

Senate Standing Legislation Committee on Education and Employment

Inquiry into the Tertiary Education Legislation Amendment (There For Education, Not Profit) Bill 2025

Submission of The Australian National University August 2025 The Australian National University (ANU) welcomes the opportunity to make a submission to the inquiry into the Tertiary Education Legislation Amendment (There For Education, Not Profit) Bill 2025 (the Bill).

Universities are large and complex organisations, requiring skilled and experienced vice-chancellors whose salaries are appropriately benchmarked.

Consistent with this, the ANU maintains and implements appropriate remuneration policy and practice.

The ANU recommends its current approach is safeguarded, including as a model that leverages Australian Government Remuneration Tribunal expertise and independence.

The ANU has an Executive Remuneration Policy (see attached). This policy includes that: the determination of remuneration at the University is supported by market benchmarking and a remuneration model based on performance against agreed Key Performance Indicators.

Consistent with its policy, the ANU appointed a dedicated Remuneration and Benefit Manager in 2024 and expanded the University's access to and use of market salary benchmarking data (for all senior management appointments).

Further, the ANU already seeks advice from the independent Australian Government Remuneration Tribunal.

This reflects that provision of advice to ANU on the remuneration, allowances, terms, and conditions for the ANU Vice-Chancellor (and Deputy Vice-Chancellors) is an existing statutory function of the Remuneration Tribunal under the Remuneration Tribunal Act 1973.

The Remuneration Tribunal advised the ANU it had benchmarked the previous ANU Vice-Chancellor's annual salary taking into account the median salary for Australian Vice-Chancellors at that time of \$1.2m per annum, and that its benchmark comparators included Australian Government departmental secretaries.

The Tribunal advised that a salary range between \$1 - \$1.3 million was appropriate for the appointment of the current Vice-Chancellor. ANU continues to seek Tribunal advice and in accordance with this, no adjustment was made at the time of last review.

ANU Vice-Chancellor remuneration is consistent with the span and organisational complexity of the ANU, which is detailed in our <u>Annual Report</u> (recently tabled in Parliament), and at a snapshot for 2024 includes, but is not limited to the following:

- 24,522 enrolled students from over 100 countries, with more than 6,500 students living on campus
- 5,137 employees (headcount) with 2,015 academic employees; 3,122 professional employees
- ANU is ranked 30th in the 2025 QS World University Rankings, 4th in Australia and 73rd in the Times Higher Education (THE) 2025 World University Rankings
- ANU has more subjects ranked in the World Top 10 than any other Australian university
- Maintaining high QS ranking by subject, including five ANU disciplines ranked in the top 10 in the world in 2024: archaeology (8th) politics and international studies (8th) anthropology (9th) philosophy (9th) development studies (10th)

 ANU manages more than \$3.5 billion in physical assets and spent \$29.4 million on capital works to rejuvenate facilities for teaching and research.

In addition, we note:

- the ANU is Australia's only university established in Federal legislation, namely the Australian National University Act 1991
- as a Corporate Commonwealth entity, ANU is subject to direct scrutiny from its regulator Tertiary Education Quality and Standards Agency (TEQSA) and industry bodies accrediting programs, the Australian Parliament, the Australian National Audit Office (ANAO), the Senate Standing Legislation Committee on Education and Employment and the Australian Government
- the ANU has a national mission and our location in the nation's capital situates ANU
 uniquely to work alongside the Parliament and the Australian Public Service,
 connecting students and academics directly into policy change makers for Australia.

For further background, remuneration for ANU executive is documented in our most recent 2024 Annual Report. The reported ANU executive remuneration package includes annual salary, leave loadings, allowances and superannuation contributions. Furthermore, the current Vice-Chancellor took a pay cut in October 2024 in light of the University's financial circumstances.

University Chancellors Council (UCC)

As a further point of reference to inform the Committee's inquiry, ANU recommends consideration of the UCC's two-phased approach.

This began with the Code of Executive Remuneration Principles and Practice for Australian Public Universities, a principles-based framework for transparency and accountability adopted voluntarily by governing bodies across the sector.

Building directly upon the above foundation, the UCC's July 2025 letter to Australian Government Education Minister Jason Clare expressed the Council's "strong support for the inclusion of Vice-Chancellor remuneration within an advisory framework supported by the Commonwealth Remuneration Tribunal."

Conclusion

The ANU recommends that this Bill not be supported, on the basis that the proposed cap would not be appropriate for a complex institution such as ANU and because the University's current executive remuneration policy and practice is robust, appropriate, and already incorporates the principles of independent benchmarking and expert Remuneration Tribunal advice.

The Vice-Chancellor is the University's most senior position, serving as the Chief Executive Officer and President; and is the accountable authority for the \$1.3 billion institution.

In addition, the proposed legislated cap would have perverse impacts. It would see the Vice-Chancellor remunerated less than that of the senior executives they directly manage. This includes the Provost (the University's second-most senior executive) and multiple Deputy Vice-Chancellors and Deans; all who earn total remuneration in bands that exceed \$430,000 when all benefits are accounted for. Remunerating the Vice-Chancellor at a level lower than that of the senior executives they directly manage would create an inversion of standard accountable leadership fundamentals, affecting clear lines of authority and accountability that are essential for effective leadership, undermining effective governance.

ANU notes the inquiry into this Bill is being held in parallel with the concurrent but separate Senate inquiry into the quality of governance at Australian higher education providers, and in conjunction with ongoing policy initiatives led by the Australian Government Education Minister Jason Clare. Remuneration polices for senior university staff have been considered, or flagged, as a priority for consideration across the different fora, including by the Expert Council on University Governance (see online statement by the Department of Education), which is in addition to the already legislated function of the Remuneration Tribunal.

ANU remains committed to active and constructive engagement with the Senate Standing Legislation Committee on Education and Employment and the Australian Government on this important matter.



Policy: Remuneration – University Executive

Purpose

This document sets out the policy for the remuneration of the Australian National University (ANU) Executive.

Overview

This policy has been developed in line with the University's Executive <u>structure</u> and to comply with Senior Officer provisions under the <u>Australian National University Act 1991</u>.

Scope

This policy applies to all staff appointed on ANU Executive contracts.

Definitions

ANU Executive are persons who hold a University executive position, as identified under the ANU <u>Executive Organisational Structure</u>.

Market Benchmarking is the data utilised from the Australian university sector remuneration market surveys and/or other customised research and industry data.

Remuneration package includes the annual salary, leave loadings, allowances and superannuation contributions. It may also include the use of a motor vehicle, as provided under the University's <u>Motor Vehicle Acquisition Policy.</u>

Policy statement

Principles

- 1. The ANU is committed to providing a work environment that is fair and equitable, with salary and non-salary benefits and other employment conditions to attract and retain talented staff, having regard to pay conditions and competition within the relevant employment markets and higher education sector.
- 2. The determination of remuneration at the University is supported by market benchmarking and a remuneration model based on performance against agreed Key Performance Indicators.

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Remuneration

- 3. Executive remuneration is determined through comparative remuneration benchmarks and the University's strategic market positioning in relation to other university-sector organisations.
- 4. Remuneration and conditions for the employment of the Vice-Chancellor is determined by Council (or the Chancellor on behalf of Council), acting on the advice of the Remuneration Committee.
- 5. The Remuneration Committee monitors, reviews and may make recommendations to the Vice-Chancellor on the remuneration and conditions for employment of members of the ANU Executive, including:
 - Deputy Vice-Chancellors
 - Provosts
 - * Vice-Presidents
 - * Chief Financial Officer
- 6. The remuneration arrangements under the University's enterprise agreement do not apply to ANU Executive positions. ANU Executive members and the University are bound by the provisions of the employment contract between them.

Market Benchmarking

- 7. An ANU Executive remuneration package is calculated through market benchmarking to ensure the University remains competitive.
- 8. The University collects market data for benchmarking against peer Group of 8 universities.
- 9. When required to compete beyond the university sector or overseas, the ANU uses general market data to benchmark against organisations with similar context to the University and/or customised research and industry surveys, where necessary.

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of the Australian National University (ANU) Executive.

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