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Senator Marielle Smith

Chair, Senate Education and Employment Legislation Committee

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

We thank the Senate for the opportunity to make a late submission to this important inquiry. We appreciate the Committee's attention to the state of governance in Australia's higher education institutions, a matter that bears directly on the quality, integrity, and future sustainability of our universities. This submission is made by the Australian National University (ANU) Governance Project Working Group, a collective of over 30 staff and students convening the project. Our membership is listed on page 3-4 of our draft report.

Our submission has three aims:

- 1. To provide background on the ANU Governance Project, and why it formed,
- 2. To present an overview of the key issues we heard from the ANU community about university governance,
- 3. To propose changes to the ANU Act that should be co-designed with the ANU community.

About the ANU Governance Project

The ANU is currently experiencing a governance crisis that reflects wider challenges across the higher education sector. The University faces a drastic restructuring that is the result of years of poor financial management and inadequate Council oversight. There are now a succession of external reviews and investigations into matters arising from poor governance at the ANU. The Nixon Review into governance and culture at the former College of Health and Medicine identified structural failures, while the ongoing investigation commissioned by the Tertiary Education Quality and Standards Agency (TEQSA) and led by Lynelle Briggs is examining culture, governance, and financial management across the whole university. More recently, Andrew Metcalfe AO, Christine Nixon AO, and Professor Rebekah Brown have been

¹ See attached report: ANU Governance Project Working Group. (2025). ANU Governance Project: Draft Report for Community Feedback. Canberra.

appointed to commission an investigation of serious allegations made under parliamentary privilege concerning both bullying and poor governance practices within ANU Council. Concerns have been raised by members of the Senate, who believe that they were misled by ANU executives. The Fair Work Ombudsman is also investigating the ANU. Together, these developments illustrate systemic failures of accountability, transparency, and leadership at Australia's national university.

The ANU is unique in the tertiary education sector as a higher education institution established by an Act of Federal Parliament, in 1946. The <u>Australian National University Act</u> 1991 sets out the functions of the ANU, including

- (a) advancing and transmitting knowledge, by undertaking research and teaching of the highest quality;
- (b) encouraging, and providing facilities for, research and postgraduate study, both generally and in relation to subjects of national importance to Australia;
- (c) providing facilities and courses for higher education generally, including education appropriate to professional and other occupations, for students from within Australia and overseas;
- (d) providing facilities and courses at higher education level and other levels in the visual and performing arts, and, in so doing, promoting the highest standards of practice in those fields;
- (e) awarding and conferring degrees, diplomas and certificates in its own right or jointly with other institutions, as determined by the Council;
- (f) providing opportunities for persons, including those who already have post-secondary qualifications, to obtain higher education qualifications;
- (g) engaging in extension activities.

The *Public Governance, Performance and Accountability Act 2013* and other federal legislation also applies to the ANU, requiring the Council to govern the University efficiently and properly, ensure financial sustainability, manage risk, and promptly inform the Education and Finance Ministers of significant issues or risks.

The ANU's status as the only university in Australia established by a Federal Act of Parliament places the Federal Parliament in a unique oversight role. That direct accountability — via the establishing Act — goes further than the relationship our Federal Parliament has to other tertiary education/research institutions, which are accountable to the state and territory Parliaments that established them, or accountable through other legislative mechanisms.

The deepening governance crisis within the ANU outlined above catalysed the ANU Governance Project. The project is an independent, staff-led initiative, drawing together

academic staff, professional staff, students, alumni and community stakeholders who share a commitment to constructive reform. Its aims are threefold:

- To listen to, and capture, the lived experiences of staff and students regarding governance at ANU, including the impacts of executive decision-making on teaching, research, and collegial life.
- 2. To identify the values and principles that the ANU community believes should underpin university governance, including accountability, transparency, integrity, and genuine participation.²
- 3. To propose credible, community-generated solutions for reform, both within the ANU's own structures and through legislative amendment to the *Australian National University Act* 1991 (Cth).

The Project engaged the community directly through a large-scale survey (590 responses), a series of Kitchen Table Conversations (75 participants), and a governance workshop (40 participants from all ANU Colleges, central portfolios, and student representative groups). To the best of our knowledge, this is a groundbreaking and nation-leading initiative and the first time any university community has led conversations and dialogues on significant governance reforms. For the ANU, these activities represent the most detailed, community-led assessment of ANU governance undertaken in recent decades. The evidence we collected reveals overwhelming dissatisfaction with existing governance arrangements and a strong appetite for reforms to restore accountability, integrity and the centrality of the ANU's national mission.

On 9 September, we published our Draft Report, detailing key findings.³ On the basis of that report, we met with the ANU Chancellor Julie Bishop that day. We agreed that governance reform, led by the ANU community, is crucial to rebuilding trust between ANU management, staff, and students and moving the ANU forward. We have initiated a dialogue with ANU Council regarding these urgent reforms. However, we note that internal action can only address part of the governance reforms needed at ANU; ultimately, legislative reform of the ANU Act is crucial.

Resort to principles and practices, without formal institutionalisation, will likely fail over the medium term. Governance reforms cannot solely rely on good people alone. Governance systems have to be designed to survive bad actors and bad managers. Reform is urgently needed to bring ANU's governance into line with principles of good institutional design that will align the incentives of those at the top of the organisation with the university's national mission. We have an opportunity to position ANU at the forefront of good governance, as is appropriate for our national university.

² These are detailed in the attached report, rather than repeated here.

³ See attached report.

Governance Project Findings

The survey of ANU community members found overwhelming concern with governance at the university:⁴

- Over 96% of survey respondents and all discussion group participants believed current ANU governance is not fit for purpose and should be reformed, including 51.5% who said it required a complete overhaul.
- Over 92% of survey respondents and all discussion group participants expressed dissatisfaction with current ANU governance, including 49% who said they were 'completely unsatisfied'.
- Over 93% of survey respondents said they were dissatisfied with current practices of transparency at the ANU, including over 66% who said they were 'completely unsatisfied'.
- Over 93% of survey respondents said they were dissatisfied with accountability frameworks at the ANU, including over 62% who said they were 'completely unsatisfied'.

The ANU community has expressed **profound dissatisfaction with the current state of governance** at the University. Confidence in leadership has eroded, driven by perceptions of secrecy, poor accountability, and decision-making that appears detached from the values of a national university. Staff and students consistently report that they no longer trust senior leaders to act with transparency, fairness, or responsibility.

A major concern is the **concentration of executive power**. Leadership positions are often filled through opaque processes, with little input or oversight, and the rapid growth of senior executive roles has been accompanied by remuneration packages viewed as excessive and out of step with community expectations. This imbalance between leadership and the wider university community has deepened frustration, mistrust and led to poor implementation of university policies and initiatives.

The **culture of secrecy** has further undermined confidence. Council and executive processes are widely described as opaque and secretive, with limited access to meaningful financial or policy information.

Weaknesses in accountability have compounded these problems. Rules and procedures are seen as inconsistently applied, conflicts of interest are poorly managed, and senior executives appear insulated from the consequences of poor or damaging decisions.

Consultation has similarly lost credibility. Many staff and students experience consultation processes as tokenistic or perfunctory, especially those associated with the recent change

⁴ The survey was completed by 590 members of the ANU community. Current ANU academic staff were the largest cohort (36.3%), followed by current ANU students (20.7%), current ANU professional staff (19.2%), former ANU staff (12.5%), ANU Alumni (8.6%) and other members of the ANU community, such as parents, donors or prospective students (2.7%).

management process, Renew ANU, with little evidence that their views are heard or shape decisions. In some cases, feedback has been met with retaliation rather than engagement, creating a culture of fear. Precariously employed staff and students are often excluded from governance forums altogether, intensifying the sense that current governance practice is neither representative nor inclusive.

Decision-making is also widely regarded as fragmented and short-sighted. Participants describe decisions that are reactive, politically influenced, or driven by short-term considerations rather than long-term vision. Bureaucratic processes add burdens without accountability, while recurring failures in systems and operations continue to disrupt both teaching and research.

The cumulative effect of these failures is a profound institutional crisis at the ANU.

Changes to the ANU Act

The interim report of the Universities Accord made clear that reforming university governance is a priority action. In response, the Commonwealth and National Cabinet have already established three major reform processes:

- 1. The National Student Ombudsman is now operational, providing students with an independent channel for complaints.
- The Commonwealth is consulting on amendments to the TEQSA Act to give TEQSA broader and more flexible powers to intervene in cases of governance or systemic failure.
- 3. The Expert Council on University Governance (ECUG) will report in October 2025 to all education ministers, with recommended principles for governance reform expected to address culture, accountability, and operations of university governing bodies.

We welcome these sector-wide changes. Many of the changes to university governance called for by the community can be implemented by the ANU itself. However, we contend that the incentives influencing governing bodies and executives will lead them to resist translating the ECUG principles into practice without legislative reform to fundamental accountability structures.

Simply put: good governance is secured by well-run institutions. External regulatory reform alone will be insufficient. This can only be done by the Parliaments that passed the establishing Acts of individual universities.

Many of the ANU's structural governance problems stem from the *Australian National University Act 1991*, and only the Australian Parliament can fix them. Without amendments to the Act, the implementation of ECUG principles may never be fully institutionalised. In that case, TEQSA will be forced to shoulder the burden of oversight through regulatory measures. While we welcome stronger powers for TEQSA, it is far better to repair weak accountability structures proactively than to wait for crises that demand regulatory intervention.

There are several structural defects in ANU governance under the current *Australian National University Act 1991*. Only changes to the Act can resolve them. Most fundamentally, the ANU Council is a self-perpetuating body with no external accountability, apart from reporting annually to Parliament, being subject to TEQSA regulation and ad hoc (and historically infrequent) Senate scrutiny. Council appoints its own successors. Unlike a corporate board, there are no shareholders who can replace directors; unlike a legislature, there are no voters who can replace representatives. As Taflaga and colleagues argue in Submission 6 to this Inquiry, this absence of an external accountability loop creates misaligned incentives for Council members and university executives that are the root cause of many of the governance problems facing the ANU.

Through our engagement with over 600 members of the ANU community, four areas for legislative reform have emerged that we believe will provide for a better governed ANU.

The ANU community is calling for the Government to support a co-design process to inform reforms to the *Australian National University Act 1991*. In particular, four high priority changes were identified by the ANU community through the ANU Governance Project (our attached report provides far more detail about the full range of reform proposals canvassed, including many that the ANU leadership can implement without recourse to legislative change).

1. Changing leadership selection processes

The current Act enables leadership appointments to be dominated by Council and the Vice-Chancellor, producing opaque "captain's picks" that lack legitimacy and accountability. The ANU community requests that legislative reform should:

- Provide for the direct election of the Chancellor. Candidates would run, during a brief
 but deliberative campaign period, on their vision for the University, with staff (and
 potentially students and alumni) voting. This would bring legitimacy, visibility, and
 democratic accountability to the role of the University's ceremonial and governance
 leader.
- Mandate transparent and participatory processes for appointing the Vice-Chancellor, Deans, and Directors. Recruitment should include staff and student involvement, through representative committees, open forums with shortlisted candidates, and structured feedback opportunities. Options canvassed include a community veto on Vice-Chancellor appointments, College-level elections for Deans, open publication of selection criteria and key performance indicators for senior University leaders, and term limits to prevent power entrenchment.

These reforms would ensure the ANU's leaders are chosen not just for managerial competence but for their credibility, values, and level of community trust.

2. Rebalancing Council composition

The ANU Act entrenches an imbalance. A majority of Council members are management and external appointees, with only a minority of elected staff and students. This weakens

legitimacy and excludes those with the deepest knowledge of research, teaching, and student life. It has contributed to poor information flows between the ANU community and Council.

We propose amending the Act so that a majority of Council members are elected staff and students. Options include reducing appointed positions, increasing elected positions, and reserving seats for alumni. Rebalancing ANU Council in this way would strengthen accountability, embed expertise, and restore trust in governance.

3. Establishment of a University Senate

Consultation revealed a strong demand for a representative body with statutory authority, not merely advisory powers. The existing Academic Board, as a committee of Council, lacks the mandate to hold Council to account and is perceived to be controlled by management. The ANU has a legislated national mission and the current governance model neither promotes healthy information flows nor incentivises safeguarding areas of national interest.

University Senates are common in the North American and European public university systems and exist at many elite universities across the world. This is a representative forum tasked with helping to run the university and a vital institutional mechanism for keeping accountability chains active and strong. University Senates are vehicles for debate and advice to management and oversee academic quality and related policies about curricula, research and academic standards. Senates are often responsible for appointing Council members or equivalent oversight and steering bodies.

We propose amending the Act to establish a University Senate, either by transforming the Academic Board or creating a new statutory body. Its features should include:

- Membership primarily of staff (academic and professional, including representation for fixed-term and casuals) and students, with roles for external experts.
- Open meetings by default, with formal powers to review and respond to Council and executive decisions.
- A statutory accountability loop, requiring Council to table University Senate reports and formally respond to its recommendations.

Two models are possible:

- 1. Senate replaces Academic Board, becoming one of two peak bodies, alongside Council.
- 2. Senate sits alongside both Academic Board and Council, creating a tripartite system of governance.

In either case, the key principle is that Council's authority must be subject to genuine scrutiny and participation from the ANU community. This model reflects other well-established governance frameworks (e.g. corporate and government).

4. First Nations self-determination

Legislative reform must also reflect the ANU's responsibility to embed First Nations self-determination in its governance and mission. A further First Nations-led design process needs to take place to identify amendments to the ANU Act that would provide for appropriate First Nations representation in governance bodies, and recognise Indigenous sovereignty as part of the University's statutory functions under sections 1 or 2 of the Act. This aligns with the Australian Universities Accord commitment to First Nations self-determination.

Conclusion

The ANU Act in its current form entrenches executive dominance, weakens accountability, and isolates governance from those with skin-in-the-game of the business of the university: students, staff and the public. The ANU is not alone as a university grappling with a governance crisis. The solutions sought by the ANU community go to the heart of institutionalising good governance, by creating positively reinforcing accountability chains. Working accountability chains are currently missing from university governance regimes across the country.

We call on the Senate Education and Employment Legislation Committee to make the following recommendations:

- 1. that the Minister for Education:
 - (a) undertake a co-design process with the ANU community, to design and implement structural changes to the ANU Act to address the causes of the current governance crisis; and
 - (b) provide for a First Nations-led process to determine best practice for representation in governance bodies and recognise Indigenous sovereignty as part of the University's statutory functions.
- 2. that the Minister for Education introduce amendments to the ANU Act:
 - (a) to provide for the direct election of the Chancellor, and mandate transparent and participatory processes for appointing the Vice-Chancellor, Deans, and Directors;
 - (b) to establish a University Senate; and
 - (c) so that a majority of Council members are elected staff and students.