



1 April 2025

Education and Employment Legislation Committee

PO Box 6100

Parliament House

Canberra ACT 2600

By email: eec.sen@aph.gov.au

Dear Members of the Committee,

Re: Senate Education and Employment Legislation Committee Inquiry into the Tertiary Education Amendment (There for Education, Not Profit) Bill 2025

The University Chancellors Council (UCC) welcomes the opportunity to provide a submission to the Senate's inquiry on the proposed Bill seeking to set a statutory limit to Vice-Chancellor remuneration. While we recognise public interest in this matter, we do not support the proposed legislation.

The UCC is an organisation comprised of Chancellors of Australian universities, with a core focus on the provision and support of excellence in governance across the sector. As leaders of governance in our institutions – we acknowledge the public concern around executive pay in the sector and the importance of ensuring that remuneration is fair, competitive, and aligned with the mission of higher education in this country.

The UCC cautions against a legislated cap to Vice-Chancellor and Senior Executive salaries. Legislation such as this would undermine universities' capacity to attract and retain the talent and expertise needed for these critical roles. If Australia is committed to global competitiveness in research, innovation, and education – ensuring our university leadership is of the highest calibre must be a priority.

Imposing legislated pay caps is not an effective solution.

- Pay caps fail to account for university size and complexity, treating all institutions the same regardless of revenue, student population, or international standing
- It ignores market realities, potentially making Australian universities uncompetitive in attracting and retaining world-class leaders, while undermining performance-based pay models, which reduces the incentives for leadership excellence and strategic outcomes
- It increases risk of non-salaried and non-financial methods of remuneration, adding pressure on governance, and potentially exacerbating public concern
- Introduces unnecessary government intervention, despite universities already adhering to multiple legislative and regulatory practices in governance and disclosure

The UCC has established voluntary codes of practice for its partner universities. *The Code of Governance Principles and Practice for Australia's Public Universities* outlines best practice principles

for university governance to support universities in their annual reporting and planning. This code was amended in December 2024 to be in alignment with best practices of governance in Australia, and to include reference to remuneration policies and practice. While we recognise this code is voluntary at present, the UCC is working on a reporting process for member universities to measure adoption of this code.

Additionally, the UCC has a voluntary remuneration code established in 2021. This code outlines three key guiding principles for remuneration: that it is competitive, appropriate, and transparent. This code encourages Australian public universities to adopt the code, recognising that the sector benefits from remuneration that is competitive, appropriate, and transparent. UCC has committed to supporting member universities in the provision of best practice in alignment with this code. The voluntary remuneration code is currently being reviewed for update in light of UCC's commitment to ensuring best practice governance in all areas of our universities.

Annually, the UCC engages Mercer to report on benchmarking of Vice-Chancellor and Senior Executive salaries. Vice-Chancellor salaries are benchmarked based on broader public markets – including senior public servants and CEO's – as well as within the sector. The benchmarking reports are available to our member universities for their Remuneration Committees and/or University Councils. The UCC commits to publishing this information publicly on our website when we commission and receive the next report.

The UCC is presently engaged in work with the Expert Council on University Governance established by the Education Ministers Meeting. The Expert Council is responding to the ten priorities outlined by the Education Ministers, which includes Priority 10: *demonstrate and maintain a rigorous and transparent process for developing remuneration policies and settings for senior university staff, with consideration given to comparable scale and complexity public sector entities, and ensure that remuneration policies and packages are publicly reports*. Until the work of the Expert Council has concluded, it is not recommended to undertake a simultaneous and overlapping process on this matter in the Senate.

We are committed to restoring public trust and engagement with our universities. Australian universities are large, complex institutions, generating billions of dollars for the economy annually, serving millions of students – as well as the local communities within which they are located – and facilitating research that is world-class, innovative, and genuinely revolutionary across a broad range of industries.

We urge the Committee to consider sector-led and evidence-based solutions to support meaningful action and ongoing collaboration with the university sector. The UCC is committed to working with government, universities, and the public to ensure that governance continues to reflect both the strategic needs of the individual institutions, and the societal expectations of leadership in public sector, for-purpose institutions.

We would be happy to provide the Committee with further information as required.

Yours sincerely,

Professor John Pollaers OAM

Convenor, University Chancellors Council