

# Senate Submission

## Quality of governance at Australian higher education providers

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### Introduction

My name is Christian Flynn, a recent graduate of the Australian National University (ANU). From 2018-2024, I was enrolled at the ANU in an undergraduate flexible double degree of Law and Arts. During this time, I was an elected student representative to a number of positions that had direct interaction with leadership of the ANU, providing first hand experience of the governance processes of the university. These roles include:

- 2020: President of Wamburun Hall, an ANU Residential College of 500 students
- 2020: Chair of the Interhall Council of Presidents, representing 3000 on-campus students
- 2021: Vice President of the ANU Students' Association (ANUSA)
- 2022: President of ANUSA, representing approx. 14,000 undergraduate students
- 2022: Undergraduate Member of the ANU Council

I am pleased to see the Senate's increased interest in Australia's higher education providers and the governance involved in their administration. I believe my experience as a student leader in the governance of our universities can provide useful insight for the Education and Employment Legislation Committee. I have addressed elements of the terms of reference below, utilising my personal experience as a guide for the recommendations I suggest.

## Transparency, accountability, and effectiveness of governing bodies

I spent 12 months as an elected member of the ANU Council. At the conclusion of my term, I was left with no doubt that the Council's effectiveness and accountability were fundamentally compromised. I will address specific problems I encountered with the structure of the university, as well as a proposed solution for each issue.

### Insufficient time and effort provided for the matters at hand

Papers provided for ANU Council meetings would easily exceed 500 pages regularly. These meetings were held approximately every 6-8 weeks, and we were usually provided with the papers with a week's notice or less. Whilst certainly not impossible to complete such a task, the complexity of some of the documents demanded serious attention and thought prior to the Council. Understanding the university's changing finances from council to council, as well as developing matters across a vast organisation would require a significant understanding of such matters. Given the majority of the Council are not involved in the university in their daily work, familiarity with such matters would necessarily be low for those members.

My experience was that the vast majority of agenda items were glossed over with insufficient attention. In the first instance, the vast majority of agenda items would not be discussed at all; acceptable for some matters of minimal importance, but it was regularly necessary to intervene and request matters be starred for discussion.

Council meetings were generally scheduled early in the mornings, with no set concluding time. This was presumably to avoid the implication of pressure on the Council to rush its decision-making. However, there was consistent pressure, primarily from the Chancellor herself, to see proceedings move as swiftly as possible. Perhaps this could be argued to be for the sake of efficiency of what were already long meetings. I believe this approach likely stifled genuine discussion and dissent from the Council.

On at least one occasion, the meeting itself was hurried along specifically so that the Chancellor could catch a flight to her next engagement. I am personally convinced that those selected for the honour of serving on the ANU Council should prioritise that commitment above all other engagements.

At the conclusion of the calendar year (2022) of my term of office, the entire Council was interviewed by an external consultant to take feedback on that body's efficacy. Amidst the wide range of issues I raised, one response from the consultant stood out. After I stated the concern I held with how speedily the meetings were conducted, the consultant told me that she had heard that same concern repeated multiple times. Disappointingly, such an issue was never raised in a Council meeting itself.

It is worrying to wonder if some of the hardships of the last few years at the ANU would have been dealt with more proactively if the Council had spent more time discussing the challenges the community was facing.

**Recommendation:** Significantly more time should be allocated for Council discussions on governance matters. TEQSA or other appropriate bodies should create a process that encourages honest disclosure from Council members about concerns they hold in the amount of time being allocated for governance issues.

## Composition of the governing bodies

Many have noted that university governing bodies consistently overrepresent those with no professional experience in the tertiary education sector. I concur with the arguments of those submissions. I do want to stress that I believe university governing bodies should be drawn solely from their communities, ideally through democratic processes for staff and students.

The composition of the ANU Council featuring those from outside professions also has an unexpected and perverse incentive on the functioning of the meetings themselves. As I discuss above, there was often insufficient time and effort put into discussions and considerations of council matters. The reality is that those with careers outside of the university will often struggle to balance their full-time employment with their Council duties. A university student or staff member, while also having other responsibilities, still has a strong investment in the betterment of their community. They also hold intricate knowledge of their communities that is invaluable in understanding a complex organisation. A governing body drawn from a community is far more likely, in my experience, to spend however much time is necessary on the issues of concern to that community.

**Recommendation:** University governance should be made up entirely of members of their communities. These members should be mostly or wholly democratically elected from staff and students. If a country can be run democratically, then so can a university.

## The implicit divide between the community and the rest of the council

Throughout my time on Council, I noticed that there was a broad divide in the opinions and perspectives between those from the university, and those from outside the university. This is far from uniform, and it would not be correct to say there were two defined, distinct 'factions' at play. However, I do believe that the concerns of the elected staff and student representatives are consistently downplayed, ignored, and glossed over by the university leadership and the non-elected members of the Council.

This is a difficult to define and articulate issue, and it would be impossible to accurately measure as a result of the way that Council minutes are recorded. The focus on consensus often erases the multitude of perspectives raised in discussions, with the more powerful voices dominating the final decisions and action items.

I was also told that my position as a student representative who had access to all matters of the Council was liable to be restricted. I was told that other universities employed special “managing committees” or similarly worded groups, where elected student representatives were excluded from the more sensitive and important decisions being made. I interpreted this then, as I do now, as an implicit threat to my position as the student representative.

I cannot say with confidence how other university governance bodies operate. If the above does occur, that is deeply concerning on its own. More importantly, the implication that information and decision-making could be withheld from a duly appointed member in any circumstance is extraordinarily troubling. Any existing gaps in the law must be identified to ensure that this cannot occur.

**Recommendation:** Minutes of governing bodies must accurately record the contributions and action items according to who is suggesting feedback. No Council member should ever have any documents or information restricted without appropriate and transparent cause.

## Unwillingness to foster dissent

One of the first conversations I had with staff involved at the ANU Council level of governance dealt with the process of dissent. I was told that ANU Council is a consensus-driven body, and that any formal dissent registered by the secretariat would be taken as a vote of no-confidence in the Vice-Chancellor, and likely directly lead to a resignation. I am unsure to what extent this is an accurate depiction of the impact of registering a dissenting vote in a university council. Regardless, it belies a serious problem at the heart of university governance.

Unlike parliaments and boards, consensus decision-making is the process followed by some or most university governance groups. This is theoretically ideal for forcing inclusion of certain perspectives (i.e., staff and students) into the final decisions. However, practically this cedes the defining of consensus to those who hold the reins of administrative and procedural power in that context. As universities regularly feature conflict between students and staff on one hand, and management on the other, then this consensus evaporates. Management generally views student and staff input and demands as unrealistic and shortsighted. Consensus is replaced with more autocratic forms of governance, while maintaining the veneer of a democratic process.

A simple explanation of this issue is that I, along with multiple others in my time on Council, clearly disagreed with decisions that the university was making. Having been told that our views were absorbed and accounted for in the final decision-making process, I was consistently struck by how the more inconvenient inputs from some Council members were not recorded in a manner I thought reflective of the conclusion of the conversation.

**Recommendation:** Open, recorded votes on governance matters should be taken, allowing more democratic debate and discussion.

## Financial reporting and transparency

The ANU points to their Annual Reports as the prime mechanism for financial reporting and transparency. However, the transparency that matters and is legible for the community is vastly different to that provided in such a report, which is regularly over 200 pages in length. A major improvement for all universities would be legislation that requires more explicit and simplified messaging to the community, with appropriate oversight by TEQSA or an alternative body.

### SSAF Reserves

When I was ANUSA President in 2022, I was involved in a bidding process for Students Services and Amenities Fees to be distributed to our student organisation. I was told repeatedly that the amounts the ANU were discussing with us were accurate estimates of incoming SSAF. What was not disclosed were the existing SSAF funds being held by the university from years of accumulation.

I discovered in the ANU Annual Reports that approximately \$2 million of SSAF funds had been built up since the advent of SSAF being levied from enrolled students. Over the course of a decade, the university had held back SSAF funds from distribution to recipient independent organisations and divisions of the university. This was readily apparent in the ANU's Annual Reports, however, people had likely never thought to check such documents on the assumption that the ANU was disclosing the available SSAF funds honestly and accurately at all times. This was not the case.

What is most concerning about this saga is that students' money was not spent for any discernible purpose, and that this decision was made without any input or oversight from any independent organisation. Students from as early as 2012 were having SSAF funds diverted without any apparent notice. From 2018 to 2022, whilst a student, I was not aware of any public notice to the student body that millions of dollars of SSAF funding was being held back to form a 'reserve' of SSAF funds. The argument that this information is available on the ANU's Annual Reports is simply not good enough; transparency is proactive and seeks engagement, not reactive and avoidant of scrutiny.

**Recommendation:** Universities must account for the entirety of the SSAF funds through public communication to the entire student body, ensuring that in plain and simple language, students can understand how their levied fees are being spent (or not spent).

## Executive remuneration

Executive remuneration remains a consistent critique of university administrations in the midst of major redundancy packages. The general response to such criticisms is that large pay packets are necessary to compete with the private sector given the Vice-Chancellor is occupying a role similar to that of a CEO. The same argument is made for the rest of the university executive. This argument should be wholly disregarded, as the expectations for Vice-Chancellors and CEOs are substantially different. CEOs focus on increasing revenue and reducing expenditure, with all other considerations coming second. Vice-Chancellors consider a wider range of issues that impact a university, such as more abstract metrics of success. International rankings, research prominence, and quality of education are traditionally the most important metrics for a university's success. Balanced budgets are also important, yet outside business 'leaders' have all too often left universities in seemingly worse financial conditions.

Lowering executive remuneration would fundamentally shift the focus of candidates away from individuals unfamiliar and likely uninterested with the unique functioning of universities, and instead seek out those with genuine passion for tertiary education.

**Recommendation:** Legislation overseeing university executive pay should be passed. There are two options for what this legislation should mandate.

- a) University leaders' pay should be set at pace with that of the federal parliament. If supposedly competent politicians can be sought without paying million-dollar salaries, the same can be said for committed and dedicated university leaders. Individuals leading entire countries earning less than the not-for-profit universities they oversee is manifestly ridiculous.
- b) More ideally, university executive pay should be set to align with that of their university community in some manner (i.e., not exceeding 200% of the median income of a full-time employee). Disparities in income inequality [worsens social cohesion](#). In the context of a university, when difficult decisions are made, the sense of community is deeply undermined by the belief that university leadership is out-of-touch and elitist.

## Related matters

The failures rife throughout the tertiary education sector did not develop quickly or subtly. These issues are long-standing, but many political leaders have remained unaware and oblivious to such issues until the scale of financial catastrophe has become more well known in the media. It is crucial that safeguards be built through democratic, transparent institutions. Distant oversight bodies and abstracted legislation can only go so far. The most crucial improvement to the systems of university governance would be to empower communities to tackle and address problems themselves. Outsourcing governance, just like outsourcing any other central service, only leads to community dissatisfaction and disconnection with the leadership of a university. My recommendations to address this are as follows:

**Recommendation:** 100% of SSAF should be allocated to student-run organisations. Some arguments exist for a partial allocation of SSAF funding to student organisations, but anything less than 100% gives universities power over the institutions that seek to hold them accountable.

**Recommendation:** The role of student and staff unions should be protected under legislation to have voice in university governance. Democratic input into our universities not only reduces the risk of community dissatisfaction with decisions being made that adversely affect the community, but improves the quality of those decisions themselves.

**Recommendation:** Moving the majority of university governance matters to public forums, where any member of the community can observe proceedings. Items should only be discussed separately if there is strict legal advice suggesting that confidentiality is necessary.

**Recommendation:** Clear avenues for whistleblowing, and associated legal protections, must be established across the university sector.