



Queensland University of Technology

Submission to the Senate Education and Employment Legislation Committee inquiry into the Quality of governance at Australian higher education providers

Thank you for the opportunity to provide advice to assist the Legislation Committee's deliberations on matters to do with Australian higher education provider governance.

The Committee is undertaking this inquiry pursuant to Standing Order 25(2)(a)(v), which empowers legislation committees to inquire into and report upon "the performance of the departments and agencies allocated to them", in this case the Tertiary Education Quality and Standards Agency (TEQSA).

The terms of reference specify that the inquiry is concerned with the adequacy of the powers available to TEQSA to perform its role with respect to a range of governance matters at Australian higher education providers, including:

- a. The composition of providers' governing bodies and the transparency, accountability and effectiveness of their functions and processes, including in relation to expenditure, risk management and conflicts of interest;
- b. The standard and accuracy of providers' financial reporting, and the effectiveness of financial safeguards and controls;
- c. Providers' compliance with legislative requirements, including compliance with workplace laws and regulations; and
- d. The impact of providers' employment practices, executive remuneration, and the use of external consultants, on staff, students and the quality of higher education offered.

The governance, management and performance of QUT is highly regulated through an extensive range of Queensland and Commonwealth legislation and regulatory mechanisms. All the dimensions of governance and management outlined in the inquiry terms of reference are amply regulated and supervised by both the state and federal governments.

QUT operates under our own well developed Governance Framework¹ that takes account of all our external legal regulatory obligations, as well as our own values, commitments, traditions and risk appetite as a well-established yet contemporary public institution of higher learning and research. The Framework is reviewed at regular intervals and upon the

¹ <https://mopp.qut.edu.au/document/view.php?id=1>

occasion of substantive change to the regulatory environment, to ensure it is always compliant with regulations and best practice in contemporary governance. It is a living document that guides and informs the Council and senior officers of the University in the everyday discharge of their duties. It is the foundation stone of the comprehensive Manual of Policy and Procedures² which instrumentalises the Framework principles and parameters throughout the many dimensions of the university's operations.

The *Queensland University of Technology Act 1988 (Qld)*,³ the enabling legislation that establishes the University as a body corporate, confers a range of responsibilities upon the QUT Council, alongside its composition, functions and powers.

The QUT Act was amended in November 2021 after an extensive period of consultation with the Queensland Government and the QUT community over several years. That consultation resulted in a recommendation to Government of a reduced Council (22 members to 15), whilst re-enforcing the importance of balancing the skills required on Council, including continuing the same proportional representation of staff-elected members (3) and student-elected members (2) (for a final ratio of 5/15 compared to a starting ratio of 7/22). The Government agreed to these recommendations and amended the QUT Act accordingly.

Subsequent reform of the Council Sub-Committees included:

- Specifying that the ex-officio Council role of President of the Academic Board must be independent of the executive management;
- A substantial increase to the number of elected members of the Academic Board;
- Replacing the "Chancellors Committee" with a Governance and Remuneration Committee, with clear terms of reference in relation to the oversight of the Vice-Chancellor and Key Management Personnel;
- Rebalancing of the internal and external membership on Finance and Planning and Audit and Risk Committees, to enhance the level of specialist advice and expertise and to provide a mechanism for succession planning for external council members.

These changes were initiated by Management and Council working collaboratively alongside employee and student representatives.

Under Queensland law, the University is a statutory body under the *Statutory Bodies Financial Arrangements Act 1982 (Qld)* and for the purposes of the *Financial Accountability Act 2009 (Qld)*, which impose significant compliance and reporting obligations.

QUT is required to submit a detailed and comprehensive Annual Report⁴ to the Queensland Parliament, in accordance with the prescribed requirements of the latter Act and the *Financial and Performance Management Standard 2019 (Qld)*, and that must adhere to the prescriptive guidelines laid out in the *Annual report requirements for Queensland*

² <https://www.qut.edu.au/manual-of-policies-and-procedures>

³ <https://www.legislation.qld.gov.au/view/html/inforce/current/act-1998-004>

⁴ QUT annual reports 2001-2023, along with associated governance and compliance data, can be found here: <https://www.qut.edu.au/about/governance-and-policy/annual-report>. The 2024 annual report is in the final stages of preparation at the time of writing.

government agencies under the Queensland Government Performance Management Framework.⁵ The QUT Annual Report must include detailed accounts of:

- Non-financial performance
 - Contribution to the Government’s objectives for the community and whole-of-government plans and specific initiatives
 - QUT objectives and performance indicators
 - QUT service areas and service standards
- Financial performance
 - Summary of financial performance
- Governance – management and structure
 - Organisational structure
 - Executive management
 - Government bodies (statutory bodies and other entities)
 - Public Sector Ethics
 - Human Rights
 - Queensland public service values
- Governance – risk management and accountability
 - Risk management
 - Audit committee
 - Internal audit
 - External scrutiny
 - Information systems and recordkeeping
 - Information security attestation
- Governance – human resources
 - Strategic workforce planning and performance
 - Early retirement, redundancy and retrenchment
- Open Data
 - Statement advising publication of information
 - Consultancies
 - Overseas travel
 - Queensland Language Services Policy
- Financial statements
 - Certification of financial statements
 - Independent Auditor’s Report
 - Independent Auditor’s consideration of other information

Alongside the State, the Commonwealth also exerts substantial regulatory control over universities, particularly through the *Higher Education Support Act 2003* (HESA), the primary mechanism for funding of Australian higher education. Leveraging its funding function, HESA affords the Commonwealth considerable power over a wide range of university activities, many of which have governance, management and administrative dimensions, from student support and wellbeing to the protection of academic freedom and freedom of speech.

⁵ <https://www.qld.gov.au/about/how-government-works/managing-government-performance>

Other Commonwealth legislation concerns matters that appear in the terms of reference, or that have been characterised in Parliament and/or by Government as having governance implications, including workplace relations, critical infrastructure, foreign interference and defence trade controls. Section 6 of the *Remuneration Tribunal Act 1973*, for example, empowers the Tribunal to inquire into and make recommendations regarding the salaries of higher education institution chief executives and their deputies (however titled).

In addition, TEQSA is equipped with extensive powers to regulate the governance and management of Australian higher education institutions, including public universities that already enjoy significant regulatory oversight by other means at both state and federal levels of government. The *Tertiary Education Quality and Standards Agency Act 2011* provides for the agency to assure quality through the accreditation of higher education providers as well as by means of compliance and quality monitoring and assessment. TEQSA can act on the request of the Minister or on its own initiative. The Act furnishes TEQSA with considerable scope and powers to investigate matters it deems relevant, including with respect to governance, management, financial performance and transparency. The Act also specifies penalties that can apply to a person who fails to comply with a properly issued requirement to provide information, among other offences.

Within the comprehensive *Higher Education Standards Framework (Threshold Standards) 2021*, section 6, Governance and Accountability, sets out a detailed set of expectations of higher education providers with respect to corporate governance, corporate monitoring and accountability, and academic governance. On the relevant Higher Education Standards Framework (HESF) webpage, TEQSA advises that this Domain encompasses:

- specification of an accountable governing body with some elaboration of its key governance roles
- specific corporate accountabilities to be demonstrated by the provider, which the governing body also assures itself are met
- requirements for academic governance oversight of a provider's higher education activities.⁶

TEQSA elaborates that:

This Domain represents a collection, at a corporate level, of the provider's accountabilities, both as a responsible corporate entity and as a provider of quality higher education, including responsibility for compliance with the requirements of the other six Domains of the HES Framework. Some of these accountabilities reside solely with the governing body, although most rely on delegations of authority from the governing body to various parts/officers of the provider.⁷

This section goes on to emphasise the critical importance of establishing and maintaining impeccable governance credentials for a provider's overall credibility with TEQSA as an institution of higher education in Australia:

⁶ <https://www.teqsa.gov.au/how-we-regulate/higher-education-standards-framework-2021/hesf-domain-6-governance-and-accountability>

⁷ Ibid.

Because of its overarching nature, the extent to which a provider demonstrates its capacity to meet the Standards of this Domain (along with Domains 5 and 7) as part of its ordinary business will be a significant factor in building TEQSA's confidence about the provider's capacity to meet and continue to meet the requirements of the HES Framework overall.⁸ (emphasis in the original)

TEQSA commentary on its expectations under this Domain are detailed and extensive and are supported by a raft of detailed guidance notes on academic governance, academic and research integrity, academic quality assurance, corporate governance, delivery with other parties, financial assessment and financial standing.

TEQSA is endowed by the *Tertiary Education Quality and Standards Agency Act 2011*, and the *Higher Education Standards Framework (Threshold Standards) 2021* the Act enables, with considerable powers over a very wide span of concerns, including matters of governance, management and accountability. TEQSA has the power to investigate, procure documentation, make reports and recommendations, issue civil penalties, withhold accreditation or registration, issue warning letters, seek statements of compliance, and compel enforceable undertakings from providers.

It is the considered view of QUT that TEQSA is adequately equipped with extensive powers to properly regulate university governance, and especially in concert with the many other regulatory oversight mechanisms established by the Commonwealth and state and territory governments.

5 March 2025

⁸ Ibid.