

# Submission to the Inquiry into the Quality of Governance at Australian Higher Education Providers

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On 20<sup>th</sup> August 2025, the Vice-Chancellor (VC) of the Australian National University (ANU) sent an email to all staff with an update on the Renew ANU process. In it, she wrote: “all future changes under Renew ANU will be achieved without involuntary redundancies” and “no further job losses will occur through involuntary redundancy.” For many staff, already subject to months of turmoil and uncertainty, this statement was received as long-awaited relief. Staff whose jobs had been listed as at risk under ongoing Change Management Proposals (CMPs) assumed—reasonably—that they had been spared.

That relief lasted less than 24 hours. It soon became apparent that the announcement applied only to future proposals, not to staff already caught up in existing CMPs. For those staff, the ambiguity of the communication and the subsequent clarification were devastating. A small glimmer of hope had been raised, only to be snatched away, compounding distress, and fuelling anger.

The email of 20<sup>th</sup> August was followed on the 26<sup>th</sup> August by an announcement of another round of the Voluntary Separation Scheme (VSS). At first glance, this seemed a positive shift—voluntary separations in lieu of forced redundancies. But once again, closer reading revealed serious problems. The VSS would apply across the ANU, but would have no bearing on the involuntary redundancies being prepared in the College of Arts and Social Sciences (CASS) and the College of Science and Medicine (CoSM). According to the details provided, the implementation plans for these colleges will be released before the VSS for the rest of the ANU closes on the 26<sup>th</sup> of September, and before the outcomes are decided. When you combine the two announcements, this means that involuntary redundancies in CASS and CoSM can be used to negate the need for involuntary redundancies in other parts of ANU, but voluntary redundancies in other parts of the ANU can’t reduce involuntary redundancies in CASS.

One week, two announcements, and maximum chaos.

A likely reason for such poorly implemented communication is the very lack of strategic justification for the current proposals (including why two colleges at the ANU were targeted first), as well as no long-term vision for the university. Not being based on data and evidence to start with means that there is no need to justify an arbitrary and sudden pause. If there was no actual application of evidence-based principles for your first decision, then why would you need to be guided by evidence-based principles when you make a new decision?

This episode illustrates in miniature the governance failures that now characterise ANU leadership, and by extension, many Australian higher education institutions. Poorly planned decisions, ambiguous communication, lack of transparency, and absence of accountability have become defining features of a governance model that prioritises executive discretion over academic community. The result has been plummeting morale, reputational damage, and outcomes that undermine the very mission universities are supposed to serve.

In this submission, I draw on ANU's recent experience as a case study in a sector in desperate need of governance reform. While the details are specific to ANU, the broader lessons are applicable across the sector. Weak governance structures, unrepresentative councils, and executive capture have created an environment in which poor decisions go unchecked, and staff and students bear the costs.

The August week of confusion was not an isolated incident but part of a broader pattern. Since October 2024, when the VC announced the disestablishment of the College of Health and Medicine and foreshadowed further sweeping changes, staff have been subjected to opaque processes and arbitrary decisions. Town Halls have offered little clarity. Questions—such as “what data and evidence are you using?” or “what is the plan to increase revenue?”—have gone unanswered.

The CMPs released in July 2025 compounded the sense of arbitrariness. Staff were informed they were “at risk” without clear justification. Cuts appeared unrelated to income generation, student demand, or research performance. Instead, they followed opaque formulas penalising some colleges disproportionately while sparing others.

At the School of Politics and International Relations (SPIR), the School I lead, the impact has been particularly severe. Despite generating more than double our costs in teaching revenue alone, SPIR faces deep cuts. Budgets for teaching support have been halved despite consistently high enrolments. Staff–student ratios are projected to exceed 30:1—higher than the average at any other Australian university. This is not evidence-based planning. It is governance failure.

SPIR is not just a teaching school though. It is recognised nationally and internationally as a centre of excellence in political science and international studies. Cuts to SPIR not only undermine ANU's institutional ranking in Politics (#11 worldwide in the 2025 QS rankings), but also damage one of the university's most visible and competitive areas of research strength.

One of the most corrosive features of Renew ANU has been the arbitrary distribution of cuts. No transparent analysis has compared colleges' income generation against expenditure. Instead, deficits have been treated as if they were evidence of inefficiency, even when caused by unrealistic budgets or inflexible commitments.

On paper, the principles underpinning change appear sound: financial sustainability, minimising disruption, aligning resources with student demand. In practice, decisions have directly contradicted these principles.

- Cuts have fallen hardest on high-performing units such as SPIR, undermining both financial sustainability and academic excellence.
- Budget formulas have ignored revenue generation, disincentivising exactly the kinds of activities—student recruitment, grant income—that could help the university recover.
- Principles of consultation have been undermined by opaque processes, with feedback solicited but rarely acted upon.

The result is an institution whose \*stated preferences\* (data-driven, equitable, sustainable planning) are starkly at odds with its \*revealed preferences\* (arbitrary savings, executive discretion, reputational risk).

Universities should not only be doing things that turn a profit. Delivering a high-quality music program, for example, might cost more than it earns, but it contributes in other ways to the university or the community. But, what a university should be doing is using data and evidence to deliver its teaching, research, and outreach in as cost effective a way as possible, incentivising staff to bring in extra revenue wherever they can, and be very explicit about the roles of the university that it is prepared to invest in and cross-subsidise.

The ANU has not done this. Cuts to SPIR will reduce teaching budgets despite rising student demand. The ANU has imposed arbitrary staffing reductions without evidence, and prioritised expensive external consultants over investment in data quality or revenue incentives. Ultimately, the problem is not with the principles themselves, but with their selective and inconsistent application, which undermines trust and renders them little more than rhetorical cover.

## **Poor university governance and the impact on students, staff, and the community**

Isn't this just an inevitable outcome of a difficult position the ANU Leadership has been placed in? We all must live within our means after all, and change is hard.

Leaving aside the fact that many in the current leadership were in leadership positions when the supposed dire financial position arose, a process like Renew ANU could have been done very differently. Other universities have done it with much less pain, much less of a hit to academic reputation, and with a far more equitable and evidence-based outcome on the other side.

An alternative approach that could have been implemented prior to any involuntary redundancies could include:

- Local area budgets following teaching activity
- Incentivising revenue generation
- Equalising resources relative to teaching loads across the ANU, and particularly within disciplines
- Relentlessly streamlining process and administrative load first, not staff
- Reducing expenditure in Chancellery, and areas with clearly identified (through data) excess of expenditure relative to mission

Having not decided to go down that path first, the ANU still could have admitted mistakes at any stage and changed tack. It could have done so in a way that respects all staff through the following:

- Be completely open about the ANU's financial situation, through an external audit if needs be.
- Be completely clear about how and under what formula budget is being allocated to colleges, and within colleges to individual schools.
- Outline a vision for what the ANU plans to do to increase revenue, and incentivise local areas to take control of their own budget.
- Restore proper forms of communication between senior leadership and staff, and treat all staff and students with respect.
- Where there have been mistakes made in the past that have led to financial challenges, senior leaders need to take responsibility.

Why did the ANU not go down such a path? It isn't because there aren't a lot of people across the ANU with skills and expertise in finance and management. And it isn't because ANU leadership hasn't been told again and again that the path they are taking is risking staff wellbeing, ANU's reputation, and its long-term finances.

The ultimate cause in my view is the governance structure of the ANU, a structure that it holds in common with most other universities in Australia, to varying degrees.

ANU Council has not provided the oversight role that it should have. How could it? The current structure exhibits a number of clear limitations:

- **Democratic deficit:** Most Council members are appointed rather than elected, and often have limited or no recent experience as academics, students, or professional staff. This creates a governance structure detached from the lived realities of the university community.
- **Weak accountability:** There are no clear mechanisms to remove underperforming Council members or senior leaders who demonstrably fail in their stewardship of the institution. This contributes to a culture of impunity at the top.
- **Pay-performance disconnect:** Vice-Chancellors and other senior leaders receive remuneration that is out of step with both community expectations and the available evidence on pay-for-performance in higher education. There is no link in the high-quality empirical literature between high pay and institutional outcomes.
- **Opaque decision-making:** Major change proposals and budget allocations are made without transparency about the evidence base, the assumptions underpinning financial models, or the consideration of alternative options. Staff feedback is solicited but rarely acted upon, eroding trust.
- **Council capture by executive:** Rather than exercising independent oversight, Councils too often rely on information filtered through the Vice-Chancellor's office, creating a dynamic where scrutiny is muted and dissent is sidelined.

This, again, is not inevitable. It is a choice. We could improve university governance, and university outcomes through some evidence-based reforms.

- **Increase elected representation:** Mandate that a super-majority of Council seats be filled by democratically elected academic staff, professional staff, and students, ensuring genuine representation and expertise in decision-making.
- **Introduce term limits and recall provisions:** Limit consecutive terms for Council members and create mechanisms for their removal in cases of underperformance or loss of confidence.
- **Link remuneration to transparent performance metrics:** Establish independent oversight of Vice-Chancellor pay, bringing it into line with community expectations and explicitly tying it to agreed measures such as student satisfaction, research quality, financial sustainability, and staff wellbeing.
- **Strengthen transparency obligations:** Require Councils to publish the evidence base, financial modelling, and rationale behind major decisions, along with a formal response to staff and community submissions.
- **Independent audit of governance:** Regular independent reviews of Council effectiveness could be mandated, with findings tabled publicly in Parliament to ensure accountability at a national level.

## Pulling back from a mistake

Governance changes are required in the long term. But, there is a very short-term change at the ANU that would restore a small amount of trust - pause \*all\* involuntary redundancies.

On the 22<sup>nd</sup> of April, 1971 future Senator, Democratic Nominee for President, and Secretary of State, John Kerry made a speech before the US Senate Committee on Foreign Relations. It was during this speech that the then recently returned Vietnam Veteran and Prisoner of War used the now famous line:

**‘How do you ask a man to be the last man to die for a mistake?’**

We should be very careful about using war analogies. ANU is not at war and any comparison risks an injustice to those who lost their lives in Vietnam. But, where the comparison works is a once great institution making a series of ever more damaging mistakes with no mechanism for exit, having started ostensibly with good intentions, and no small amount of positive will.

We have to wonder, therefore, in a very different Senate Committee, in a very different time and place:

**How do you ask an academic or professional staff member to be the last one to lose their job for a mistake?**

This madness has to stop.