student consultation an obligatory requirement of each position.

This is not a rejection of external oversight. It is a rebalancing of authority. Executive leadership in public universities should derive democratic legitimacy from the scholarly communities whose work defines institutional purpose.

Governance operates vertically and horizontally. Reform at Council level alone is insufficient. Without direct democratic participation across faculties and schools, managerial centralisation will persist.

Principle 6 cannot be satisfied by procedural engagement mechanisms layered upon a centralised executive structure. It requires redistribution of decision-making authority through a rebalancing of collegial and democratic governance reforms.

## **6.2 Creating a Safe and Inclusive Environment for Staff, Students, and the University Community**

Academic staff have limited democratic control over the conditions under which their work is evaluated. As demonstrated in our responses to Principles 1–3, the Victorian legislative framework centralises authority in councils and executives, permits extensive delegation, and provides limited enforceable protections for dissent or academic self-governance.

Performance management systems operate within, and are shaped by, this governance architecture. They are, therefore, not neutral administrative tools, but instruments embedded in a broader managerial model. In many institutions, performance reviews occur multiple times annually, narrowing academic autonomy, discouraging intellectual risk-taking, weakening collegial trust, and contributing to elevated psychosocial stress and workforce attrition (StressCafe 2024).

Performance management frameworks in most Australian universities have increasingly adopted compliance-oriented, metric-driven models tied to strategic plans, revenue optimisation, enrolment growth, and financial performance indicators. While framed as accountability mechanisms, these systems function within the same concentrated governance structures analysed under Principles 1 and 2. Authority is exercised primarily through executive delegation rather than through democratically elected academic leadership. This centralisation undermines traditions of collegial self-governance that have historically anchored academic accountability in peer review and shared responsibility.

While not directly regulated in the Acts, performance management and workforce structuring operate within the broad managerial powers granted to councils and executives. Under the centralised governance model created by ss. 8/10 and the delegation provisions cited above, executives may implement frequent performance monitoring regimes, restructures affecting employment security, and workload models determined without binding staff approval.

Where staff fear adverse consequences, formal engagement mechanisms cannot function as genuine channels of participation. Evidence cited in a number of parliamentary submissions and academic studies demonstrates high levels of psychosocial risk, emotional exhaustion, and disengagement within the sector (StressCafe 2024).

Empirical evidence confirms the human consequences of this shift. National research links intensified monitoring regimes to diminished collegiality, erosion of autonomy, and elevated psychosocial risk (Vodeb et al. 2022; Baum et al, 2022; Tregear et al. 2022). It subordinates academic values to managerial criteria and seriously undermines longstanding norms of collegiality (Vodeb et al. 2022). A reliance on an estimated \$271 million in unpaid labour annually compromises the sector's ability to deliver high-quality education and world-class research (StressCafe 2024).

The recent Census on Psychosocial Wellbeing of university staff is the largest to ever be undertaken in the sector (StressCafe 2024). The census researchers surveyed staff in 42 Australian universities. They found consistently high or very high psychosocial safety risks across institutions, with levels more than double those in the general workforce. Those risk levels were consistently high across gender, role, and employment level.

More than three-quarters of respondents reported elevated psychosocial risk levels with almost the same proportion reporting that those risks are not actively monitored. Around 80 per cent of respondents reported high emotional exhaustion and that continual restructuring and cost-cutting generated job insecurity, while 27 per cent indicated an intention to leave their institution within the following year.

It is noteworthy that no Victorian university was ranked in the “low risk” category. Given their documented role in exacerbating such risks, it is perhaps unsurprising that only academic deans and senior professional managers perceived the environment as lower risk. Consequently, these findings cannot be separated from governance structures that prioritise managerial oversight while limiting democratic participation.

A safe and inclusive university environment therefore requires governance reform in the domain of workforce oversight. Performance systems should be grounded in democratic representation and collegial authority. Evaluation frameworks must be co-designed with elected academic and professional staff representatives and formally endorsed by Academic Boards or equivalent representative bodies. Authority for academic performance review should be exercised by democratically elected Heads of School, Faculty Deans, or equivalent academic leaders with demonstrated experience in higher education and accredited governance training, not solely through executive line-management hierarchies.

Performance processes should prioritise developmental feedback and professional growth rather than compliance and punitive escalation. Excessively frequent monitoring cycles undermine autonomy and contribute to psychosocial harm; proportionate review intervals better align with scholarly work patterns. Evaluation criteria must recognise the qualitative dimensions of teaching, research, supervision, and service that define the academic mission, rather than privileging narrow productivity metrics alone.

As discussed under Principle 3, academic independence is fragile where employment insecurity and performance surveillance intersect. Where promotion, workload allocation, contract renewal, and research opportunity are tied to executive-defined KPIs, the capacity to question strategic decisions or engage in critical scholarship is materially constrained. In this context, performance management becomes a mechanism of behavioural regulation rather than professional development.

Finally, and consistently with our recommendations under Principles 2 and 3, staff must have enforceable rights to question, challenge, and appeal performance determinations without fear of retaliation, non-renewal, or career disadvantage. Transparent review pathways and explicit statutory protection of dissent are preconditions for democratic governance. Without such safeguards, engagement mechanisms remain formal rather than substantive.

In short, performance management cannot be considered separately from governance design. Where governance is centralised and managerial, performance systems will reproduce those logics. Where governance is democratic, collegial, and transparent, performance management can become developmental, inclusive, and aligned with the university's public mission.

### **6.3 Complaints, Feedback, and Input from Students, Staff, and Stakeholders**

Principle 6.3 requires confidential complaint mechanisms. However, the Victorian Acts do not establish independent higher education ombuds structures or integrity authorities specific to universities.

Complaint systems are internalised within the broad managerial authority conferred by ss 8/10 and delegation provisions. No section of the representative Acts mandates independent oversight of stakeholder complaints or public reporting of systemic engagement failures. Responsiveness without enforceable remedy remains symbolic.

## **Principle 7: Sustainable Risks are understood and managed effectively**

### **Introduction**

Principle 7 of the Expert Council’s Final Report states that governing bodies must proactively and effectively oversee risks to the achievement of the university’s purpose and objectives, consistent with strategy and risk appetite . It emphasises financial and non-financial risk management frameworks, risk appetite statements, internal audit functions, and compliance monitoring.

APU supports the objective of ensuring that Victorian public universities operate sustainably and manage risks responsibly. However, consistent with our analysis under Principles 1–6, we submit that Principle 7 adopts a predominantly corporate conception of sustainability, centred on risk appetite frameworks, compliance systems, and assurance processes, while insufficiently addressing the structural drivers of long-term institutional fragility within the sector.

The language of “risk management” in Principle 7 mirrors private-sector governance templates. It focuses on financial volatility, regulatory compliance, internal control systems, and reputational exposure. While these matters are important, the framework does not adequately foreground the academic mission as the central reference point for sustainability. It assumes that risk frameworks and audit functions, if properly designed, will ensure resilience. It does not confront the deeper question: sustainable for what purpose?

As argued in our responses to Principles 4 and 5, sustainability cannot be reduced to fiscal resilience or reputational protection. A university that preserves liquidity while eroding scholarly capacity, academic freedom, workforce stability, and disciplinary depth is not sustainable in any meaningful public sense. Long-term performance must be measured against statutory objects and public mission, not merely balance-sheet health.

### ***Legislative Context: Financial Sustainability Without Academic Safeguards***

The Victorian university Acts uniformly vest governing bodies with broad authority over financial management, property, borrowing, and commercial activities (for example, s.8 *University of Melbourne Act 2009*; s.10 *RMIT University Act 2010*; equivalent provisions across the other Acts). Part 6 of the Acts confers extensive powers to establish controlled entities, enter joint ventures, borrow funds, invest in property development, and undertake commercial activities.

However, while these provisions provide wide financial discretion, they do not impose corresponding statutory duties to demonstrate that financial strategies are compatible with academic sustainability or public-purpose obligations. As previously noted under Principle 4, the Acts contain Objects clauses (typically s.5) affirming the advancement of knowledge, public benefit, and community service. Nevertheless, there is no legislative requirement that financial risk appetite statements or commercial ventures be tested against those statutory purposes.

This asymmetry is critical. Risk management systems may ensure liquidity, debt servicing capacity, and regulatory compliance while simultaneously permitting:

- contraction of disciplines with lower enrolment volumes

- growth of high-margin programs irrespective of academic coherence
- expansion into volatile offshore markets
- erosion of permanent academic staffing
- increased reliance on casual and fixed-term employment.

None of the Victorian Acts require governing bodies to conduct academic sustainability assessments when exercising their commercial powers under Part 6. Nor do they require Academic Board concurrence for financial decisions that materially affect curriculum, research capacity, or workforce structure. The result is a statutory architecture in which financial risk oversight is formalised, while academic risk oversight remains largely internal and advisory.

Principle 7 does not address this imbalance.

The legislative and institutional barriers to genuinely sustainable academic institutions are identified in the subsequent “Background, Analysis & Comment” section. These recommendations are grounded in the existing legislative structure of the Victorian university Acts, particularly the broad financial and commercial powers conferred under the Part 2 governance provisions and Part 6 commercial activity provisions. They reinforce and depend upon earlier structural reforms:

- **Principle 1 (Accountability):** strengthened oversight of delegations (1.7), consolidated transparency (1.4), and Auditor-General review (1.2).
- **Principle 3 (Independence):** binding Academic Board authority in core academic domains (3.2).
- **Principle 4 (Transparency):** public-purpose impact reporting (4.4) and publication of governance records (4.2).
- **Principle 5 (Trustworthy):** public-purpose certification and enforceable integrity oversight (5.5).
- **Principle 6 (Inclusive + Responsive):** participatory consultation prior to high-impact decisions (6.2; 6.4).

Without these interconnected reforms, ‘sustainability’ risks being reduced to financial survival rather than preservation of academic and public mission.

## RECOMMENDATIONS FOR ACTION: PRINCIPLE 7 – SUSTAINABLE

### 7.1 Statutory Academic Sustainability Test for Major Decisions

- a) Victorian University Acts should be amended to require governing bodies to apply an Academic Sustainability Test when approving major restructures, discipline closures, commercial ventures, borrowing arrangements, offshore expansions, or significant workforce reductions.
- b) This test should require councils to demonstrate that proposed decisions:
  - do not compromise long-term disciplinary capacity
  - preserve teaching quality and research integrity
  - maintain compliance with regulatory standards
  - safeguard academic freedom
  - align with statutory Objects clauses (e.g. s.5 provisions across the Acts).

- c) Academic Boards (established under provisions equivalent to s.20 in the Victorian Acts) should provide formal certification that academic standards will not be materially compromised.
- d) This reform should operate in conjunction with Recommendation 4.4 (Public-Purpose Impact Statements) and Recommendation 5.5 (Public-Purpose Certification of Strategic and Commercial Activity).

## **7.2 Reform of Commercial Powers and Controlled Entity Oversight (Part 6 Amendments)**

- a) Part 6 of the Victorian university Acts should be amended to require that controlled entities, joint ventures, trusts, offshore campuses, and public–private partnerships be subject to:
  - mandatory public disclosure of governance arrangements
  - entity-level financial reporting
  - academic oversight certification
  - public-interest approval processes for high-risk ventures.
- b) Consolidated group reporting obligations should be strengthened consistent with Recommendation 1.4 and Recommendation 4.7.
- c) Borrowing and major capital projects should require public disclosure of long-term risk modelling, including sensitivity analysis concerning enrolment volatility and revenue shocks.
- d) Where financial strategies materially increase institutional risk exposure, governing bodies should be required to table explanatory statements in Parliament.

## **7.3 Workforce Stability as a Core Sustainability Metric**

- a) Victorian legislation should require governing bodies to incorporate workforce sustainability metrics into risk appetite statements and annual reporting frameworks.
- b) These metrics should include:
  - proportion of ongoing versus casual/fixed-term employment
  - staff turnover rates
  - teaching continuity indicators
  - workload sustainability measures
  - workforce compliance findings (including enterprise agreement adherence).
- c) Significant deterioration in workforce stability should trigger formal risk review by the governing body and reporting to the Victorian Auditor-General.
- d) This reform should align with Recommendation 5.4 (Whistleblower Protections) and Recommendation 6.6 (Protection of Governance Participation), recognising that employment insecurity directly affects institutional integrity.

## **7.4 Independent Academic and Workforce Risk Review Panels**

- a) Victorian legislation should establish Independent Academic Sustainability Review Panels to evaluate high-impact strategic proposals prior to final Council approval.
- b) Panels should include academic experts, workforce representatives, and external public-interest members independent of executive management.
- c) Review findings should be published and include assessment of long-term intellectual, workforce, and community impacts.
- d) These panels should complement the independent governance review processes proposed in Recommendation 1.2.

### **7.5 Integrated Academic–Financial Risk Frameworks**

- a) Universities should be required to adopt integrated risk frameworks that formally link financial modelling with academic and workforce indicators.
- b) Risk registers should explicitly categorise and weight:
  - disciplinary contraction risk
  - research concentration and dependency risk
  - regulatory non-compliance risk linked to staffing reductions
  - academic freedom risk arising from commercial partnerships
  - reputational risk linked to mission misalignment.
- c) Risk appetite statements should be publicly disclosed in accessible formats, consistent with Recommendation 4.2 (Publication of Governance Records).
- d) Academic Boards should review and endorse non-financial risk weightings.

### **7.6 Enhanced Auditor-General and Parliamentary Oversight**

- a) The mandate of the Victorian Auditor-General should be expanded (consistent with Recommendation 1.2) to include periodic audits of:
  - academic sustainability risk management
  - workforce stability indicators
  - subsidiary risk exposure
  - alignment of financial strategies with statutory purposes.
- b) Audit findings should be tabled in Parliament and published in comparative format across institutions.
- c) Parliamentary committees should have authority to initiate inquiries into systemic sustainability risks affecting the sector.

### **7.7 Federal Reinforcement Through National Disclosure and TEQSA Oversight**

- a) The Commonwealth should introduce national disclosure standards for university subsidiaries and offshore operations under the *Higher Education Support Act*.
- b) TEQSA's regulatory framework should be amended to require assessment of academic sustainability and workforce risk as part of provider risk ratings.
- c) Where high-risk commercial exposure or workforce instability threatens academic standards, TEQSA should have authority to impose enforceable conditions.
- d) State and federal oversight reforms should operate in coordinated fashion to avoid regulatory gaps.

### **7.8 Annual Integrated Sustainability Reporting**

- a) Victorian universities should publish Annual Integrated Sustainability Reports that address:
  - financial resilience
  - academic capacity and disciplinary breadth
  - workforce stability
  - subsidiary exposure
  - ethical and reputational risks
  - alignment with statutory Objects clauses.
- b) Reports should reconcile strategic growth claims with long-term risk modelling and include forward-looking risk analysis rather than retrospective summary.
- c) These reports should be independently verified and tabled in Parliament, consistent with Recommendations 4.5 and 5.10.

## BACKGROUND, ANALYSIS & COMMENT

### 7.1 Risk Management and Compliance

Principle 7.1 requires governing bodies to establish effective risk management frameworks, define risk appetite statements, monitor financial and non-financial risks, and promote a risk culture aligned with strategy.

In practice, however, sectoral evidence demonstrates that risk registers are overwhelmingly financialised. Institutional risk categories typically prioritise:

- revenue volatility (particularly international student income)
- credit ratings and debt exposure
- insurance and liability risks
- cyber security
- reputational damage and media exposure.

By contrast, risks relating to academic standards, disciplinary decline, casualisation, research integrity, and workforce exhaustion are often classified as secondary “operational” risks, if they appear at all.

This hierarchy reflects the governance transformation described in our response to Principle 1.3. Universities’ growing reliance on international fee revenue, property development, and commercial partnerships has reshaped risk priorities. Risk frameworks have evolved primarily to protect revenue streams rather than to preserve scholarly depth or institutional autonomy.

Workforce precarity illustrates this imbalance. High levels of casual and fixed-term employment undermine teaching continuity, institutional memory, regulatory compliance, and research capacity. However, workforce insecurity is rarely treated as a core sustainability risk within risk appetite statements. Instead, it is frequently framed as a flexibility mechanism supporting financial resilience.

This approach constrains decisions to short-term advantage that are inappropriate for an educational institution. It externalises long-term intellectual and cultural risk in favour of short-term “financial stability”. This is both reductive and counter-productive to the long-term sustainability of any tertiary education institution.

Principle 7.1(c) refers to “social licence-sensitive” risks. However, social licence cannot be secured through reputational management alone. It depends on demonstrable alignment between institutional conduct and public mission. Where course closures, mass casualisation, staff redundancies, and offshore ventures are undertaken without transparent public-purpose justification, reputational damage is not merely a communications problem, it is a governance failure.

Moreover, the Acts do not require that risk appetite statements to be published in a form that enables stakeholders to evaluate whether academic or workforce risks are appropriately weighted. Disclosure obligations under existing legislation focus primarily on financial reporting rather than on integrated academic-financial sustainability metrics.

As with Principle 4, transparency without enforceable linkage to statutory objects remains insufficient.

## **7.2 Assurance and Internal Audit**

Principle 7.2 emphasises internal audit functions and escalation pathways for staff concerns . While internal audit is necessary, it operates within executive reporting structures and governance cultures that may prioritise risk containment over structural reform.

Internal audit functions test conformance with existing frameworks. They do not typically assess whether those frameworks themselves privilege financial over academic sustainability. Nor do they independently evaluate whether strategic decisions align with long-term intellectual capacity.

As discussed under Principles 1.2 and 5.2, internal audit and compliance systems are commonly embedded within executive hierarchies. The Victorian Acts do not establish independent academic sustainability auditors, nor do they mandate publication of internal audit findings relating to workforce or academic risks.

Principle 7.2(b) refers to escalation mechanisms for staff concerns. However, as noted in the “Background, Analysis and Comment” section on Principle 5.2 of our submission, whistleblower vulnerability and employment insecurity undermine the effectiveness of such pathways. Escalation rights are insufficient where structural retaliation risks remain unaddressed.

Sustainability cannot be assured solely through internal audit. It requires independent academic scrutiny and transparent public reporting.

### **Reframing Sustainability**

APU submits that Principle 7 must be reframed to centre academic and workforce sustainability alongside financial resilience. Sustainable governance must integrate:

- financial stability
- disciplinary capacity
- research independence
- workforce security
- institutional autonomy
- public trust.

These dimensions are interdependent. Excessive financial risk exposure (e.g., heavy reliance on single revenue streams) may trigger workforce contraction and academic decline. Conversely, excessive cost-cutting may undermine long-term institutional capacity and regulatory compliance. Without statutory requirements to test financial strategies against academic sustainability, governing bodies remain free to adopt risk appetites that protect revenue while eroding intellectual infrastructure.

Sustainability must therefore be understood as the preservation of institutional integrity over generational time horizons, not merely over budget cycles.

## **Principle 8: Responsible**

### **Workforce and remuneration are structured fairly and responsibly**

#### **Introduction**

Principle 8 of the Expert Council's Final Report states that governing bodies must ensure that workforce strategy and remuneration are structured fairly, sustainably, and consistently with public expectations. It addresses two core areas: workforce strategy (8.1) and remuneration governance (8.2).

APU supports the proposition that Victorian public universities must ensure lawful remuneration, fair workforce practices, and responsible executive compensation. However, consistent with our analysis under Principles 1, 5, and 7, we submit that Principle 8 relies too heavily on internal governance discretion, remuneration frameworks, and disclosure practices, while failing to confront the structural workforce transformation that has occurred across the sector over the past two decades.

The central weakness of Principle 8 is that it treats workforce precarity and executive remuneration primarily as matters of governance hygiene – issues to be managed through frameworks, benchmarking, and monitoring – rather than as systemic consequences of financialised governance and concentrated executive authority.

Workforce sustainability and remuneration equity cannot be secured through policy refinement alone. They require structural recalibration of power, transparency, and statutory obligations.

#### ***Legislative Context: Broad Managerial Authority, Limited Workforce Safeguards***

Across the Victorian university Acts, governing bodies are vested with comprehensive authority over staffing, organisational design, remuneration, and financial management (e.g., s.8 *University of Melbourne Act 2009*; s.10 *RMIT Act 2010*; equivalent provisions across the sector). The Acts:

- confer broad powers to employ staff
- determine terms and conditions
- delegate authority to the Vice-Chancellor
- establish remuneration committees
- enter commercial arrangements affecting workforce structures.

However, the Acts do not:

- mandate workforce composition benchmarks
- impose sustainability thresholds for ongoing employment
- require Academic Board input into workforce strategy
- establish public-interest constraints on executive remuneration levels
- link remuneration practices to statutory Objects clauses.

Workforce strategy and remuneration are therefore primarily matters of internal governance discretion, subject to enterprise bargaining and Fair Work Act compliance, but not to statutory public-purpose alignment tests.

This structural silence has enabled a sector-wide shift toward casualisation, fixed-term employment growth, and escalating executive remuneration.

Principle 8 does not sufficiently address these structural conditions and cannot be assessed in isolation. Workforce and remuneration responsibility depend upon:

- **Principle 1:** democratic and representative governing bodies capable of independent scrutiny
- **Principle 3:** protection of dissent and academic authority
- **Principle 5:** independent ethics and integrity oversight
- **Principle 7:** recognition of workforce stability as a sustainability risk factor.

Absent these structural reforms, workforce strategy and remuneration oversight remain internal governance exercises rather than public stewardship obligations.

A university that preserves executive remuneration while casualising its academic workforce is not operating responsibly within its public mandate.

To follow is a list of eight recommendations that are explicitly integrated with earlier proposals (particularly 1.3; 1.9; 3.6; 4.5; 5.4; and 7.3) and grounded in the statutory architecture of the Victorian university Acts. Our recommendations for reform with respect to Principle 8 are dependent upon earlier structural reforms:

- **Principle 1 (Accountability):** representative remuneration committees and transparent executive oversight
- **Principle 3 (Independence):** protection of dissent and academic authority in workforce matters
- **Principle 5 (Trustworthy):** enforceable ethics oversight and whistleblower protections
- **Principle 7 (Sustainable):** recognition of workforce stability as a core sustainability risk factor.

Workforce precarity and executive remuneration escalation are not isolated governance issues: they are manifestations of the same corporatised governance architecture addressed throughout this submission. A university cannot claim to operate responsibly if its workforce is insecure, its compliance systems repeatedly fail, and its executive remuneration diverges from public expectations.

## **RECOMMENDATIONS FOR ACTION: PRINCIPLE 8 – RESPONSIBLE**

### **8.1. Statutory Workforce Sustainability Obligations**

- a) Victorian University Acts should be amended to require governing bodies to adopt and publish a Workforce Sustainability Strategy aligned with statutory Objects clauses (e.g. s.5 provisions across the Acts).
- b) This Strategy should include measurable targets relating to:
  - proportion of ongoing academic and professional staff
  - reduction in excessive casualisation and serial fixed-term employment
  - teaching continuity and student–staff ratios
  - workload sustainability and compliance with enterprise agreements

- staff wellbeing and retention.
- c) Workforce sustainability metrics should be incorporated into institutional risk appetite statements, consistent with Recommendation 7.3.
  - d) Significant deterioration in workforce stability should trigger mandatory reporting to the governing body and notification to the Victorian Auditor-General (consistent with Recommendation 1.2).

## **8.2. Academic Governance Involvement in Workforce Design**

- a) Provisions equivalent to s.20 (Academic Boards) in the Victorian Acts should be amended to require Academic Board consultation and formal advice in relation to workforce strategies that materially affect curriculum design, teaching quality, research integrity, and disciplinary continuity.
- b) Where governing bodies depart from Academic Board advice, reasons should be published in accordance with Recommendation 4.2 (Publication of Governance Records).
- c) Major restructures affecting academic programs should be subject to the Academic Sustainability Test proposed in Recommendation 7.1.

## **8.3. Independent Wage Compliance and Remuneration Audits**

- a) Victorian legislation should require periodic independent wage compliance audits for all public universities.
- b) Audit findings, including remediation programs and systemic weaknesses, should be publicly disclosed in annual reports and tabled in Parliament.
- c) Substantiated wage underpayment or compliance failures should be integrated into executive performance evaluation processes.
- d) The Victorian Auditor-General's mandate should be expanded to include oversight of wage compliance and workforce governance systems (consistent with Recommendation 1.2).

## **8.4. Public-Interest Remuneration Frameworks**

- a) Victorian University Acts should require remuneration frameworks to include a Public-Interest Proportionality Test, requiring governing bodies to certify that senior executive remuneration:
  - reflects public-sector norms and institutional funding context
  - is proportionate to workforce conditions
  - is consistent with statutory Objects clauses
  - does not undermine public trust.
- b) Remuneration benchmarking methodologies, comparator groups, and consultant advice should be publicly disclosed, consistent with Recommendation 4.6.
- c) Remuneration committee membership should include elected academic and professional staff representatives as full voting members (consistent with Recommendation 1.3).

## **8.5. Regulation of Variable Remuneration and Incentive Payments**

- a) Variable remuneration and incentive payments for Vice-Chancellors and senior executives should be contingent upon demonstrable performance against:
  - academic quality indicators
  - workforce stability metrics
  - compliance outcomes
  - public-purpose alignment

- sustainability benchmarks.
- b) Financial growth metrics alone should not constitute the primary basis for incentive payments.
- c) Performance criteria and outcomes should be publicly disclosed in accessible formats.

#### **8.6. Disclosure of External Remuneration and Conflicts**

- a) Annual reports should disclose whether senior executives receive remuneration, advisory fees, or directorship payments from external entities, consistent with Principle 8.2(g).
- b) These disclosures should be integrated with consolidated conflict-of-interest registers as proposed in Recommendation 1.5.
- c) Overlapping remuneration arrangements with controlled entities, subsidiaries, or commercial partners should be explicitly reported.

#### **8.7. Protection of Workforce Dissent and Governance Participation**

- a) Victorian legislation should strengthen protections against retaliation for staff participating in governance, raising remuneration concerns, or reporting workforce non-compliance, consistent with Recommendations 3.6 and 5.4.
- b) Reverse-onus protections should apply where adverse employment actions follow protected disclosures.
- c) Participation in governance processes should be recognised within workload models and promotion criteria.

#### **8.8. Integrated Responsible Workforce and Remuneration Reporting**

- a) Victorian universities should publish an Annual Responsible Workforce and Remuneration Report addressing:
  - workforce composition trends
  - remuneration ratios (e.g. Vice-Chancellor-to-median-staff salary)
  - compliance findings and remediation actions
  - incentive performance outcomes
  - alignment of remuneration with statutory purposes.
- b) This report should be independently verified and tabled in Parliament, consistent with Recommendations 4.5 and 5.10.
- c) Comparative cross-institutional data should be standardised to support parliamentary scrutiny and public accountability.

## **BACKGROUND, ANALYSIS & COMMENT**

### **8.1 Workforce Strategy**

Principle 8.1 requires governing bodies to oversee workforce strategy and monitor implementation. While appropriate in form, this provision assumes that workforce design is a neutral managerial exercise.

In practice, workforce restructuring across Australian universities has been closely linked to:

- financial volatility

- international student revenue dependence
- commercial expansion
- cost-containment strategies
- consultant-driven efficiency programs.

As discussed under Principle 7, workforce precarity has been normalised as a risk-management tool. Casualisation and fixed-term employment have provided budgetary flexibility but at significant cost to:

- teaching continuity
- regulatory compliance
- research development
- institutional memory
- mental health of staff
- academic freedom.

Workforce insecurity also suppresses governance participation and dissent (see **Recommendations 3.6** and **6.6**). Where employment renewal depends on executive discretion, protected expression and whistleblowing are weakened.

Principle 8.1 does not require governing bodies to treat employment security as a sustainability indicator. Nor does it mandate publication of workforce stability metrics beyond general reporting obligations.

Moreover, workforce strategy is rarely integrated with academic governance. Academic Boards (established under provisions equivalent to s.20 across the Victorian Acts) do not possess statutory authority over staffing profiles or employment structures, even where these materially affect academic standards.

Workforce strategy is therefore predominantly financial and managerial rather than academic in orientation.

Without statutory linkage to long-term academic sustainability (as proposed under Principle 7), workforce oversight remains discretionary and reactive.

## **8.2 Remuneration**

Principle 8.2 requires remuneration frameworks to reflect ethical considerations, benchmarking, sustainability, and public expectations. It mandates disclosure of Vice-Chancellor remuneration and external payments. While APU supports transparency in executive remuneration, disclosure alone does not ensure responsibility.

### ***Executive Remuneration Escalation***

Over recent decades, Vice-Chancellor remuneration has grown substantially, frequently outpacing public-sector benchmarks and occurring alongside:

- workforce contraction,
- wage underpayment scandals,

- redundancy programs,
- discipline closures, and
- increasing student-to-staff ratios.

Remuneration committees – typically constituted by appointed external council members – rely heavily on external benchmarking consultants. Comparator groups often include large corporate entities or international universities operating under different funding models. This benchmarking methodology systematically drives upward remuneration alignment.

As analysed under Principle 1.2, remuneration committees operate within confidential governance structures. Minutes, benchmarking advice, and decision rationales are rarely disclosed in full. This limits external scrutiny of performance metrics and ethical considerations.

Principle 8.2(d–g) mandates disclosure of remuneration figures. However, it does not require:

- disclosure of benchmarking methodologies in full
- publication of consultant advice
- explanation of rejected comparator groups
- alignment testing against workforce conditions
- integration of remuneration decisions with public-purpose certification.

Nor does it impose any ceiling or public-interest proportionality test for remuneration outcomes.

### ***Variable Remuneration and Performance Metrics***

Principle 8.2(e) links variable remuneration to measurable performance outcomes. However, performance metrics in practice often emphasise:

- revenue growth
- enrolment expansion
- infrastructure development
- international partnerships
- league table positioning.

Less consistently embedded are metrics relating to:

- workforce stability
- reduction in casualisation
- academic freedom protection
- compliance with enterprise agreements
- student-to-staff ratios
- teaching quality outcomes.

Where executive incentives are tied primarily to financial expansion, risk appetite may be skewed toward growth strategies that increase volatility and workforce insecurity. This creates structural tension between sustainability (Principle 7) and remuneration design (Principle 8).

Principle 8 does not require that variable remuneration be contingent upon workforce compliance or academic sustainability certification.

### ***Wage Compliance and Systemic Underpayment***

Principle 8.2(c) requires effective systems to ensure staff are paid lawfully . While essential, the sector has experienced repeated wage underpayment scandals, often linked to:

- complex enterprise agreements
- reliance on casualised teaching
- decentralised payroll systems
- cost-control pressures.

These failures were not merely technical errors: they reflected governance cultures prioritising cost containment over compliance oversight.

The Victorian Acts do not require:

- independent wage compliance audits
- public reporting of underpayment remediation programs
- integration of compliance findings into executive performance assessment.

Trustworthy remuneration governance requires enforceable audit and reporting mechanisms, not merely internal assurance.

### ***Ethical Proportionality and Public Expectations***

Victorian universities are publicly funded statutory institutions with civic missions defined in Objects clauses (typically s.5). Executive remuneration practices must therefore be evaluated not only against private-sector benchmarks but against:

- public-sector norms
- institutional workforce conditions
- funding dependence on taxpayers and students
- statutory public purposes.

Principle 8 refers to “public trust” and “social context” but does not define how these are to be operationalised. Without legislated proportionality principles, remuneration frameworks remain internally determined.

Remuneration governance cannot be separated from broader governance reform. As shown under Principles 1 and 2, councils dominated by appointed external members and corporate backgrounds may normalise executive remuneration escalation as consistent with corporate governance practice, even where such escalation diverges from public-sector expectations.

## **PART III: International Precedents for Elected University Leadership**

Contrary to claims that elected leadership is impractical or outdated, numerous higher education systems in Europe and the Americas maintain democratic executive selection models. Democratic selection does not eliminate accountability: it enhances legitimacy. It embeds leadership within scholarly communities rather than positioning executives as externally appointed managers.

To follow are examples from more than a dozen countries where this is the norm. Across these systems, elections are often weighted to reflect academic expertise, while executive terms are fixed and limited. In all these systems, leaders are chosen from the academic community and are accountable to that community. They are all hybrid systems in which academic supervisory boards are subject to state oversight.

Claims that elections will politicise universities or undermine competence ignore the very real and critical failures in current governance models.

The Australian experience demonstrates that opaque appointment processes, extensive delegations, and corporate-style councils have generated volatility, distrust, and strategic fragility. Weighted community elections are a structural remedy: they make leadership mandates explicit, diversify power, and embed accountability in those who teach, research, study, and sustain the institution. In public universities, democratic legitimacy is not a threat to governance, it is its missing foundation.

Victorian universities were historically more participatory than they are today. The post-1990s corporatisation trend represents a departure from collegial traditions, not their preservation. Restoring democratic leadership selection would align Victorian universities with established international practice and strengthen public trust.

It should also be noted that while the role of chancellor in the UK is more firmly ceremonial than in Australia, that role is generally elected in the UK. At the very least this reminds university communities of the continuing role of democratic processes in university culture and the fact that all members (including alumni) are part of that community.

### **CASE STUDY: SLOVENIA**

Slovenia provides a contemporary European example of legislatively embedded participatory executive selection within a public university system. Under the *Slovenian Higher Education Act*, rectors of public universities – including the University of Ljubljana and the University of Maribor – are elected through structured voting processes involving academic staff, student representatives, and professional support staff. Voting arrangements, eligibility criteria, and term limits are prescribed in national legislation and institutional statutes.

Faculty-level leadership follows similar principles: deans are elected within faculties, and departmental leadership is accountable to academic communities. Governance structures combine representative senates, defined executive terms, and statutory oversight by the state, ensuring that executive authority derives from internal scholarly legitimacy rather than exclusive appointment by external boards.

The Slovenian model demonstrates that democratic executive selection is compatible with modern regulatory frameworks, financial accountability requirements, and European quality assurance standards. Participatory leadership selection does not displace managerial competence; it embeds executive authority within institutional communities and strengthens legitimacy, transparency, and shared responsibility in public universities.

Slovenia is particularly instructive because it is a small European public university system operating within EU regulatory frameworks comparable in complexity to Australia's higher education environment.

## **OTHER MODELS OF DEMOCRATIC UNIVERSITY LEADERSHIP**

### **1. Germany**

In many German Länder, university presidents (Rektoren or Präsidenten) are elected by a university senate or assembly comprising academic staff, students, and professional staff, often with weighted voting. While supervisory boards exist, academic participation in leadership selection remains embedded in law.

### **2. Spain**

Spanish public universities elect rectors through universal suffrage within the university community. Voting is weighted across academic staff, students, and administrative staff. Rectors serve fixed terms and are directly accountable to the electorate.

### **3. Portugal**

Portuguese universities elect rectors through a General Council that includes elected academic, student, and external representatives. Candidates publicly present strategic programs before election.

### **4. Italy**

Italian rectors are elected by the academic community, including academic staff and student representatives, typically through weighted voting. Terms are fixed and limited.

### **5. Norway**

Norwegian universities historically elected rectors directly. While some institutions have moved toward appointment models, several retain elected rectors or hybrid participatory systems.

### **6. Belgium (Flanders)**

Universities such as KU Leuven elect rectors through participatory processes involving academic staff and other internal constituencies.

### **7. Latin America**

Public universities across Argentina, Mexico, Brazil, and Chile elect rectors through assemblies or weighted community voting, combining faculty-majority voting with student and staff participation.

### **8. United States (Historical and Select Institutions)**

While most US universities appoint presidents through boards, some public and private institutions historically utilised faculty elections or strong faculty senate endorsement requirements, reflecting a tradition of shared governance.

## European university governing bodies with detailed compositions

**France:** Since the 2019 law reform, CA compositions must be published in statutes; the UVSQ CA is a clear example with 80 per cent elected internal members.

**Spain:** The Claustro Universitario is composed primarily of elected internal members; at Sevilla, there are 300 elected representatives plus the rector/secretary/manager.

**Slovenia:** Internal representatives chosen through academic and student representative mechanisms form a majority (5/9) of the Administrative Board.

**Italy:** Academic Senates are statutory bodies with majority internal representatives elected by constituencies; statutes define seats and election procedures.

### Eight European universities with majority elected internal members on governing boards

Institution	Governing Body	Academic Staff	Admin/Support Staff	Students	External/Appointed
UVSQ (France)	Conseil d'administration	20	6	6	8 external
Univ. Sevilla (Spain)	Claustro Universitario	~153	Statutory quotas	Statutory quotas	Rector / Sec Gen / Manager only
Univ. Ljubljana (Slovenia)	Administrative Board	3–4	1	1	4 founder/employer
Bologna (Italy)	Academic Senate / Board	Elected	Elected	Elected	Some external (minor)
Sapienza (Italy)	Academic Senate	Elected	Elected	Elected	Minimal
Univ. Milan (Italy)	Academic Senate	Elected	Elected	Elected	Minimal
Univ. Pisa (Italy)	Academic Senate	Elected	Elected	Elected	Minimal
Politecnico Torino (Italy)	Academic Senate	Elected	Elected	Elected	Minimal

### France (public universities) — Conseil d'administration (CA)

French public universities' CA composition is commonly 36 members, with a majority elected from inside the university (teaching/research staff, BIATSS staff, and students), plus a minority of external members.

1. **Université Jean Moulin Lyon 3** — CA (36 members): 16 teaching/research elected + 6 students elected + 6 BIATSS elected (= 28 elected internal), plus 8 external. ([epf.nova-uni.si](http://epf.nova-uni.si))
2. **Université Bordeaux Montaigne** — CA (36 members): elected internal categories (teachers/researchers, BIATSS, students) form the majority, plus external members. ([univ-lehavre.fr](http://univ-lehavre.fr))

3. **Université de Poitiers** — CA (36 members): elected internal representatives (teachers/researchers, BIATSS, students) are the majority, plus external members. ([Légifrance](#))
4. **Université Le Havre Normandie** — CA (36 members): elected internal representatives (teachers/researchers, BIATSS, students) are the majority, plus external members. ([UNESCO](#))
5. **Université de Rennes** — CA (36 members): elected internal representatives (teachers/researchers, BIATSS, students) are the majority, plus external members. ([web.unican.es](#))

### Spain (public universities) — Claustro Universitario

In Spain, the Claustro is typically the maximum representative body of the university community and is made up mostly of elected representatives across sectors (faculty, students, and administrative/services staff).

1. **Universidad de Sevilla** — Claustro: 300 members “elected in representation of the sectors” (plus rector/secretary general/manager ex officio). ([ES](#))
2. **Universidad de Granada** — Claustro: 300 claustrales elected representing sectors of the university community (plus ex officio). ([Secretaría General](#))
3. **Universidad Complutense de Madrid** — Claustro: 300 representatives with sector quotas (includes students and PAS), plus ex officio. ([ucm.es](#))
4. **Universitat de València** — **Claustro**: formed by rector/secretary general/manager + **300 members elected** by the university community with a stated sectoral breakdown. ([Universitat de València](#))
5. **Universidad de Málaga** — **Claustro** (regulation/statutes-based): described as the maximum representative body; elections select sectoral representatives (faculty, students, and technical/administrative services). ([UMA](#))

### Slovenia (public + private examples) — Administrative/Management Board (Upravni odbor) / Governing Board

Slovenian higher-education institutions commonly use a 9-member board model where internal representatives (academic + other employees + students) can form a majority and are selected through election/representative procedures.

1. **University of Ljubljana (public)** — Administrative Board (9 members): 4 university reps (3 higher-ed employees + 1 other employee) + 1 student + 3 founder reps + 1 employer rep; election/appointment procedures specified (university reps elected via senate rules; student appointed via Student Council procedure).
2. **University of Maribor (public)** — Management Board (9 members): 4 university reps (incl. admin staff) + 1 student rep vs 3 founder + 1 employer; statute specifies elections for employee representatives and vote-based selection mechanics. ([University of Maribor](#))
3. **University of Primorska (public)** — Administrative Board (9 members): same board structure shown in the consolidated statute text (4 university reps incl. “other employees” + student + founder/employer reps). ([upr.si](#))

4. **Faculty of Information Studies in Novo mesto (private)** — Governing Board (9 members): 4 internal reps (3 higher-ed activity employees + 1 other employee) + 1 student + 3 founder reps + 1 employer rep. ([FIŠ - Fakulteta za informacijske študije](#))

*(Slovenia is a small system; there are fewer universities, so private higher-ed institutions are often needed to reach 3–5 examples.)*

#### **Italy (public universities) — Senato Accademico / governing senate**

Italian universities' **Academic Senate** frequently includes **elected academic staff, technical-administrative staff, and students.**

1. **Sapienza University of Rome** — Academic Senate: includes 6 student representatives and 5 technical-administrative/library staff representatives “voted by the same staff”, alongside academic members; “elective components” terms are specified. ([Sapienza Università di Roma](#))
2. **University of Bologna** — University General Statute: senate includes professors/researchers elected, student representatives elected by the Student Council, and professional staff representatives elected by professional staff. ([normateneo.unibo.it](#))
3. **University of Milan (Statute text in Gazzetta Ufficiale)** — Academic Senate: includes 3 elected technical/administrative staff reps and 6 elected student reps (in addition to academic members). ([Gazzetta Ufficiale](#))
4. **University of Pisa — Statute (2025)**: Senato accademico composition includes 18 elected academic staff, plus technical-administrative reps and student reps; elections for technical-administrative reps are explicitly stated.
5. **Politecnico di Torino — Statute**: Senato Accademico includes elected faculty/research reps, two technical-administrative staff reps, and student representatives (15 per cent of the senate size); the statute explicitly frames the senate as representing “personnel and students” and sets election rules. ([PoliTO](#))

## **PART IV: Why Australian governments should enshrine collegial decision-making in public universities' governing legislation**

### **1. Collegial governance improves decision quality in public institutions**

Decisions about courses, professional training & research quality require subject-matter expertise. Collegial decision-making ensures that those who understand the disciplines inform major decisions, reducing costly mistakes such as failed restructures, accreditation risks, & course closures that later have to be reversed.

#### **Why this matters to Victoria:**

Poor decisions lead directly to workforce disruption, student complaints, regional skill shortages, & political blowback that lands on state governments.

### **2. Collegial governance strengthens public accountability**

Public universities are created by Victorian legislation & funded by taxpayers. Collegial governance embeds internal democratic accountability, ensuring decisions are tested against evidence & public purpose before they reach crisis point.

#### **Why this matters to Victoria:**

It reduces need for ad-hoc ministerial interventions after damage has already occurred.

### **3. Collegial decision-making protects educational quality & professional standards**

Mass sackings & course closures undermine professional accreditation, workforce pipelines, & student outcomes. Collegial governance ensures reforms consider long-term training needs in teaching, nursing, engineering, health, & all the professions Victoria relies on.

#### **Why this matters to Victoria:**

When universities fail to train graduates properly, the cost is shifted onto hospitals, schools, courts & employers.

### **4. Collegial governance reduces governance capture & conflicts of interest**

Universities increasingly rely on external consultants & executives drawn from the same firms. Collegial decision-making acts as a safeguard against groupthink, revolving-door conflicts, & opaque “commercial-in-confidence” decisions.

#### **Why this matters to Victoria:**

It aligns universities with Victorian public-sector governance standards & reduces reputational & financial risk.

### **5. Enshrining collegial governance restores trust & institutional stability**

Decisions reached through transparent, collegial processes are more likely to be accepted, implemented, & sustained. This reduces industrial disputes, staff turnover, & student dissatisfaction.

#### **Why this matters to Victoria:**

Stable universities mean fewer crises, fewer headlines, & better value for public investment.

## **Rationale for 50 per cent or greater democratic representation on university governing bodies**

Before 1990, most universities appear to have elected 50 per cent or more of their university's governing bodies from members who were elected or appointed by the Convocation and/or by staff and students, based on the composition clauses in the relevant University Acts.

### Murdoch University

In Western Australia, the Murdoch University Act 1973 (WA) fixed the Senate to include 3 academic staff elected, 1 non-academic staff elected, 2 students elected, and 2 Convocation members elected (8 elected seats total), alongside the Chancellor and Vice-Chancellor (2), 6 Governor-appointed members, and up to 3 co-opted members. ([WA Legislation](#)) This yields  $8/16 = 50$  per cent elected if no co-opted members are added, and  $8/19 \approx 42.1$  per cent elected if the Senate uses its full power to co-opt three additional members. ([WA Legislation](#)) The Act also explicitly codifies that each member has a deliberative vote, with the presiding member holding a casting vote on ties (unless otherwise provided by Statute), which means the elected staff/student/Convocation members are legislatively full voting members by default. ([WA Legislation](#))

### Queensland University of Technology & University of Queensland

In Queensland, two Acts meet a  $\geq 40$  per cent threshold on their face. The Queensland University of Technology Act 1988 (Qld) set a (non-first) Council of 20 members, including 3 elected academic staff, 2 elected non-academic staff, 2 elected/appointed students, and 2 appointed by and from Convocation (9 "internal/convocation" seats), plus 3 ex officio and 8 Governor-in-Council appointees; the Council could also appoint up to 2 additional members. ([Queensland Legislation](#)) That makes the elected/constituency block  $9/20 = 45$  per cent (or  $9/22 \approx 40.9$  per cent if both optional extra members are used). ([Queensland Legislation](#)) Separately, the University of Queensland Act 1965 (Qld) constituted a Senate that, on the Act's numbers, totals 34 members (7 ex officio + 27 appointed), including 3 appointed by and from full-time graduate staff, 1 appointed by and from other full-time staff, 2 students appointed by and from the body of students, and 8 appointed by Convocation—i.e.,  $14/34 \approx 41.2$  per cent from staff/student/Convocation constituencies. ([Queensland Legislation](#))

### University of Wollongong

Under the University of Wollongong Act 1972 (NSW), the Council (the governing authority of the University) was constituted under s 15 as comprising: two parliamentary members (one elected by each House of the NSW Parliament), two official members (the Chancellor and Vice-Chancellor), four nominated members appointed by the Governor, and a substantial block of elected student and non-student members. The elected members consisted of two students, three members elected by Convocation, four academic staff (three professors and one non-professorial academic), and one professional staff member. This yields a total Council of 18 members, of whom 10 were elected by students, academic staff, professional staff, or Convocation. On that basis, elected members comprised  $10/18 = 55.6$  per cent of the governing body, exceeding the 50 per cent threshold.

The Act further provided that elected members held office for terms prescribed by by-laws (not exceeding three years), and vacancies in elected positions were to be filled by election in accordance with the relevant constituency provisions. The Council also elected the Chancellor (who could be either a member or an external person) and the Deputy Chancellor from among its members, reinforcing the role of the Council as a corporately self-governing body rather than one dominated by executive appointment. As summarised in the accompanying Senate Inquiry extract, this 1972

structure meant that a majority of Council seats were filled by democratically elected staff, students and graduates prior to the 1989 restructuring, which substantially reduced that internal representation.

Under the University of Wollongong Act 1989 (NSW), which repealed the 1972 Act, the Council was reconstituted in a markedly less democratic form. Section 9 provides that the Council consists of parliamentary members (2), official members (3), appointed members (4 plus up to 1 additional appointed by the Council), and elected members. The elected members were reduced to 2 academic staff, 1 non-academic staff member, 1 student, and 4 Convocation members. On the face of the Act, this yields a Council of 14 core members (2 parliamentary + 3 official + 4 appointed + 5 elected) plus 4 Convocation-elected members, giving 9 elected members out of 18 total = 50 per cent if one counts Convocation as an elected constituency, but only 4 internally elected staff/student members out of 18 (22.2 per cent) if focusing strictly on staff and student representation.

More precisely, however, the composition under s 9 produces 2 parliamentary + 3 official + 4 appointed + (2 academic + 1 non-academic + 1 student + 4 Convocation) = 17 members, with power to appoint one additional member under s 9(6). This means the elected block totals 8 elected members (2 academic + 1 non-academic + 1 student + 4 Convocation) out of 17 ( $\approx 47.1$  per cent), or 8/18 (44.4 per cent) if the additional appointed member is used. The key structural change from 1972 was the reduction of directly elected staff and student members to only four seats, with Convocation members expressly barred from being serving staff or students (s 9(5)(d)).

The 1989 Act also codified stronger executive and ministerial influence. Four members were appointed by the Minister (s 9(4)), and one further member could be appointed by the Council itself (s 9(6)). Although elected members retained full voting rights (Schedule 1, clause 9), the structural shift clearly reduced the proportion of directly elected staff and students compared with the 1972 Act, marking a transition away from majority internal democratic governance toward a mixed external–appointed model.

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