



NTEU Submission on the

Quality of Governance at Australian Higher Education Providers

**In response to the Inquiry held by the Senate Education and
Employment Legislation Committee**

Dr Alison Barnes, NTEU President
Dr Terri MacDonald, Director NTEU Public Policy & Strategic
Research
Mr Kieran McCarron, Policy Officer NTEU Public Policy &
Strategic Research.

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Introduction

The National Tertiary Education Union (NTEU) represents the industrial and professional rights of over 28,000 members working in Australian higher education and research.

We welcome the opportunity to make a submission to the Senate Education and Workplace Relations Committee on university governance.

Following on from the ever-growing list of governance failures including the sector-wide revelations of wage theft, poor workforce planning, marginalisation of staff voices, conflicts of interest, and excessive executive remuneration, the NTEU has been advocating a parliamentary review of university governance. This Senate Inquiry into university governance provides the broader university community, as well as the public (which includes those who have experience in higher education) with the opportunity to share their experiences, concerns and recommendations directly with the government.

Good institutional governance is a core concern for not only university staff and students, but for those who rely upon universities to provide the critical skills, knowledge and expertise needed to grow our economy and support our social wellbeing into the future. Universities have a primary function of acting as a public good and this must be reflected in their governance structures.

Note on the Interaction of this Inquiry with Other Governance Related Processes

We note that in addition to this Inquiry, the Government has established the [Expert Council on University Governance](#) to 'provide expert and technical governance advice to the Federal and State/Territory Education Ministers about how to improve university governance and performance' and to 'assist Ministers in strengthening university governance and ensuring universities are safe and welcoming places to work and study in'. We welcome the enactment of this recommendation from the Universities Accord Review.

Concerted action to reform university governance is necessary federally as well as in States and Territories. This is recognised by the primary responsibility of the Expert Governance Council to provide advice to the federal Education Minister *and* State and Territory Education Ministers. In terms of '(t)he adequacy of the powers available to the Tertiary Education Quality and Standards Agency to perform its role in identifying and addressing corporate governance issues at Australian higher education providers', the role of TEQSA is critical but needs to be accompanied by corresponding actions by the States and Territories. For one, establishing sound governance standards and enhanced staff voice would require amendment of the State and Territory statutes that establish universities. We make a specific recommendation aimed at concerted university governance reform.

In the similar vein of coordination, our view is that the evidence provided by university staff and students, together with the findings of the Committee from this evidence, should be referred to both the Education Minister and the Expert Council on University Governance. Such actions would help to highlight the problems with governance experienced by the university community directly and allow for these to be more fully expressed and better understood by the Minister and Expert Council.

Executive Summary

Universities have a right to institutional autonomy and independence; these are the defining values of universities worldwide. Institutional autonomy and academic freedom are essential to the work of Australian universities and are a core requirement for self-accrediting institutions.

The governing bodies of universities play a critical role in protecting and sustaining the core functions of a university, to deliver teaching and research that engages with advanced knowledge and inquiry, and to promote and protect freedom of inquiry and other academic freedoms. Likewise, transparency and accountability in governance is necessary to encourage freedom of expression and thought, and to safeguard intellectual inquiry.

However, decades of cultural change in the governing bodies of our universities and a move towards a corporate, for-profit culture that has coincided with universities increasingly looking to non-government funding sources to support their core functions of teaching and research, has seen a demise in good governance structures and practice. Bound up with these changes has been a marginalisation of staff voice and an expansion of managerialism.

The rise of managerial control to dominance in universities has contributed to, among other things, the dramatic growth of insecure work in these institutions. Managerial control has also cut across academic governance through senior managers making decisions about course offerings and research directions.

It is therefore not by coincidence that at the same time as the cultural shift in governance has occurred, universities have moved towards adopting a 'flexible' workforce. In reality, this 'flexibility' is based on moving to employment arrangements that are both unstable and insecure, as well as outsourcing in some institutions of some core functions in administration and teaching.

Aimed at cutting employment costs in the short-term, these measures have deeply damaged Australian universities. They have created a workforce that is less likely to speak out or challenge management decisions. There is a tight nexus here between insecure work and wage theft. The insecure workforce model of universities fundamentally contradicts the centrality of job security to academic mission of universities: not only is such security necessary for academic freedom but also more generally for the quality of teaching and research.

We know that this model does not have to persist. Western Sydney University, for example, agreed to create 150 new ongoing teaching-research positions with the goal of reducing casualised teaching by 25 percent. Existing casual staff were transitioned into these roles. WSU should be commended for diligently following through on this commitment.

However, the NTEU has identified numerous instances of governance failures in our public reports and in submissions to governments over many years. Our last report *Ending Bad Governance for Good* found the sector to be in the depths of a crisis in governance. The sector's shameful levels of wage theft continue to grow, with the Fair Work Ombudsman even

forced to act against several large universities on underpayments of current and former staff. Our universities have not acted as 'exemplary employers' but instead have positioned themselves as large corporations that are both publicly funded and profit driven, in what they see as a competitive market for consumers, rather than as providers of a public good.

Today, the corporatisation of universities has brought about two contrasting dynamics.

First, the exploitation of the workforce, notably through wage theft and insecure work, which has occurred alongside the massification of the higher education system and an increase in student tuition fees (and debt).

Running in the opposite direction is the exponential growth in executive remuneration with an increasing pay gulf between the executive leadership and the university staff; salaries of Vice-Chancellors outstripping those of the Prime Minister and Premiers; and most concerning failures to effectively regulate conflicts of interest (including external engagements of Vice-Chancellors).

However, governance is not only about remuneration of the senior leadership, or the 'golden handshakes' that accompany the controversial exits of poor performing, problematic vice-chancellors. It is not even when their boards wave through conflict-of-interest concerns over the leadership's side-line activities (such as partnerships in consultancies) in arrangements that are at best questionable.

At the macro level, governance concerns in our current universities can be related to the commodification of education, where the proportion in public funding for teaching and research has been eroded. This has led to a situation in which students are viewed as income that is never enough, and the staff who teach, research and support the activities of the institution considered an over-budget expense needing 'efficiency measures'.

Poor governance then manifests as corporate managerialism, pushing ahead with mass redundancies of staff, in cancellations of subjects and courses (even when popular), in confused leadership decisions and tone-deaf lip-service over staff concerns, and in the never-ending consultancy driven restructures in which everyone's job is unsafe and for those who remain, the pressure of unbearable workloads is psychologically hazardous.

Poor governance is also seen in the muting of staff and student voices on boards and vital committees and in the devaluation of their skills, experience and expertise. It underpins the sometimes aggressive manoeuvres by senior leadership intended to isolate, ostracize and undermine elected staff and students, and even target the employment and financial security of elected staff representatives.

We have heard repeatedly from members and others in the university community that their governance bodies operate in an opaque fog of secrecy and ill-defined decision making, and members sitting on governing bodies have reported hostility to their questioning of authority and processes. It is certainly true that hierarchical structures on governing boards bake in the power inequities that exist in our universities and most newly elected staff and student representatives receive very little training and support as they attempt to navigate an environment that appears purposely designed to confuse and intimidate.

The result of these issues – and others that we examine in our submission and attached reports - is the circumvention of the university community's ability to take an active role the governance of their institution. It is, put simply, poor governance.

It is no wonder then, that universities are losing the support of their staff and students, as well as increasingly seeing the need to defend their role to both governments and the public. The loss of social licence currently being experienced by universities is directly related to their governance failures and the corporate culture that has allowed these failures to not only occur, but be repeated, sector wide.

Taking these factors into account as well as the Terms of Reference for this Inquiry, our submission makes a series of recommendations on reforms (**Part A**) needed to not only prevent poor governance, but also to ensure good governance practice is standard sector wide. Importantly, this includes universities meeting the expectation outlined in the Universities Accord that they become 'exemplary employers'.

Our recommendations are supported by an overview of the main issues that have driven these governance problems and failures (detailed in **Part B**).

We have also included with this submission our latest reports on university governance issues and failures, which include the first-hand experiences of university staff and are supported by data-driven research (**Part C**).

These reports will no doubt reinforce the hundreds of additional accounts that the Inquiry will receive directly from current and former university staff and students, as well as the broader community.

Indeed, it is our experience that the issue of institutional governance (and particularly when it has failed), is of considerable importance for those who work, study and rely upon our public universities to deliver on their core mission of providing the skills, critical learning, knowledge and expertise needed for our country's future.

Part A: NTEU's Recommendations for Reforming University Governance

The pathway of governance reform and the restoration of social licence, whereby public universities act for the public good, requires the following major changes to institutional governance:

- **Governance process and practices** be reformed to make university decision-making processes more transparent and leadership more accountable and responsive to the university community and the public
- **Staff voice in decision making** be enhanced to restore democratic principles and collegiality
- **The Fair Work Ombudsman's model** for enhanced Joint Consultative Committees¹ be introduced across the sector
- **Universities to act as exemplary employers**, including reducing employment instability and insecurity.

The **Principles** noted above encompass the **NTEU's Recommendations** (outlined below) on reforming governance at higher education providers.

Our recommendations are made with the role of regulatory bodies (such as TEQSA) in mind. It is important that, whatever framework is in place to set the standards for good governance, compliance is monitored and there are appropriate, scalable remedies to address breaches and systemic non-compliance.

***Additional Principle:** Ensuring effective regulation and compliance through new national regulations and framework (federal and state/territory)*

We note that good university governance is already a Standard that universities must meet as part of their obligations under the [Higher Education Standards Framework \(Threshold Standards\) 2021](#) (Part A, Sections 6.1 (corporate governance) and 6.2 (corporate monitoring and accountability), with links to other Standards) and monitored by TEQSA.

However, these Standards (and the accompanying Guidance Notes) are at a high level and have not adequately addressed sectoral governance failures. We believe there needs to be a more focused approach on both the regulatory framework that outlines good governance and on overseeing provider compliance.

A further consideration in this area is the role of states and territories, noting that university governance structures are enacted through state and territory acts for all but one public university (ANU).

Accompanying State and Territory actions should therefore also include mechanisms for effective regulation and compliance. State and Territory Auditors-General could, for instance, be charged with overseeing governance standards under the relevant State and Territory legislation.

¹ All public universities have committees with representation of both the employer and the relevant trade union (NTEU). These may have varying titles but are established through the Enterprise Agreement with the employer.

To ensure the realisation of governance change and national consistency, federal reform measures should be enacted through new regulations for good university governance.

We have therefore recommended the establishment of a National Framework, which could be overseen by TEQSA and/or other regulatory bodies (such as ATEC) but should also reference the different government jurisdictions.

At a minimum however, the current provider governance standards overseen by TEQSA should be reviewed and, where appropriate, both tightened and strengthened.

Following are the NTEU's Recommendations to reform institutional governance and ensure that public universities can deliver on their core responsibilities of teaching, research, community service and engagement, as a public good.

RECOMMENDATIONS

In order to achieve these changes, the NTEU proposes the following measures, outlined under five main Principles, be adopted as part of a new regulatory framework for university governance:

1. Reform to governance processes and practices

- a. There be transparent appointment processes for University Council membership, with the size and composition of a university governing body's membership legislated in a university's enabling Act to reflect the institution's mission and the diverse constituencies to which it is accountable.
- b. The principles of open and ethical governance (to the extent that the actions of these bodies and their members remain lawful) are adhered to, and that university governing bodies have a right to the full and timely provision of information about the operation of the institution and its controlled entities. This shall include the ability of University Council members to obtain information from sources other than senior management.
- c. In keeping with community expectations of public institutions, executive remuneration be reported on publicly at all levels, and VC remuneration levels be capped at the salaries of the relevant state premiers. This will help restore public trust in our institutions.
- d. External engagements of Vice-Chancellors (including directorships, consultancies and other employment) be strictly limited to ensure the proper performance of their responsibilities and that any external engagement be publicly reported.
- e. In order to address perceptions of undue influence, the role of donors in university governance should be properly regulated (including through the disclosure of large donations and University Council policies in relation to donors and donations).
- f. Improved, publicly available reporting on institutional data related to workforce planning and institutional governance. This would include universities' usage of all forms of insecure employment, including fixed-term, contract and gig employment, as well as other data related to workforce management and governance processes.

2. Staff voice – representation and protection of staff voices

- a. The majority of university board membership comprise the university community, via democratically elected staff, students and alumni. The proportion of democratically elected staff representatives should constitute no less than 20% of university board membership.
- b. The majority of non-university board members to have public sector experience, and that appropriate attention is given to gender balance and representation of Aboriginal and Torres Strait Islander peoples.
- c. Members of university governing bodies have the right to represent the interests of their respective university communities, embodying the concept of universities as distinctive public institutions.

- d. That where information is necessary to act in the best interest of the university, members of governing bodies can uphold their obligation to keep constituencies informed about deliberations and seek their views and advice.
- e. That university governing bodies do not unreasonably discriminate between governing body members, and all members have a right to serve on relevant committees and sub-committees and there are formal programs of professional development for members (beyond ensuring that members are aware of their duties and responsibilities - e.g. provide training on interpret institutional data, financial information, and around working constructively with diversity).
- f. Safeguards be in place to ensure that elected staff and student representatives can exercise their rights and responsibilities in relation to the sound management and stewardship of the institution and act in the best interests of the university as a whole. This includes holding the institution's management to account for its decisions, actions and direction; understanding the mission of the institution and helping to define its strategic direction; contributing to the monitoring and review of the governing body, including the performance of the Vice-Chancellor, and ensuring that governance structures and processes are fit for purpose.

3. Wage Theft: Adopt the FWO's improved governance and compliance framework across the sector, including via enhanced Threshold Standards

- a. Higher Education Standards Framework (Threshold Standards) 2021 on Governance be updated to include minimum standards regarding compliance with workplace obligations, incorporating b) and c) below.
- b. Universities to establish within their University Councils and University Executives committees dedicated to compliance with workplace obligations (in line with the FWO model).
- c. Universities establish internal Employment Compliance Directorates to ensure ongoing improvement in employment compliance, culture, and training.
- d. Universities to establish Joint Consultative Committees with relevant unions, or, where they already exist, strengthen terms of reference to include compliance with workplace obligations (in line with the FWO model) and to pursue secure work as an objective including:
 - Equal participation of Unions and employers (including their Employment Compliance Directors)
 - Presentation of audits covering employment *practices* and payrolls, and progress towards secure employment goals
 - Regular reporting to University Council and University Executive on compliance and progress towards increasing the usage of secure work
 - Mechanisms for dialogue between the Joint Consultative Committee and, University Council and University Executive.

4. Universities as 'Exemplary Employers'

University management should also understand that governance reform is both necessary and beneficial. An "exemplary employer" in Australia's higher education system refers to an institution that not only meets its obligations to its employees, legally, morally, and ethically but constantly exceeds them. As part of Governance reform, universities should commit to acting as exemplary employers by:

- a. Committing to significantly reducing the levels of both employment insecurity and instability based on a renewed focus on workforce planning and continuing employment as the preferred mode of employment
- b. Developing a culture of cooperation, consultation and contributory decision making that supports academic freedom and values employees
- c. Developing appropriate secure career pathways and professional development opportunities for both professional and academic staff
- d. Ensuring that policies that support employees and promote diversity and inclusion are implemented through all levels of the structure and that decisions are not made that undermine or override those policies
- e. Ensuring that all employees (at any level) who are making employment related decisions have skills in employment relations, including in-depth knowledge of the obligations of the university through industrial instruments and legislation such as work health and safety legislation, as well as a thorough understanding of relevant university policies.
- f. Retaining as many existing staff in alternative roles as possible when compelled by external and significant changes in circumstances to undertake change management processes. This will require more flexible and extensive use of redeployment.
- g. Ensuring that robust proactive mental health support systems are in place to support a mentally healthy and safe workplace and to imbue and promote the ethos of a healthy work-life balance.

5. A National Framework for University Governance

- a. The framework and Principles recommended above should be implemented at Federal, State and Territory levels.
- b. Actions by States and Territories shall include necessary amendments to legislation establishing universities.
- c. Consideration be given to the creation of new quality measures on institutional governance, overseen by TEQSA and, where appropriate, other regulatory bodies (such as the newly formed ATEC), and
- d. TEQSA (and any other regulatory body) must proactively ensure compliance with all statutory measures related to good governance, including those that require universities to act as 'exemplary employers'. In doing so, the regulatory authority must also determine a provider's level of quality risk where these standards are not met and respond in a proportionate and scalable way.

Note: These Principles are recommended as a basis for a national governance framework applicable to all public higher education providers. However, these Recommendations are in no way exhaustive, and further consideration of governance structures and reform may be appropriate in response to other sectoral changes (e.g. the tertiary education harmonisation proposal under the Universities Accord and Jobs and Skills Australia incentives).

Part B. Overview of Governance in Public Universities

1. What constitutes 'effective governance' in Higher Education

It is vital to understand the importance of institutional governance in the structure, operation and culture of public universities. In this context, the NTEU views governance in higher education as referring to:

- the framework of policies, procedures, and practices that guide the decision-making processes within educational institutions, and all resultant decisions.
- the structures and relationships among various stakeholders, including Senates and Councils, administration, staff, students, and external entities.
- the accountability, transparency, strategic planning, and the alignment of institutional goals with the needs of the community and society at large.

Effective governance is achieved by ensuring institutions operate both efficiently and transparently, maintain academic integrity, uphold ethical standards, and adapt to changing educational landscapes. It also involves the distribution of authority and responsibility, ensuring that all stakeholders have a voice in the management and direction of the institution.

We note that the Governance Institute of Australia also has a wholistic definition of governance, stating:

'Governance encompasses the system by which an organisation is controlled and operates, and the mechanisms by which it, and its people, are held to account.'

Ethics, risk management, compliance and administration are all elements of governance.'

This definition also includes both administration and the system within which it operates, making it clear that how the institution operates and is administered ultimately is a part of governance for which the governing bodies hold responsibility.

Thus, where there are failures in either the system which controls and operates the university and/or in the administration of the institution, are ultimately failures of governance.

2. The Shift in Governance by the Higher Education Providers

Most issues arise from the shift from collegiate and participatory governance structures to corporatised models of governance, which accelerated in the 1990's. This change was embraced by both successive governments and the university sector and coincides with the increased reliance on non-government forms of funding (primarily through international education). The corporate model is now the dominant mode of university governance, with university staff, students and alumni in the minority and a heavy reliance on board membership from corporate, business and political interests.

Central to this change has been the reliance on:

- metrification and governance by numbers, an approach more suitable in the profit driven private sector, and
- a corporate culture that undermines academic freedom, collegiality and the core mission of universities as a public good.

This shift has led to the current situation where it is clearly demonstrable that universities are not behaving as ‘exemplary employers’² and not operating as a public good, despite being the beneficiaries of substantial public funding.

Within this problem are a number of key issues that contribute to the failure of universities to meet the standard that the Government, in its commitment to dealing with university governance (via the Universities Accord recommendation) is seeking.

Most of these derive from the shift from collegiate and participatory governance structures to corporatised models of governance (which accelerated in the 1990s) and are now the dominant mode of university governance.

Central to that shift has been the reliance on metrification and governance by numbers which, while more suitable in the profit driven private sector, have had a harmful impact on universities by promoting a corporate culture that undermines academic freedom, collegiality and the core mission of universities as a public good.

3. Current Governance Issues

Many of our Recommendations to this Inquiry are in response to the various problems that the Union and our members have identified in university governance.

We also note that the Fair Work Ombudsman (FWO) has been highly critical of universities’ governance practices, linking underpayment of staff (amongst other issues) directly to governance oversight and administration.

While each institution has its own governance structures and there are differences in institutional cultures, there are common themes underpinning poor governance which can be found across the sector. In other words, while individual universities have their own specific instances of governance failures there is a commonality in the underlying reasons for these failures.

Below is a broad outline of the issues that underpin governance failures and support our recommendations:

- ***A focus on metrics driven, short-term decision making by university leaderships***

Examples of this include investment driven for short-term rankings results and not on a long-term strategic basis, a failure to engage in long term workforce planning, or invest in long term research capability (**addressed by Recommendations 1, 4**).

- ***Lack of accountability for the impact of decisions***

Increasingly if a decision is supported by a performance metric (that may or may not be appropriate) there is no accountability for the non-metricated impacts of that decision e.g.

² Bitá, N. [FWO warns of tough wage theft penalties for universities](#) The Australian, published 10.12.2024.

impact on organisational culture. This leads to inadequate performance management of senior executives **(addressed by Recommendation 1)**.

- ***Excessive executive remuneration***

The salaries of senior managers have blown out relative to the rest of the community and to the international university sector. Accompanying the high salaries have been a disturbing number of examples of profligate spending on the senior management group **(addressed by Recommendation 1)**.

- ***Lack of Transparency***

University governance structures have become increasingly opaque with much business conducted 'in camera' on the basis that it is commercial in confidence. How can the public and the university community have faith that decisions are in their interest if they cannot see how those decisions are made and on what basis **(addressed by Recommendations 1, 2)**.

- ***Lack of Trust***

There is a widespread lack of trust in university governance and management, within the government and the higher education community, which is being contributed to by all of the above. **(addressed by Recommendations 1,2)**.

- ***Lack of sufficient higher education expertise and community membership of governing bodies***

The dominance of senior corporate leaders results in governing bodies that are effectively compelled to make decisions by metrics because of the lack of depth of knowledge of universities or their public mission. At the same time, the contribution of the university community – that is, the staff, students and alumni, is minimised and their knowledge and skills not valued at the same level. This is a particular issue on institutional audit and risk bodies, and on remuneration committees which set Vice Chancellor salaries. The exclusion of staff from these bodies also impacts on issues around transparency, trust and accountability.

The over representation of senior corporate interests is the result of a significant reduction in the numbers of elected staff and students on governing boards over the last 15 years, with almost all state and territory legislative changes effectively reducing the numbers of elected staff positions nationally.

As a result, the NTEU's analysis of university board appointments in 2024 found that the combined number of elected staff, students and graduates of institutions on university boards was barely 25% of total board memberships. Instead, the majority of positions (67%) were appointed, and of these, almost 40% were from corporate or consultancy backgrounds.³ This change to governance membership – whereby the majority of these boards have little or no experience of the sector, is a driving force in the change of institutional culture, and behind

³ See NTEU Report: The Corporatisation of University Governance in Australia (2024), attached to this submission.

systemic issues such as wage theft and insecure employment. **(addressed by Recommendation 2).**

- *Domination of academic boards by managers*

Academic Boards are now frequently dominated by academics with managerial level appointments, diluting the collegiate decision making that is critical to ensuring that academic standards and mores are maintained **(addressed by Recommendation 2).**

- *Elected Staff on governing board excluded, intimidated and targeted*

The NTEU is aware of many instances whereby elected staff representatives on governing bodies have experienced bullying and/or been targeted in other ways by senior leadership. This includes being excluded from parts of meetings, being prevented from adding to agendas, not receiving papers, not being able to speak out during meetings, excluded from positions on subcommittees, etc. Staff representatives have also been industrially and/or legally targeted for speaking publicly on concerns and issues⁴, and there are instances where university management has attempted to remove them from boards and/or threatened their employment.

University staff and students have a right and a professional responsibility to participate in university governing bodies. They also have an obligation to monitor and the right to criticise the functioning of higher education institutions, including their own, as set out in the Recommendation Concerning the Status of Higher Education Teaching Personnel, adopted by the 1997 General Conference of UNESCO. **(addressed by Recommendation 2)**

- *Devolved budgets*

Devolved budgets, which impose performance and financial constraints on academic and support units, have the effect of devolving responsibility to Faculty, School or Unit heads and away from senior management.

Frequently academic units are encouraged via one arm of the university senior management to pursue metrics e.g. more hours of work integrated learning or higher enrolments for which they are not appropriately funded by the central budgeting process. This provides an incentive to make decisions that are not consistent with being exemplary employers e.g. by increasing workloads and reducing payments for casuals. We emphasise that this, along with notable

⁴ A recent example is that of Associate Professor Gerd Schroeder-Turk, who was unsuccessfully targeted by Murdoch University in 2019 for speaking to a media program on the exploitation of international students. Professor Schroeder-Turk expressed concerns for the health and welfare of the students, as well as the academic integrity of the degree programmes. He had repeatedly attempted to raise the issues internally, but he had been ignored and even targeted for raising the issues.

Shortly after the programme aired, the University sought to have him removed from his role as the elected representative of academic staff on the university's governing body, the Senate, therefore removing the only elected academic voice at the University's highest level of governance. Schroeder-Turk supported by the NTEU acted to prevent the removal and any other punitive actions as a result of his whistleblowing. In response, the University then attempted to sue him, alleging that he was responsible for a 15% drop in their international student enrolments and thus owed what may amount to millions of dollars in damages. The University later dropped the case.

university wide decisions, is a significant contribution to the scourge of wage theft in the sector **(addressed by Recommendation 3)**.

- ***Siloed decision making and lack of coordination by senior managers***

Given the NTEU's extensive industrial experience over decades at all public universities, it is our observation that universities appear to have little co-ordinated, strategic oversight as a whole institution.

Governance structures do not appear to be in place to ensure that policy aims of the University in one portfolio area are implemented in the practices and decisions of others. For example, a decision is made to support policies to support women academics and encourage their careers, another policy is promulgated that seeks to eliminate discrimination and harassment, and a third policy is adopted that supports the use of anonymous student satisfaction surveys which are known to be discriminatory and produce abuse of individual academics.

In addition to the issues outlined above, the NTEU has been at the forefront of the fight to address the sector-wide practice of wage theft. We consider this practice (what universities euphemistically refer to as 'underpayment') to be evidence of serious governance failures **(addressed by Recommendations 1,4)**.

- ***Workforce composition***

The comparatively higher levels of casual staff and fixed term staff in the university sector compared to other sectors of the economy imposes greater pressures on governance processes and systems. It is difficult for transient staff to engage with universities' goals, strategic plans and to fully comply with the wide range of university policies and procedures **(addressed by Recommendation 3, 4)**

- ***Psycho-social safety risks***

The university sector has a particular set of recognised psycho-social hazards including but not limited to, high job demands (workforce composition and high emotional demand to support students), constant organisational change and the bullying and harassment of staff by students and parents. From a governance perspective, it is incumbent on university management to have robust policies and procedures to monitor the psycho-social health of staff and promptly respond to psycho-social incidents/pressures. **(addressed by Recommendation 4)**

4. Wage Theft is a Governance Failure

It has been well established that the higher education sector has been amongst the most prolific under payers of wages in Australia (\$265m and counting), and as such the sector was explicitly named as a priority area for enforcement by the Fair Work Ombudsman in 2022, following letters sent to universities in 2020 regarding concern over their practices. Deputy Fair Work Ombudsman Rachel Volzke took the extraordinary step of writing to the Accord Higher Education Review Panel in 2023 to outline the widespread systemic failures she subsequently found in the sector:

“we are seeing a pattern of repeated and often entrenched non-compliance particularly in relation to casual staff, with unpaid work (primarily unpaid time for marking, lecture attendance and tutorials/other student interactions), work (such as lectures, student consultations and marking) being incorrectly classified (and therefore incorrectly paid) under the applicable enterprise agreement, and failure to pay correct entitlements being commonly identified”⁵

The Deputy Ombudsman explicitly named “poor governance” as a key contributing factor in universities’ non-compliance, explicitly calling out:

- *“Corporate governance arrangements that do not prioritise or consider workplace relations risks or compliance, often with little or no line of sight over how work is undertaken at the business level. For instance, inadequate reporting to and oversight by governing boards including audit and risk committees, resulting in a single point of failure.*
- *No systems for identifying compliance risk, such as reporting on payroll issues or complaints to identify red flags, areas for audit or trends”⁶*

There is no hard evidence to suggest that all universities have satisfactorily acknowledged or addressed these issues.

Of the four enforceable undertakings published by the FWO in its 2024-2025 reporting period, two applied to universities in response to the finding that they had systemically underpaid staff.

The University of Melbourne entered into an enforceable undertaking to complete payments of \$75 million to 25,000 underpaid staff, and the University of Sydney entered into an enforceable undertaking to complete \$25 million in payments to 14,000 underpaid staff.

In its enforceable undertaking, the University of Melbourne notably acknowledged that:

“deficiencies in compliance, oversight and governance process have contributed to the contraventions...including underpayments”⁷

Both of these universities have been required to take steps towards rectifying the governance failures that led to systemic underpayments – these best practices should be broadly adopted across the whole sector.

⁵ Rachel Volzke, Deputy Fair Work Ombudsman, Letter to Professor Mary O’Kane regarding “Australian Universities Accord”, 8 May 2023, https://www.afph.gov.au/-/media/Estimates/eet/bud2324/Letter_to_Prof_OKane_Universities_Accord_Panel_8_May_2023_from_Fair_Work_Ombudsman.pdf?la=en&hash=9CE5F1DBCB8C2C5519CA205D5429D0491DC58A43

⁶ Ibid

⁷ FWO, University of Melbourne Enforceable Undertaking, December 2024, 15. a) p. 3
<https://www.fairwork.gov.au/sites/default/files/2024-12/university-of-melbourne-eu-redacted.docx.pdf>

This includes voluntary audits of payroll data to identify non-compliance, and additional reviews of policies and practices to look for weaknesses in the processes used for engaging casual employees.

While a number of other universities have claimed to have undertaken audits, without proper line of sight for workers and their unions it cannot be taken for granted that all issues have been fully probed, exposed, and resolved.

As it stands, it is extremely likely that practices deemed inappropriate by the FWO, such as “benchmarking” academic marking to a fixed rate instead of paying for the hours worked, are ongoing in the sector.

In its enforceable undertaking UoM was required to create a new Employment Compliance Directorate to build a culture of compliance via a wide range of governance improvements, training and monitoring functions.⁸

In addition, UoM was required to strengthen the role of worker voice in monitoring and compliance by enhancing the role of the existing Joint Consultative Committee – as established under the existing Enterprise Agreement.⁹

These joint worker-management committees are already common in the sector via enterprise agreement provisions, although many do not yet have an explicit mandate to review compliance, as such, universities should be required to demonstrate they have established a body whereby the union can raise concerns regarding compliance with workplace obligations, and the University can report on its efforts to ensure industrial compliance. These bodies should have equal representation of university managements and unions. Ideally, these bodies would also monitor movements towards secure work objectives including reporting on the numbers of casual and fixed-term employees converted to continuing employment each year, as the exemplary employers do. **(Addressed by Recommendation 3).**

⁸ Ibid, p. 13

⁹ Ibid, see p 16-18 for further details on this model

5. The Role of TEQSA in addressing wage theft and the prolific use of insecure employment

As is presently stands TEQSA is tasked with ensuring universities comply with the Higher Education Threshold Standards – these being the minimum standards required to be registered as a higher education provider. These standards explicitly cover the domains of “Governance” and “Teaching”, which includes regulation of staffing.

The current domain of governance (6) outlines standards for *Corporate Governance*, *Corporate Monitoring and Accountability*, and for *Academic Governance*.¹⁰ Given that governance failures have clearly occurred in relation to wage theft (which is itself the result of the inappropriate systemic use of casual employment to perform ongoing work) it is clear that these standards are insufficient.

NTEU believes that additional standards are required that explicitly articulate mechanisms for ensuring compliance with workplace obligations and ensure that governing parties are held accountable for failures (something which has not taken place).

At a minimum, this should include those principles outlined in Recommendation 3 above.

The Higher Education Threshold Standards also regulate “Teaching” under Domain 3, this includes section 3.2 *Staffing*.

Under this section it is explicitly required that:

Staff with responsibilities for academic oversight and those with teaching and supervisory roles in courses or units of study are equipped for their roles, including having:

- a. knowledge of contemporary developments in the discipline or field, which is informed by continuing scholarship or research or advances in practice*
- b. skills in contemporary teaching, learning and assessment principles relevant to the discipline, their role, modes of delivery and the needs of particular student cohorts, and*
- c. a qualification in a relevant discipline at least one level higher than is awarded for the course of study, or equivalent relevant academic or professional or practice-based experience and expertise, except for staff supervising doctoral degrees having a doctoral degree or equivalent research experience.*¹¹

While these requirements have existed for a long time it is our experience that these are routinely flouted by providers. Analysis of sector staffing data also supports our conclusion.

¹⁰ Higher Education Standards Framework (Threshold Standards) 2021
<https://www.legislation.gov.au/F2021L00488/latest/text> see Sections 6.1-6.3 for full standards in relation to Governance

¹¹ Higher Education Standards Framework (Threshold Standards) 2021, Section 3.2.3 ‘Teaching’

As it presently stands a very large proportion of teaching in universities is performed by casual staff on an indefinite an ongoing basis.

In 2023 (the most recent year data is available) there were 5,760 FTE of continuing or fixed term “teaching only” staff in the sector, versus 10,580 FTE of casual “teaching only” staff.¹² NTEU estimates this number of FTE would equate to around 50,000 actual staff – the “FTE” being significantly reduced due to long unpaid leave periods and systemic underpayment.

From a regulatory compliance perspective, this systemic usage of casual “teaching only” staff is highly problematic because **casual staff are categorically not paid to undertake continuing scholarship or research.**

Universities rely on the implicit expectation that casual staff will perform this work on their own time to maintain “academic currency” or alternatively they turn a blind eye to this legislative requirement.

TEQSA should engage with providers to ensure that their workforce profiles and practices comply with this existing requirement.

Further, TEQSA’s own Risk Assessment Framework (RAF) identifies several risk factors to education quality that are directly related to good governance oversight of workforce planning, including:

- Senior academic leadership;
- Academic staff on casual work contracts,
- Student to staff ratios; and
- Student satisfaction

Any deficiencies by a higher education provider in relation to these indicators presents a risk to the institutions meeting the standards required to be registered and operate as a higher education provider. However, gaps in the standards and/or guidelines means there are inconsistencies and even the undermining of standards.

For example, it would be incongruous for a higher education provider to have a plan that addresses all of the desirable aspects contained in the Guidance Notice on teaching quality, but in effect has primarily non-permanent appointments in their future employment arrangements.

(Addressed by Recommendations 3 & 5)

¹² Department of Education, Higher Education Staffing Data, 2023 and 2024
<https://www.education.gov.au/higher-education-statistics/staff-data> (This data was supplemented by additional provided by the Department.)

Part C: NTEU's Research into Governance in Public Universities

NTEU over a decade has produced reports, held sector roundtables and conferences, participated in sector reviews and proposed reforms to improve university governance.

While there continues to be considerable in the remuneration of university leaders, the Union's research has found evidence of broader systemic governance failures. Insecure employment, widespread 'underpayment' of university staff now totalling the hundreds of millions, executive largess, potential conflicts of interest and questionable spending, a lack of transparency and accountability in governance structures and decisions, and repetitive cycles of restructures and job losses, are all examples of failures of governance found by the NTEU.

Below is a summary of the most recent reports and research on university governance undertaken by the NTEU.

[NTEU's Report: *Ending Bad Governance for Good*](#)

Our latest report on University Governance failures (2024) found there were 306 senior executives earning more than their state premier and the average Vice Chancellor salary was \$1.048m (2023). However, we found there was almost no relationship between university staff or student numbers, international ranking, financial performance and the respective Vice Chancellor salaries.

The average university now has six executives paid more than the local state premier, led by Monash University with 16 executives earning more than Victorian Premier Jacinta Allan.

In summary, the NTEU's report found that

- **Universities spent \$734 million in 2023 on “consulting”** and professional advice or services
- **Insecure employment is out of control in higher education**, with 68 percent of all workers in the sector employed using casual or fixed-term contracts
- **Total wage theft** has now reached \$265m in confirmed underpayments and \$168m in pending provisions with 150,126 workers affected across over 30 major institutions
- **Egregious conflicts of interest**, which would not be allowed in the public sector are rife in universities
- **Universities have a pattern of poor workforce planning** and retrenching indispensable staff: the 11 universities that have proposed at least 2291 job losses in late 2024 previously retrenched almost 4800 staff in 2020 and 2021, only to add back 3600 staff by 2023 before then announcing another round of job losses in 2024
- **Bad governance is generating unhealthy workplaces and leading to low workplace morale**

The NTEU's Report *Ending Bad Governance for Good* is attached to this submission and provides both additional research and data as well as direct accounts of governance failures from higher education workers.

[NTEU Report: *University Governance Concerns in relation to Victorian Vice-Chancellors and Chancellors*](#)

This report documented the conflicts of interest – potential and real – arising from

- Large donations made by University of Melbourne Chancellors; and
- Consultancies and directorships of Victorian University Vice-Chancellors.

It recommended that:

- Victorian universities disclose:
 - donations received exceeding \$500 000 on an annual basis; and
 - protocols on managing conflicts of interest in relation to donations.
- Donors who made a donation to a Victorian university in excess of \$1 million in the past 10 years be precluded from being appointed as the Chancellor of that university.
- University annual reports disclose:
 - all paid consultancies of Victorian Vice-Chancellors together with the amounts paid;
 - all directorships of Victorian Vice-Chancellors together with the amounts paid;
 - all contracts between that university and entities of which the Vice-Chancellor is a director together with information as to the value of the contracts and arrangements put in place to avoid conflicts of interest.
- Victorian Chancellors be required to certify in university annual reports that the commitments associated with the directorships, consultancies and other forms of non-university work of their university's Vice-Chancellors have not compromised the ability of the Vice-Chancellors to perform their duties.
- The Victorian Auditor-General's Office audit Victorian university governance arrangements relating to contracts between universities and companies of which Vice-Chancellors are directors.

The NTEU Report: *University Governance Concerns in relation to Victorian Vice-Chancellors and Chancellors* is attached to this submission.

[NTEU Report: *The Corporatisation of University Governance in Australia*](#)

Released in April 2024, this report provided new evidence to show that the public university governance boards have become over-represented by unelected members with direct links to big business. The Report found that in April 2024:

- Of 545 positions on university governing bodies 366 have been appointed, and of these 143 are corporate executives or consultants from for profit organisations.
- In contrast only 137 have been elected from the staff, students and graduates of the institutions they serve.
- One university has three former executives from heavy industry and two from financial services on its governing body, more than the number of current staff members.

The Report noted further that the high levels of corporatised university governance coincided with record levels of insecure employment and wage theft in the sector, and persistently out of touch levels of remuneration for senior managers.

The Report also found that, while the influence of private, for-profit membership on governing boards is notable, the proliferation of consultants into these positions is even more concerning.

In 2023 it was reported that the top ten ranked universities spent at least \$249m on consultants alone. Extrapolated out, this could mean the sector is pending close to \$1 billion per year on consultants. As it presently stands only Universities in Victoria and Queensland are required to report on their spending on consultants, and this reporting is still minimal.

The NTEU Report “*The Corporatisation of University Governance in Australia*” is attached to this submission.

[NTEU Report: Public Universities Wage Theft Report \(3rd Edition, June 2024\)](#)

In an updated version of the NTEU’s landmark report on the both the level and ubiquity of wage theft across the sector, this report provides a by institution tally of what universities owed to current and former staff. However, even the astronomical sum of over \$382m is now outdated, with revelations by the University of Melbourne and Sydney University adding further to the overall sum of sector wide ‘underpayments’.

At this stage, it is impossible to believe that such widespread and significant amounts are all due to accidental budgeting discrepancies. Its notable that there are still institutions that have acknowledged underpayment of staff but refused to disclose the amounts publicly.

The NTEU Report “*Public Universities Wage Theft Report (3rd edition)*” is attached to this submission.

Part D: Conclusion

Our submission shows that the quality of governance at Australian Higher Education providers is clearly lacking.

However, it is not only the NTEU that has identified governance as being problematic in our public universities.

Both the Universities Accord Interim Report (2023) and Final Report (2024) acknowledged the relationship between many of the issues identified in this submission and poor governance, particularly in relation to failures around employment practices. As a result, the Universities Accord Expert Panel that undertook this major 18-month review made specific recommendations to address the need for reform, which the Government has committed to implementing.

That is not all though. The Fair Work Ombudsman has specifically targeted the university sector in its investigations into wage theft. In a series of damning reports in and in evidence provided to Government on various occasions, the Ombudsman has cited examples of poor institutional practice and called for reforms to university governance, linking the deeply ingrained managerial culture and corporatised practices of universities with a failure to meet the expectation that universities should set the example as 'exemplary' employers.

Wage theft is but one symptom of a much larger problem, in which transparency, accountability and confidence in the leadership of our public universities is a major and ongoing concern.

The NTEU's experience, which draws from the firsthand accounts of our members and through the Union's own dealings with university managements, has found there to be both significant and long running problems with institutional governance.

Over time, our observation is that good governance practice has deteriorated further, even with the regulatory authority of TEQSA in place.

However, we know that it is possible for universities to make good decisions that are in the public interest. One example that should be applauded is the University of Canberra. UC has offered all staff facing redundancy at their own institution, and at neighbour ANU, the chance to complete a new degree at no cost, helping them re-train for a new career. UC said this was to fulfil the "moral obligation" the university had to its staff, who lost their job through no fault of their own. It is this kind of moral and social leadership that universities should be aspiring too.

The Recommendations we have made in our submission are extensive, but in no way exhaustive. Further work needs to be done, even if all our Recommendations were to be accepted and enacted. That said, our Recommendations provide a starting point for sectoral reform. Enacting them would enable more transparency and accountability and bring to the sector more relevant skills and expertise on the governing bodies of institutions that are, for all intents and purposes, established as a public good.

We also reiterate our recommendation that the evidence provided by university staff and students, along with the findings of this Inquiry, be referred to the Government (through the Education Minister) and the Expert Council. It is imperative that the different entities currently examining governance reform are not only aware of the concerns expressed by the university community, but also understand the importance of collegiality, transparency and accountability in governance structures, particularly for a sector that is seeking to regain its social license with the broader community.

Contact information

Should the Committee have any questions or require additional information in relation to the content of this submission, please contact:

Dr Terri MacDonald,
Director of Public Policy and Strategic Research,
National Tertiary Education Union