



Australian Universities Vice-Chancellor and Senior Staff Remuneration Code

A voluntary code providing government and society assurance on appropriate, transparent and competitive remuneration of Vice-Chancellor and Senior University Staff.

The University Chancellors Council (UCC) recognises the importance of ensuring the remuneration of Vice Chancellors and senior staff at Australian Universities is **competitive, appropriate** and **transparent**.

The Australian University Sector is a major contributor to the Australian economy and competes globally for students, academics and research funding.

Remuneration needs to appropriately reflect the value high calibre leadership roles bring to the Institution and the economy and recognise the public good nature of Universities where a major part of funding still comes from the nation for services provided to students and the delivery of research.

It is recognised that transparency is an important part of good practice remuneration ensuring that decision bodies, processes and outcomes are openly explained and presented to all stakeholders.

The UCC's Australian Universities Vice-Chancellor and Senior Staff Remuneration Code is a voluntary set of principles and processes designed to ensure fair and appropriate remuneration for University leadership that is understood and supported by the sector's stakeholders.

The adoption of these principles seeks to strike the right balance between the best interests of the Institution, the Vice-Chancellor and Senior Staff member and the Australian higher education sector.

Competitive

The Australian University Sector contributes in excess of \$30 billion per year to the national economy. It competes in a global marketplace for international students representing Australia's third largest export earner. Australian Universities' research is consistently ranked above world standard driving innovation, invention and leadership that is a major stimulus to the nation's economy and workforce.

To secure our global strengths in science, health, technology and many others critical to Australia's success we must ensure remuneration is globally and locally competitive so we can attract and retain the best possible talent.

Competitive remuneration requires professional analysis and benchmarking of remuneration in relevant sectors and geographies. It will include all forms of remuneration to ensure comparison is accurate and fair.

The UCC will commission and review comparison data and, where appropriate, agree broad expectations of competitive remuneration for the sector.

Appropriate

Remuneration of Vice-Chancellors and Senior University staff needs to be fair to the individual and the institution. Fair reward takes into account responsibility, accountability, scale and complexity to ensure individuals are appropriately rewarded for the job they do.

Fair reward for the institution takes into account the particular University situation and the interests of those providing the funding. Given the material public funding provided to Universities, it is important to consider Society's contemporary expectations and norms.

Base remuneration should be appropriate for the role and provided for the successful delivery of financial and non-financial goals of the Institution. Additional short and long term 'at risk' remuneration may be offered but always against clear measurable targets to be delivered over and above the base remuneration.

The UCC will use an annual benchmarking review to compare the spread of remuneration across the Sector. UCC will consider other statements of intent or principle such as the relativity between the median salary for a University and that of its Vice-Chancellor and Senior Staff.

Transparent

The UCC strongly supports the broader societal shift toward transparency in the reporting of remuneration arrangements for Vice-Chancellors and Senior Staff. Transparency extends to both the governance arrangements in place to set remuneration and the reporting of the actual total reward.

Reporting on remuneration should extend to the Senior Team or a defined number of highest paid staff. Universities should implement increased levels of disclosure as adopted by the Australian government and university sectors in the UK and USA. Reporting of incentive plans should focus on the disclosure of tangible financial and non-financial measures including organisational culture and student feedback.

Reporting on the governance of remuneration should include the role of the Senate/Council of Universities, the delegations to sub-committees and mechanisms they use for benchmarking and performance review. Reporting of governance and remuneration should be included in the Institution's Annual Reports to provide ongoing Sector overview of policy and operation in practice.

Implementation and Monitoring

UCC encourages all Australian Universities to consider and adopt the voluntary Remuneration Code understanding the benefits to the Sector of competitive, appropriate and transparent remuneration of Vice-Chancellors and Senior Staff.

The UCC will at the same time support member Universities in this transition through:

- Provision of best practice templates for the reporting of remuneration.
- Sharing experiences of implementation and ongoing refinement of governance and reporting.
- Provision of sector wide Vice-Chancellor and Senior remuneration data by the UCC including a sector annual report distributed to all members.
- Report annually (Q2) each year on adoption of the UCC code.
- Biennially review the effectiveness and currency of this code.