Public Money, Private Pockets: A case for capping Vice Chancellor pay at A$430,000

Submission to the Senate Education and Employment Legislation Committee

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About the author

Assoc. Prof. Stephen Jonathan Whitty (Jon) teaches and researches at the University of Southern Queensland. His work examines public sector governance and the managerial turn in Australian universities, with a focus on how executive structures convert public funding into private reward while thinning out teaching and research. He has published on these themes in pieces such as, Pulling the Strings, Fish out of Office, Centralising Professional Staff, A Leap of Faith, Academic Craftsmanship, and Universocracy. His submission draws on lived experience of workload systems, committee structures, authorship conventions, and the comparator games used to ratchet executive pay. He studied in the United Kingdom in the 1980s, when higher education was treated as a public good, and argues for a return to that civic understanding: universities as workshops for an academic craft, led by the university community, accountable to the public that funds them.

The case in brief

Calls to cap Australian Vice Chancellor pay are often waved away as envy. That misses the point. The problem is a con. It is a sting, like in the film The Sting. The set-up looks normal, the mark follows the script, and the money moves. Here the mark is the taxpayer. Public money is taken by executives who do little of the core academic work, and a growing share is handed to consulting firms that have got leadership addicted to their advice. They do not teach. They do not research. Their main skill is moving up inside the sector. It is a sting on the public.

I write from UniSQ, but the pattern is national. Walk into a faculty or school forum anywhere in Australia and, without the branding, you would struggle to tell which university it is. They have become McUniversities. The sameness sits in the management systems they all use. Consultants have sold them all the same standard operating model. Universities buy it, install it, and any incoming executive can run it on day one. The sameness has human costs. Across Australia the same strategy rolls out and the same result follows: large redundancy rounds in each institution that add up to thousands of people out of work across the sector. In regional towns the impact is sharper because the university is often a major employer. A small, mobile circle of executives and the consulting firms they have become dependent on are driving the pattern. They sit in the same peak bodies, buy from the same vendors, and praise each other for bringing the same model to the next campus. University hopping spreads the template and erases local identity. Communities are left to absorb the damage while the next intake of executives arrives and runs the same play.

And all the time it is the taxpayers who underwrite the money pipeline through grants, HELP loans, research block funding, and concessions, while the system they've built steadily shifts money away from teaching and research and into executive pay and recurring consultancy bills.

I am not saying vice chancellors and their executives designed this machine. They are operators of a bought-in system, and they benefit from it. Consulting firms set the agenda, sell the templates, and teach the language. Dependence is part of the design. Think of a Munchausen by proxy dynamic. Consultants define the problem, supply the tests, prescribe the cure, install the model, then return to measure the gaps their model creates and sell the next round of fixes. Leaders rebadge the management kit they bought as reform, and on goes the cycle.

Each university now brands its change program with an upbeat label. At UniSQ it is "Shaping Our Future." At ANU it is "Renew ANU." At the University of Canberra it is "Reconnected 2025–2027." At Federation University it is "Future Fed." At UNSW it is "Progress for All." The public pages look alike because the same small circle of executives and consulting firms are working from the same playbook.

Follow the money. In 2024 UniSQ's key management personnel, which includes the Vice Chancellor, Provost, Deputy Vice Chancellors, Chief Financial Officer, Pro Vice Chancellors, and Council members, received A$4.731 million in total remuneration. In the same year the University spent A$8.295 million on professional and consultancy fees, down from A$9.718 million in 2023. That category is broader than consultancies alone, but the direction is clear. Public money is leaving the core work and going to executive remuneration and a recurring bill for external advice.

This submission explains the problem and supports a cap of A$430,000 for new Vice Chancellor appointments, with simple transparency and anti-avoidance rules. What this submission will show:

- Academic pay is public. Executive pay is hidden. That matters when the money is public.
- Current governance shifts public risk into private reward with little link to teaching or research.
- Responsibility and control are split. That design manufactures avoidable crises.
- Council and Academic Board are under executive influence. The bodies that should oversee are weakened.
- The operating model shows the same pattern: consultant dependence, churn, workload gaming, and credit trading.
- A fixed public cap of A$430,000 with clear anti-avoidance rules stops the comparator game while deeper governance repair proceeds.

Academic pay is public; executive pay is hidden

How much do you earn? Surely no one would ask you that at a weekend BBQ. If they did, you might say: I will show you mine when you show me yours. As a university academic, no one needs to ask me. They can look me up on the university website, see my position, and guess I have been here more than four years. They can then check the published pay table at https://policy.unisq.edu.au/documents/2453PL. I am Associate Professor, step 4. My salary is public. It is as transparent, neat, and impersonal as a bus timetable.

Now try the same exercise further up the chain: Deputy Head, Head of School, Dean, Provost, Deputy Vice Chancellor, Vice Chancellor. The trail goes cold. UniSQ's 2024 Annual Report shows nine executives, eight plus the VC, with roughly five million dollars in total remuneration, but it reports bands, not names. The higher the title, the thicker the fog around the benefits. And what is this pay for, precisely? All of it comes from the same coffers as mine, the taxpayer's coffers. To ease your curiosity, many Vice Chancellors in Australia sit north of a million dollars.

What about the rest of the VC's Executive? From the public accounts you can infer, for example, that a Deputy Vice Chancellor at UniSQ is on something like $570k, not including the 17% super. Strip out tax and levies and you land somewhere close to $12.5k a fortnight in take-home pay. For what? I'm regularly confronted with senior executives who cannot share a screen on Zoom and who ask their admin staff to print email attachments because they prefer not to read on a screen.

Which is why the fog at the top matters, because it hides a simple transfer from public risk to private reward.

How public money shifts to private pay

The problem with university governance is not the problem you think it is. The people creating the problem are the same people, or come from a line of people, who tell you what the problem is and how to fix it. They present their version of the problem to the Senate and they counsel restraint and prudence. They use language that sounds reasonable. But this is misdirection. What Australia is witnessing, often without quite seeing it, is a heist. Taxpayer money is being stollen. Vice Chancellors, their deputies, and the layers of the managerial class beneath them are, for very little effort on their part, pulling off a quiet transfer of public money into private executive wealth.

Over the past two to three decades they have built and maintained a machine inside our universities that converts public money into private executive gain. Taxpayers underwrite the pipeline at every step: direct grants, HELP loans that pay student contributions up front and are recovered through the tax system, research block funding, and tax concessions. HELP is underwritten by the public. Government actuarial valuations assume roughly a quarter of outstanding HELP debt will never be repaid. That is large enough to show the public carries the risk while executives extract the rewards in salary and perks with little connection to teaching or research. Downstream come inflated salaries, oversized workload buyouts from teaching and research, and reputational baubles. And all of these people are insulated from the consequence of their actions. The Senate, and through you the public, needs to see how the machine works and stop it.

To see how the trick keeps running, we need to be clear about what governance actually is, and not what university leadership say it is.

Governance defined: direction, authority, feedback

What is governance? Ask university leadership and most will say it is oversight. We see Senate committees summon heads of something and ask why they did this or that. However, I research governance. I have studied how people understand it in the public sector and in my own university, and I have published my findings. In short, when pressed to explain governance, people offer only a vague idea of 'it's checking that people are doing the right thing'.

But governance is not that. Governance is ‘a system’ of connected parts that lets an organisation set a direction and keep to it. Roles, responsibilities, information, routines, and lines of authority must work together so the institution can act, monitor its position, and correct course.

Think of a ship. You set a course. The sails, rigging, crew roles, compass and charts tell you if you are true, and if not, they let you correct. That is governance: a system by which an entity directs and controls itself in real time.

However, university leadership does not act as if it understands this. Worse, the less it understands, the more it is asked to “fix” the anxiety it helped create. The institution is kept in a state of suffering, and the same leaders must step in as heroes to offer relief. Their high salaries are then justified as rewards for solving problems that flow from poor operational design. That design, however, is exactly what you’d think they were getting paid for.

Consider a simple case: the marketing of teaching programs. Heads of School and Program Directors are called to account for low enrolments. Yet they do not control the levers that drive enrolments. Messaging, budget, timing, and channels sit with central marketing under the executive. Responsibility is placed on those who lack control. That is not governance; it is scapegoating.

Even the smallest sailing boat routes its lines back to the helmsman. The person who is responsible for achieving the heading must be able to trim the sails. The same should hold in a university. If you (leadership) set a course and assign targets, you must put the tools of correction in the hands of the people you will hold accountable, and you must build in feedback mechanisms that prompts them to make timely adjustments.

Here is the rub. For senior leadership to thrive and to claim it is essential and deserves high pay, there must always be a crisis to solve. The simplest way to guarantee a steady supply of crises is to separate responsibility for outcomes from the control needed to achieve them. That is how poor university governance reproduces itself. It is not an accident. It is a deliberate design.

You can see the same poor design in the most sacred parts of our institutions.

Council and Academic Board: under executive control

The machinery of governance sits inside the university’s operational processes and policies, and it is corrupt in the simple sense that it awards success to those that are already successful. We are told the most authoritative body is the University Council. It is a small group chaired by the Chancellor. Its membership is published, and it appoints the Vice Chancellor, the person who runs the day to day of the university. The Vice Chancellor then appoints their Deputies, the Provosts, the Executive Deans, and the Heads of School.

Here is the faulty wiring. The Vice Chancellor also sits on the University Council. Let me be clear. The VC is in the room when Council members vote. Those members are, in many different ways, already obligated to the VC. Some are university employees who ultimately answer to the VC. Others are local industry figures who, through grants or prestige, benefit from a positive relationship with the university that the VC controls.

Academic Board, the next authority down from University Council, which you would think is made up of elected members from across the university. You would be wrong. Yes, there are elected members on there somewhere, but the public membership list shows the chair, an academic under the VC's line, is appointed by Council, which the VC sits on. The VC's executive, that five-million-dollar cabal, also sits on Academic Board. The Board itself says the work is done through its standing committees. And every one of those committees, without exception, is chaired by a member of the VC's Executive, and each of those people answers to the VC. The body that should check the executive is convened by it, populated by it, and routed through it.

Put that wiring and human reflex together and the appointment power, and the **pay** that follows it, start to explain themselves.

Who sets the VC's pay, and why it rises

Let us put this in terms everyone understands. You are laughing and joking in a café with friends and a police officer walks in. You *will* change your behaviour to be compliant. On the highway, when you spot a police car, you *will* ease off the accelerator. To deny that you'd behave like this is, frankly, to lie to yourself. We all adjust to an authority figure that can cause us a problem. In the University Council room and Academic Board, the same reflex applies. Everyone moderates themselves in deference to the VC, even the Chancellor, who will be voted in for another term by the Council. Now ask one simple question: who actually decides the next Vice Chancellor and what their pay is? The answer is obvious. The Vice Chancellor of today ultimately appoints the Vice Chancellor of tomorrow and sets their salary.

So, when a university council sets a VC's salary it first chooses comparators. That means picking which universities to compare against and the point in that group to match. If you pick only big-city research universities, the salaries are high. If you include regional universities, the numbers are lower. With the incumbent VC in the room, a council may then decide to pay 25% above the peer group to attract and retain. Salaries rise. Other councils look at the new benchmark and follow it. The climb continues.

Set one comparator for everyone and you remove the game. A cap fixes the reference point. An A$430,000 cap on VC salary lets society control the salary. It stops VCs playing one council against another. It strips out the CEO-of-a-profit-making-company logic and treats the role as a public office with a civil list.

But pay is only one lever. The structure beneath it is the engine that feeds the robbery machine every day.

Workload settings that strip teaching and reward loyalty

Let us begin with the structure. Between the Vice Chancellor and the front line of teaching and research sit tiers of manager-academics. Deputy Vice Chancellors and a Provost sit above Executive Deans, Deans, and Heads of School, then Associate Heads and Discipline Leads who patrol the schools. Each layer is sold as leadership, coordination, and efficiency. In practice the layers absorb money and attention for loyalty to the centre, not for teaching or research excellence.

Each academic is notionally paid for about 1,702 hours of work a year. Those hours are split across teaching, research, and service. Different universities portion the mix differently. At my university the standard setting is 60% teaching, 30% research, and 10% service. Take a Level E Professor on a total of A$245,700 a year, base plus 17% super. On that split the implied pay would be A$147,420 for teaching, A$73,710 for research, and A$24,570 for service. That is the promise. The practice is different. Once a professor takes on a Discipline Lead role, an extra

10% is added to service. In most schools that reduction comes off teaching, not research. Add another 10% for an Associate Head role and another 10% for Student Grievances and Academic Integrity and the teaching share drops from 60% to 40%. Move to Deputy Head and it drops further. As Head of School the service allocation is so large that teaching often vanishes. By the time a person reaches Dean or Executive Dean there is no real expectation to teach or to do research for their salary. Packages at that level can sit around A$494k, and Deputy Vice Chancellors or a Provost around A$650k and more.

Now pause and consider what the public sees. When the evening news interviews “Professor X, Dean at the University of Somewhere Australia,” a viewer will assume a top teacher and researcher. They would be wrong. A business leader might assume this person holds operational line accountability like a corporate executive and that failure would cost them the role. Again wrong. The extra service hours are payment and protection, and the service expected is to advance the Vice Chancellor’s program. Fall out of step with this unwritten code of conduct and the allocations vanish. You are back on a full teaching load. It is rarely written down, but everyone knows the rule. Loyalty buys service hours and higher-duties increments. This is how the Australian university machine turns taxpayers’ money into private executive wealth.

Inside that engine the currency is time. Leaders pay in service hours that buy people out of teaching and research, and those same hours come back as “progress” when CVs are judged.

Service buyouts as loyalty payments

The loyalty ritual is simple. Machiavellian, yes, but simple. Do the hard things in the boss’s name and repeat the boss’s line about the future. In return you get protection now and perhaps favours later. No one calls it selling a soul because it happens a small piece at a time. Integrity is traded in increments, and each increment is rewarded. The currency is your salary converted into time not spent teaching or researching. It arrives as workload allocations for administrative roles that are far larger than the work requires. Time becomes the payout. The higher you rise, the more you are bought out of the responsibility to teach and to do real research.

Here is the buyout in practice. A Discipline Lead role adds 10% service. An Associate Head adds another 10%. Take on Student Grievances and Academic Integrity and there is another 10%. Those 10s are always taken from teaching, not from research. The teaching responsibility is worn away to nothing, while the research allocation stays. Their CV looks stronger.

How authorship is traded for workload favours

Then comes the publication trick. How does a Dean or a Deputy VC collect enough papers to look like a scholar? Look them up on Google Scholar and the H-index will look respectable. Look closer and you see they have not written or contributed anything intellectual to many of those papers. Ask them to teach without an admin person and they falter. Ask them to open the research software and they cannot.

The mechanism is not a mystery. They attach themselves to grants by offering management support, or, as the finance and economics academics do, by running a small financial model. Almost all Australian Research Council grants require the work to show its economic value, so most grants add an economics or finance person. That is why these people have so many publications. They tack themselves onto grants, run a little spreadsheet, and then get on all the papers.

Or you can get on grants by being a workload gatekeeper. Head of School, deputy, or discipline lead, whoever can say yes to more research hours. More research hours mean less teaching, never less service. Teaching hours are always the hours to give. When workload allocations come around, publication grifters petition the gatekeeper for extra research time. The **pay** is a place on the paper. Many at Dean level show a respectable H-index because they took those paper bribes when they were Heads of School. You can see it in the lack of coherence across their publications.

Step back and there is no plan to improve teaching or research. There is a rolling program of restructures and rebranding that shuffle people around. The managers running these change programs list the activity as an achievement.

Constant restructures signal weak design

My university, like all the others in Australia, lives in a permanent cycle of change. Growth and hiring sit alongside voluntary and involuntary severance and downsizing. We are told this comes in waves with peaks and troughs. It does not. It happens at the same time. Down one corridor there is a welcome morning tea. In a café nearby a handful of people are being farewelled and thanked by colleagues, not by any of their managers. As teams are dissolved, new portfolios appear. The fact that these occur together shows there is no coherent plan. It is deliberate chaos presented as reform, and each round is used by senior management for its own advantage.

Recently we had a whole-of-university webinar from the Deputy Vice Chancellor of something, the title changes. The focus was the new Shaping Our Future structure. The slides were organisational charts: senior executives at the top, branches and sub-branches of leadership roles beneath. I pointed out, before being shut down, that the slides showed a power structure, who reports to whom, and nothing about how work will be done, what the work is, who will do it together, or what resources and tools will be used. None of that. To a person in the street these charts look like a child's drawing of how they imagine a university works: lots of boxes, no account of how any work is actually completed. If you were running the sausage sizzle at Bunnings this weekend, you would not invite these people to organise it.

Recommendations

A. Cap and transparency

1. **Statutory cap, defined tightly.** Cap new VC appointments at A$430,000. Define total remuneration to include base, variable pay, allowances, in-kind benefits, and side agreements. Make avoidance a breach with penalties.
2. **Tie compliance to funding access.** Make cap compliance a condition of Commonwealth operating funds and student-loan access.
3. **Full public reporting.** Publish the VC's total remuneration within 30 days of signing and annually. Publish, by name and role, total remuneration for each member of the VC's Executive.
4. **Narrow, time-limited exceptions.** Any exception requires a public business case, an expiry date, and is subject to disallowance by Parliament.

B. Governance that cannot be gamed

5. **Structural separation.** Exclude the VC from Council and from Academic Board. Attendance only by invitation for defined items, no voting rights. Bar members of the VC's Executive from chairing Academic Board standing committees.
6. **Remove conflicts in pay setting.** Exclude the VC from the Remuneration Committee. Require a majority of independent, non-executive members.
7. **Restore academic voice.** Require an elected academic majority on Academic Board and its standing committees.
8. **Align responsibility with control, and report buyouts.** Where roles carry targets, provide the budget and levers to meet them. Publish annual service and buyout allocations by person and level with a one-line purpose and delivered outcomes.

C. Consultant dependence

9. **Transparency package.** Quarterly public register of consultancy engagements. In annual accounts, separate consultancy from legal, audit, recruitment, ICT, and marketing. Publish deliverables within 30 days and outcomes at six and twelve months. Disclose benchmark sets and data sources used to justify changes.
10. **Guardrails on use.** Cap consultancy spend as a proportion of operating expenditure. Require a make-or-buy test for governance, strategy, restructure, workload, or operating-model work. Ban percentage-of-savings fee structures.
11. **Integrity and independent check for big tickets.** Two-year cooling-off period for executives moving to related firms and vice versa. Independent panels with elected academics and a staff representative for large restructures or operating-model work. For engagements over A$250,000, require a red-team review that includes a reviewer from another public university with no commercial ties. Publish minutes and scoring criteria.
12. **Oversight and capability.** Extend Auditor-General audit powers with clawback where deliverables or outcomes are not met. Fund an in-house public interest office for operating-model and governance design to reduce repeat purchases of the same playbooks.