

Genevieve Bell ABC Radio Interview Transcript

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Speakers

Adam Shirley, Vice-Chancellor Genevieve Bell

Adam: This is ABC Radio Canberra with Adam Shirley. But right now, a big and consequential day yesterday for The Australian National University. Professor Genevieve Bell is the Vice-Chancellor of the ANU and is with us on Breakfast. Professor Bell, we do appreciate your time to speak with us today. Thank you for it.

Genevieve: Oh, it's nice to talk to you again, Adam. How are you?

Adam: I'm pretty good. Obviously. I'm wondering how the ANU staff and students are. Why has it come to this significant restructure that you've announced – that you've announced that it has to happen – from your perspective?

Genevieve: Oh, look, it's such a good question, Adam. And if I can sort of take you back to what we did yesterday, because you're right - it was a really big day for our community and for everyone around Canberra. So, I want to really kind of clear about what we've been doing. So yesterday, my leadership and I shared three things with our broader community. We shared the latest financial picture for the University, which is a picture that shows an accumulating, persistent operating deficit that we have been running since the pandemic. So that becomes, as you know, one of those things that- the more operating deficit you collect, the harder it is for your university or your organization to be sustainable over the long term. So, we shared that piece of information with the community and what that would look like for 2024 and 2025 if we didn't start to change the way we were operating. We also shared that we had met with the Council for the ANU, which is our regulatory oversight body, and that in sharing all of that picture with them, they had instructed the University to take \$250 million out of our recurring cost base by the end of next year. So, for you and your listeners, the University for this year, our spending will be about \$1.5 billion which is such a lot of money, but our revenue is only \$1.3 billion which means we are spending well more than we are earning. And so, what Council has instructed us to do is get the amount of money we spend and the amount of money we earn to be much closer to each other, and they've given us 16 months to do that. So, by the first of January 2026. Of course, for that to happen there's a lot of different things we're going to have to do at the university, and we've been working University, and we've been working towards a bunch of them throughout the year. We've been restructuring the way we think about hiring and some of the ways we manage our various internal ways of thinking about our money – what we call our ledgers – and we've been working through putting in a series of more mature financial systems. And then yesterday, the third thing we shared with the community was our proposal, and it is just a proposal for how we might restructure part of the University's academic activities. But I also need to be really clear, those proposals will have material impact on our community. It would see us disestablishing one of the colleges – though keeping all of the schools and centres within it – and moving

them elsewhere. But that would mean, at the moment, redundancies, and that's always a hard conversation to have.

Adam: Yeah, we'll talk about that process and whether the proposal is up for consultation in a moment. To the untrained eye, these are sudden and deep changes. How long have you known that you're going to make them?

Genevieve: So, look, the University has made clear its financial position annually. One of the things about being the National University is we're covered by federal legislation, and we are required to turn our books out to the government once a year, and we do that. So, the operating deficit has been a known thing. What happened last year was that the University adopted a budget to get us out of operating deficit and get us towards a surplus. That budget required making changes in the way we worked, so making cost-cutting efforts, as well as relying on seeing increased international and domestic student numbers. Now clearly, we didn't see those student numbers the way we hoped, and the cost-cutting measures that were required for the budget hadn't been enacted. And so, we find ourselves now in a position where the deficit requires larger controls. And to be clear, Adam, we have been working throughout this year to manage pieces of this: we've got an expenditure task force going, which is to look at all the non-salary pieces of the way the University runs. And we've been working on managing costs in lots of other ways.

Adam: You've been quite specific on a number of the challenges financially the Uni faces in the last three minutes. How much were students and staff kept in the loop about this? Or were they not told until recent times?

Genevieve: So, we've been sharing our financial challenges with the leadership team at the University. We have made a series of public statements through *On Campus*, which is our internal news site. We have had regular meetings with the senior leadership team. We have set restricted budgets for all the organizations around the University. So, the piece that would have been new for the community yesterday would have been the \$250 million spending target.

Adam: I guess I'm trying to understand, did students and staff of the broader ANU – the foundation of the Uni – have a right to know more of this detail in the lead up to yesterday so that they would have at least had some sort of understanding of what was really going on.

Genevieve: Look, I think we have done the best we can to communicate the news. And I need to be clear, what yesterday was, was about starting a consultation process, and this is how we run them at the University. We have a mechanism that unfolds that we call change proposals, and you put a proposal to your community. There's a period of time for feedback and for consultation that includes town halls and lots of conversations. There's then a period of making sense of all of that feedback and moderating proposals in order to go to an implementation plan, which, in turn, gets consulted before you actually act.

Adam: How long is that period going to be before, basically, the Uni is set on its course and the decisions, the cuts, the mergers are made?

Genevieve: So, in this instance, there are two different change proposals that are with our community, Adam. One is to disestablish the administrative entity that is the College of Health and Medicine, but preserve both of the Schools of Medicine and the John Curtin Medical School- both of which- Medical School Research- both of which will move to the College of Science, which will become Science and Medicine, and then the National Centre for Epidemiology and Population Health would move to a larger College we will be calling Law and Policy and Governance. That's in a two-week period now for feedback – both of those proposals – and then there is a two-week period of integrating that feedback. And then an implementation proposal, and that's usually another two weeks.

Adam: So, by the end of the year, this will all be done, whichever way it takes?

Genevieve: So, by the end of the year, we would have a clear sense of whether these proposals move forward and what we do against them, yes.

Adam: It is 14 minutes to eight. Professor Genevieve Bell is the Vice-Chancellor of the Australian National University with us on ABC Radio Canberra. Professor Genevieve Bell, you've been the VC since January this year. In what state were the books when you arrived in the post?

Genevieve: When I arrived at the University Adam, the University had been running a persistent operating deficit for three years. There had been, as I know Millan was telling you earlier on the radio, there had been a series of changes made in 2020 when COVID hit the university sector. We had made changes then, but we hadn't changed our processes. So, Millan is right, we cut a lot of people out of the system back in 2020, but the work didn't get any less and we didn't do a good job of working out how to stop doing things. When I became the Vice-Chancellor, we had operating deficits on the books. We had a new budget model in place for 2024 through 2028 which was predicated on, as I said, both cost-cutting measures that hadn't yet been started and a series of growth in student numbers.

Adam: So, how much of a difficult situation, good situation, do you believe you inherited overall?

Genevieve: I think I took a very deep breath Adam, and looked at what I had inherited, and thought to myself, this is a university I've known since I was a little girl. And this is a place that made a big difference in my family's life. This is a place that I think is an extraordinary asset to my country and my region. This is a place where I think about the words of one of its founders, 'Nugget' Coombs, who said that 'the ANU should be a powerhouse of social reconstruction and that we should give the world the knowledge with which to build wisely'. I think about all of that, and I think about the fact that I am the steward and my leadership team too, of making sure this place is all of those things, we have a lot of work to do.

Adam: Was there any other way this could have been done? For instance, how many higher-level executive positions are being considered for cuts or reductions?

Genevieve: We've already reduced the senior leadership team. We have turned over some of the leaders. I've reduced the size of my office since I took the role. We have

restricted some of our capital spend. We have changed the way we do hiring. We have worked through a series of mechanisms. I'm sure your listeners aware – we have controversially raised the price of parking, partly because the price of parking at the university was incredibly low, and it's now still lower than the market, but it will be a big change for people. We are working on as many different mechanisms as we can here. And to be clear, the \$250 million we need to reset the university by, for the 1st of January 2026, isn't just going to come in salary. It'll come in non-salary too.

Adam: Yeah. As a signal to no doubt, the pain that's being felt by the mass student and staff group. Have you considered a reduction to your salary and that of your executive? I know it won't make a big difference necessarily, in 20- \$200 million deficit, but will it at least show leadership, and a signal? Is that something that you're considering?

Genevieve: We're going to consider everything in all of this, Adam. And I need to be really clear: the changes we need to make need to be enduring ones, not short-term ones. And so, everything we need to do from now on in needs to be about reshaping the university so that what we are is sustainable over the long term, and that's going to mean changing all kinds of things for us.

Adam: The staff and students that end up being cut or affected might have no chance to reapply at a different uni or at a different institution. I mean, what chance-

Genevieve: Oh, so Adam, can I stop you? Can I stop you for a second there? We're not cutting any educational programs. I need to be really clear about that. All of our educational offerings will remain. We are still intensely committed to the work we do in that space and to our research offerings so, anyone who's in the School of Medicine and Psychology or elsewhere, we are still going to offer degrees in those spaces. None of that is changing. Let's be really clear about that.

Adam: So, I might have missed something there, though, because I think you've been quoted as saying, "This will result in a smaller university." I take from that less education and less streams of education. Am I wrong about that?

Genevieve: Look, I think smaller in that sense, and it's interesting how much carriage that word has – smaller realistically, the federal government's managed growth targets for the University mean we will have less students in 2025 than we had in 2024 we will have less students in 2026 and 2027. We will be smaller because of a new set of parameters that the federal government is giving us. We'll be smaller in that sense. We will need to make sure that what we teach and how we teach it is purpose fit. But it's not about stopping any student that's already with us doing what they are doing, and I am always thrilled by the range of students we have and the work they do and the extraordinary things they do on the campus. Will we have a smaller University? In other ways, look part of the plan that is in consultation with our community. Now again, in consultation – it's a proposal – doesn't see the removal of any Schools or Institutes or Centres. It's about restructuring some of them to create new ways of engaging with the world. And I imagine we will be a little bit smaller; we need to be.

Adam: Will some staff, though, miss out on opportunities to go elsewhere if they end up losing their jobs, but because most unis and TAFEs have already run their interview processes for the forthcoming academic year?

Genevieve: Look, that's a really good question, Adam. I think there will be, and there continue to be, lots of complexities in our whole sector. I imagine we will not be the first university that faces into the challenges that we. I imagine we will not be the first university that faces into the challenges that we are seeing.

Adam: Genevieve Bell is our guest. She's Professor Genevieve Bell, Vice-Chancellor of The Australian National University, seven and a half minutes to eight. With the ongoing review into the College of Medicine, Professor Bell, headed up by Christine Nixon, why are you proposing to merge that College before the review into the culture in the workplace there is complete?

Genevieve: Oh, good question, Adam. I tend to think of those things as two quite separate issues. We asked Christine Nixon to perform an external culture review of the college and its component pieces – so of both the Schools and the Centre that sit within it – and regardless of what happens next, I want to ensure that those Schools and that Centre are set up well to be successful wherever they go. And so having both of those things running concurrently is not ideal, but I found it intensely necessary.

Adam: You've mentioned the student cap and the federal government's decisions on that, a reason says the uni that these changes have had to happen. How much does that prove that the ANU has had an over reliance in recent years on those students for revenue?

Genevieve: Oh, look, another good question, Adam. The reality is we have had a modest international student population compared to some of the other institutions in the sector. Our challenge very much was that 2024 through 2028 our financial plan – the one that we adopted last year – saw us starting to grow revenue, and that growth was predicated on growing international student numbers. So, it was less a dependency on them, and more a desire to increase our numbers there. And that's what hasn't happened.

Adam: The millions of dollars that the Uni recently spent on two car parks and other outgoings I guess, I mean, how wise were such investments, considering what you're now saying you have to do?

Genevieve: So, Adam, one of the complexities of inheriting a university, as I'm sure you can imagine, is that it's really hard to put your feet in the shoes of your predecessor. There were lots of decisions that we made between, well decisions made before I got to the job, and I don't always know precisely why they were made. What I do know is my predecessor and his staff were really determined during the pandemic to prioritize the safety and wellbeing of our staff and students, and we made a lot of decisions to make that happen.

Adam: A couple of concluding questions. And I appreciate your time, and thank you for being generous with it, Professor. This listener wants to know how many more

positions would need to go by the end of 2026 to meet the \$100 million reduction in salary costs that the Vice-Chancellor has mentioned.

Genevieve: Look, your listener is shrewd to ask that question. One of the reasons we've framed this as \$100 million reduction in salary, not in headcount, is that we also have – in addition to our staff and students – we have leave liability, which means that every person at the University is entitled to take leave, and we hold money against them needing to take that leave. For any number of complicated reasons since 2018, the amount of leave people are holding and not taking has increased, and so the liability on our books is high. Part of what we have been encouraging people to do since last year is to take their allotted leave and to help us draw down a little bit of the excessive leave balance we have. If we can get some of that under control, it changes the complexion of how many staff, how many staff we might need to make redundant in this process.

Adam: And this texter, who I presume is part of the ANU community, says, “Morning Adam. Please ask Vice-Chancellor Bell whether the central admin will be reduced, particularly at the Senior sub-VC level, which has blossomed in recent years,” according to this listener, “and their international travel in line with the smaller teaching and research staff”. Your response to that listener?

Genevieve: Your listener is absolutely correct. One of the things that is fascinating about the change in the composition of the University from the pandemic to now is the change in what the, in some ways, the range of staff look like. I have been slowly, steadily, working on realigning people to their functional responsibilities, so we've centralized HR, Finance and IT. And we've continued to look at whether we have all the right roles. In my own office, I have disestablished a number of positions since I took the job, and my office is nearly half the size of my predecessor, so I'm working on that too, along with my leadership team.

Adam: As you say, there will be a series of sessions I think, consultation done with staff and students. Is it likely that you might change the fundamentals of this proposal, depending on what they tell you?

Genevieve: Look, Adam, I've been through a couple of change proposals at the ANU since I joined, and I have always seen the final implementation plan look different than the thing that was originally proposed. And I think that's a good thing.

Adam: Professor Bell, thank you for your time. We are grateful for it on breakfast today.

Genevieve: Oh, you're very welcome, Adam. It's my pleasure.

Adam: That's Professor Genevieve Bell – the Vice-Chancellor of The Australian National University – describing in some detail the position she says she found on taking the role of Vice-Chancellor, the initiatives, the decisions they have taken up until yesterday where they have announced clearly a significant restructure, series of cuts for consideration. The Vice-Chancellor says this is a proposal at this point. And that staff and students will be consulted in the coming weeks about whether there are alternatives or different forms that could make up the shortfall of money which in the end is what this seems to be about. A \$200 million deficit,

operating deficit that needs to be made up. Plenty of thoughts coming in from you.