



Australian
National
University

Senate Standing Legislation Committee on Education and Employment

Inquiry into the quality of governance at Australian higher education providers

Submission of The Australian National University
March 2025

The Australian National University (ANU) welcomes the opportunity to make a submission to the Senate Standing Legislation Committee on Education and Employment inquiry into the quality of governance at Australian higher education providers.

ANU was established by an act of Federal Parliament almost 80 years ago, to provide Australia with a national centre of research, learning and teaching that would help shape and hold conversations to build a better and more prosperous future. Today, ANU is ranked among the best universities in the world, with more than 10 subjects ranked in the top world subjects globally. More than 6,500 students live on our campus, and our student cohort of 20,000 come from more than 100 nations. Our more than 4,500 staff have skills and expertise that cover the range of requirements for a modern university.

Overview

ANU is unique in the Australian higher education sector as the first and only national university. Beyond its founding Act, ANU is subject to an extensive range of Commonwealth and Australian Capital Territory legislation – more than 100 distinct legislative instruments with separate compliance obligations.

The University is subject to the general regulatory requirements of any higher education institution, as well as those of a Corporate Commonwealth Entity. ANU proactively engages with these obligations and related regulatory functions such as the *Higher Education Support Act 2003*, foreign interference and national security requirements, as well as work health and safety regulations such as under the *Work Health and Safety Act 2011*. Key legislation is monitored through the Annual Governance Conformance Statement, which is endorsed by the ANU Council.

ANU believes in the importance of good self-governance. The University's governance framework emphasises inclusivity and transparency through a range of internal mechanisms that provide appropriate guidance and guardrails. The University also has a well-developed set of legislation, internal policies, procedures and practice which are reviewed and tested regularly.

Some key examples of the University's existing governance operating context are listed below, however, given the sheer breadth of existing regulation and compliance obligations, this is by no means exhaustive.

THE REGULATORY CONTEXT – LEGISLATION AND OBLIGATIONS

ANU is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), established under the *Australian National University Act 1991* (ANU Act), with a mandate to undertake research and teaching of the highest quality as Australia's national university.

ANU governance

The ANU Council is the accountable authority under the PGPA Act, and the governing authority for the University as set out in the ANU Act. It oversees the University's strategy, financial management, and key policies and decisions. Council's operationalisation of their authority and responsibilities under the ANU Act are set out in the ANU Council Charter, based on principles of good corporate governance.

Council is made up of 15 members, including the Chancellor (Chair), the Vice-Chancellor, the Pro-Chancellor, elected staff and student representatives, as well as independent members from outside the University (appointed by the Minister for Education). This balance of internal and independent members was envisaged to ensure robust and healthy debate from multiple perspectives, as well as to ensure a mix of skills and capabilities relevant to ANU Council responsibilities.

In keeping with good governance practices, ANU Council has established several sub-committees which provide advice on matters such as finance, audit and risk management, campus planning, and student safety and wellbeing. This robust governance structure helps ensure consistent and informed scrutiny and regulation of the University's operations. Each committee is similarly governed by a Charter, agreed by ANU Council, which sets out responsibilities and processes.

In June 2024, Council re-established the Exceptional Business Committee (formerly set up to support the University's response to the pandemic in 2020) to closely monitor the financial situation and measures being planned to address it. The Committee comprises the Chancellor, Vice-Chancellor, Pro-Chancellor (who is also Chair of the Audit and Risk Management Committee (ARMC)) and the Chair of Finance Committee and meets on an ad hoc basis as required. A report of ANU Council and its Committees is provided to Council on a regular basis.

The ANU Act establishes the role of the Vice-Chancellor as the Chief Executive Officer of the University. The *Australian National University (Governance) Statute 2024* (Governance Statute) further specifies that the Vice-Chancellor is the principal academic officer for the University, responsible for its academic standards, management and administration.

Under the Governance Statute, and by resolution, Council has authorised the Vice-Chancellor to appoint a Provost, Deputy Vice-Chancellors, and Pro Vice-Chancellors, and other executive appointments, as appropriate.

Under its Charter, ANU Council has adopted the *Voluntary Code of Best Practice for the Governance of Australian Universities (2018)*, approved by the Ministerial Council for Tertiary Education and Employment as its principal benchmark for good corporate governance. ANU Council will also proactively seek to comply with the University Chancellors Council *Code of Governance Principles and Practice for Australia's Public Universities*.

ANU specific legislation

Whilst the ANU Act is the overarching legislation that sets out ANU specific governance arrangements, the University is also empowered to make its own legislation. The ANU Council is empowered to make legislation (known as Statutes, Rules and Orders) to regulate matters concerning the operation of the University under the ANU Act. The Vice-Chancellor may also make Rules and Orders under the delegated authority of the Council, and which must be reported back to Council.

The University currently has 25 active pieces of legislation registered with the Federal Register of Legislation and Instruments, covering student-related topics such as research and coursework awards, academic progress, discipline, integrity and assessment, as well as broader topics such as liquor on campus, and parking and traffic.

The University's suite of legislation has the status of Federal Law and is registered on the Federal Register of Legislation in accordance with the *Legislation Act 2003*. As with other Federal legislation, the University's instruments are scrutinised by Parliamentary committees such as the Senate Standing Committee for the Scrutiny of Delegated Legislation and the Parliamentary Joint Committee on Human Rights which, from time to time, request further contextual information or amendments. The University engages with feedback received as a means to improving its suite of legislation.

Public Governance, Performance and Accountability Act 2013

As a corporate Commonwealth entity, ANU is subject to oversight by the Parliament of Australia under the PGPA Act and its associated instruments and policies, including the PGPA Rule which establishes the governance, performance, and accountability requirements and procedures for Commonwealth entities.

As part of its obligations under the PGPA Act, ANU must submit its Annual Report to the Minister for Education by 15 April each year (noting ANU operates on a calendar financial year), in order for it to be tabled in Parliament on or before 31 October (consistent with the Tabling Guidelines), to enable scrutiny by this Committee at Senate Estimates.

The PGPA Act also sets out that the ANU Annual Report must include both the annual performance statements and annual financial statements (both detailed below).

Performance statements

Consistent with the PGPA Act and the PGPA Rule, the University's performance is assessed against the ANU Corporate Plan. The University's performance in 2023 was disappointing, however, steps were taken in 2024 to improve performance, including the implementation of quarterly performance reporting to ANU Council and ARMC.

The preliminary results for 2024 show significant improvement. Most notably, the ANU has now met the Key Performance Indicator to increase participation from students from a low socio-economic, First Nations, and rural and remote backgrounds.

EXTERNAL EVALUATORY ENTITIES

Financial controls, reporting, and safeguards

Like all Corporate Commonwealth Entities, and consistent with the PGPA Act and the *Auditor-General Act 1997*, ANU financial statements are audited each year by the Australian National Audit Office (ANAO). As mentioned above, the audited financial statements are provided to the Minister for Education, tabled in Parliament as part of the ANU Annual Report, and subject to scrutiny by this Committee.

The audit process usually takes four to five months, with an interim audit undertaken between October and November each year, and the final audit between January and March the following year.

The University has always received an unqualified audit opinion from the ANAO. In their most recent opinion letter to the Minister for Education (8 April 2024), the Delegate of the Auditor-General confirmed that:

In my opinion, the financial statements of The Australian National University and the consolidated entity (the Entity) for the year ended 31 December 2023:

(a) comply with Australian Accounting Standards and the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015; and

(b) present fairly the financial positions of the Entity as at 31 December 2023 and their financial performance and cash flows for the year then ended.

Before being presented to the Minister, the financial statements are approved by the ARMC, and the ANU Council, consistent with their role as the accountable authority under the PGPA Act.

ANU also introduced a number of additional internal operational and financial controls in 2024 to ensure oversight and reduction of the financial deficit. These include increased centralised controls around staff recruitment, consultancy expenditure, and certain account and project types, as well as strategies to reduce annual and long service leave liabilities and capital expenditure.

Performance and governance reviews

The University's governance has been externally reviewed three times in the last 10 years.

Walker Review

The Walker Review (the Review) was completed by Emeritus Professor Sally Walker AM in 2014, at the request of the then Minister for Education, the Hon Christopher Pyne MP. The Review's report recognised that there was much about the governance of ANU that was exemplary, and that its recommendations were intended to ensure that existing good governance arrangements were further enhanced. The ANU Council welcomed the recommendations, and accepted all of them, with only minor qualifications regarding amending the ANU Act provisions on borrowing limits. All recommendations, aside from those requiring or related to legislative amendments, have been completed.

ANAO performance audits

The ANAO also periodically undertakes performance audits of the ANU, in line with its workplan which is set by the Auditor-General in consultation with the Parliamentary Joint Committee of Public Accounts and Audit, consistent with the *Public Accounts and Audit Committee Act 1951*.

The ANAO's most recent performance audit, which was focused on the 'Australian National University's Governance and Control Framework' was undertaken in 2021. It found that the University's frameworks were largely effective, and the last of the six recommendations is expected to be completed in the first half of this year.

ANU also undertakes monthly meetings with the ANAO appointed auditors to update them on any changes to the University's financial and operating environment. ANU is included in the ANAO draft Annual Audit Work Program 2025-26 with a proposed audit of the University's financial management framework. In line with the University's commitment to continuous improvement and the highest standards of transparency and openness, ANU will actively support and engage with that or any future audit.

Tertiary Education Quality and Standards Agency (TEQSA) re-registration review

ANU underwent the TEQSA reregistration (renewal) process in 2022 and 2023.

On 4 January 2024, TEQSA formally notified ANU of its December 2023 decision that its registration was renewed without conditions until 13 December 2030. This is the maximum allowable period of renewal (seven years) without conditions or constraints.

ANU compliance with the *Higher Education Standards Framework (Threshold Standards) 2021* was assessed as part of its TEQSA renewal process, including:

- Compliance with standards: Institutions must demonstrate compliance with the Higher Education Standards Framework (HESF), including requirements for governance, academic quality, and student support services.
- Funding and financial viability: Institutions need to show they have the funds to maintain operations and provide quality education.
- Fit and proper person test: The key decision-makers and governing body members must meet the 'fit and proper person' requirements, demonstrating integrity and competence.
- Quality assurance processes: Institutions must have robust internal quality assurance processes that regularly evaluate and enhance educational offerings.
- Student outcomes: Evidence of successful student outcomes, such as completion rates and employability.

TEQSA found that ANU had demonstrated:

- Ongoing commitment to making positive changes to corporate and academic governance.
- Strong institutional commitment to assuring academic and research quality and integrity.
- Comprehensive and robust research framework and culture.
- Strong risk management frameworks.
- Ongoing commitment to increasing the transparency and accountability of its efforts to address sexual assault and sexual harassment.

TEQSA identified some areas for further improvement, which are being progressively responded to through related reviews and policy updates (outlined elsewhere).

ANU continues to regularly engage with TEQSA through voluntary notifications, site visits, requests for information, and general compliance matters.

Accreditation activities

The ANU accredits programs in a manner consistent with the Australian Qualifications Framework (AQF), the HESF and relevant legislation, to ensure compliance with national academic and regulatory standards, and with ANU rules, policies and procedures (including the University's Academic Accreditation Handbook). Program accreditation is overseen by the Academic Board, with advice from the Academic Quality and Assurance Committee (for coursework programs) and the University Research Committee (for Higher Degree Research programs). It should be noted that the term 'program' corresponds to 'course of study' as defined by the Department of Education.

Programs are accredited for a maximum period of five years, requiring evidence of alignment with AQF level requirements, research-led education principles, and academic merit. Re-accreditation processes incorporate external benchmarking, student feedback, and compliance with AQF and HESF requirements to maintain academic quality and relevance.

Professional accreditation is a separate process that is parallel to, but independent of, academic accreditation which evaluates whether programs meet the standards set by industry and professional accrediting bodies. This is managed by schools and colleges and as it is not a formal part of the University's accreditation of the program and is not overseen by Academic Board. A number of key teaching and education programs at the University are also subject to external accreditation, including within business, law, engineering and medicine.

ANU GOVERNANCE FRAMEWORK

The University has robust governance frameworks in place that help guide decision-making, provide controls and transparency in processes, and ensure effective and clear accountability so that ANU continues to operate with the highest standards of decision-making and oversight.

Policy governance

The University's Policy Governance Framework provides the structure for describing, ordering, developing and maintaining the University's policies, procedures, standards and guidelines. Critical components of policy development and review at the University include consultation and scrutiny through the University's governance committees, and communication with relevant stakeholders. There are three categories of policy documents:

- Academic: All matters pertaining to teaching and learning, programs and courses, academic student administration and support, research and research training.
- Administrative: All matters that pertain to the operational nature of University business.
- Governance: All matters for which Council has primary responsibility as the governing authority.

The University Policy Manager provides advice and guidance to policy practitioners on the development, approval, implementation and review of policy documents. The University Policy Manager can review drafts of policy documents that are under development or under review. It is also the role of the University Policy Manager to provide quality assurance to the University Executive on all new and revised policy documents.

Since June 2024, the University has been actively reviewing its policy library. This review has included reducing duplication, retiring unnecessary policies, and establishing new policies to address current challenges. By February 2025, 108 policy documents had been repealed, bringing the size of the library to 549 documents. This work will continue throughout 2025.

ANU Delegations Framework

Aimed at enhancing standards of accountability and responsibility in decision making, this framework is designed to reflect the University's organisational structure and provide a mechanism to assign authorities which originate from legislation, policy and procedures.

The framework consists of three broad types of delegations, as follows:

- Banded delegations: Delegations which are assigned to specific bands.
 - The banding arrangement is designed to make it clear that the delegations held by positions on lower band levels are also held by those on the bands above them.
- Specialist delegations: Delegations which are held by occupants of designated positions.
 - These delegations are held by the specified position as well as that position's line supervisors up to the Vice-Chancellor.
- Legislative delegations: Delegations which are prescribed in legislation as only being exercised by occupants of designated positions.
 - These delegations can only be held by another person if the delegation is transferrable, and the designated delegate assigns the delegation to another person.

ANU Disclosure of Interest Framework

The ANU has demonstrated its commitment to proactive governance through continuous improvement initiatives that go beyond the basic compliance requirements expected of us.

The ANU Disclosure of Interest Policy establishes a framework for identifying, disclosing and managing potential conflicts across the University. It operates through a seven-action approach: identify, disclose, seek advice, manage, escalate, monitor, and review. The framework appropriately connects with broader university governance systems and aligns with relevant legislation to enhance institutional integrity and transparency.

The framework creates distinct processes for different University roles. General staff disclose to supervisors who complete risk assessments and develop management plans when needed. Members of ANU Council and its committees participate in annual declarations, notifying Council and its committees if conflicts arise in the course of their duties.

Following the University's TEQSA re-registration review in 2022-2023, our Disclosure of Interest protocols were strengthened. There are now clearer obligations, standardised processes, centralised record-keeping, and formal management plans. While comprehensive in design, successful implementation depends on appropriate resources, technological support, and training, to ensure compliance without creating excessive administrative burden.

Since 2024, the University has been working to increase engagement in this area. Improvements are being made to the digital systems that support disclosures, and encouraging an active culture around disclosure.

ANU internal audits

As part of its commitment to maintain appropriate systems of risk oversight and controls, the ANU Council established the Internal Audit Charter under the ANU Act, and consistent with obligations under the PGPA Act.

Audits are performed each year based on a Council-approved three year Rolling Internal Audit Work Plan developed in consultation with the ANU Executive and key stakeholders, including ARMC.

Internal audit is an independent, objective, risk-based assurance and advisory activity designed to add value to and improve the effectiveness of risk management, controls, and governance processes at the University.

Over the past four years (2020-2024), 26 internal audits have been conducted, resulting in 105 findings and 215 recommendations. Of the recommendations, 163 have been closed, 42 remain outstanding, and 10 will not be implemented as they related to subsequently disestablished work areas. The University has recently established a multi-provider panel to enhance the quality, scope, and scale of the internal audit work plan.

Progress updates on the implementation of audit recommendations are presented at each ARMC meeting. For long overdue audit recommendations, stakeholders are invited to the meeting to provide status update and to respond to queries.

Risk management

ANU Council, along with ARMC and Finance Committees have responsibility to holistically and continuously oversee and monitor the University's financial and risk management.

The University is seeking to invest further in its risk maturity and capability through the establishment of a University Risk Office, and recruitment of a Chief Risk Officer to fully integrate risk considerations into decision making and strategic planning across the University.

During the re-registration review in 2023, TEQSA found ANU had a strong risk management framework, as well as an ongoing firm commitment to making positive changes to corporate and academic governance. A number of risk management enhancements have been implemented since that time, reflecting the changing operating context.

The ANU Strategic Risk Register was first developed in April 2017 and is reviewed annually to, on an as-needs basis, incorporate risks with relevant controls and their effectiveness, treatments and treatment owners. The register is presented to ARMC and ANU Council at their regular meetings.

Creation of an Obligations Directory commenced in April 2024. This project aims to minimise compliance risk through the establishment of a centralised directory which will be made available to all stakeholders, followed by a compliance attestation exercise across the University. This will enable the University to appropriately prioritise and allocate resources to manage legislative compliance at portfolio and college levels. Furthermore, it will allow the University to provide assurance to ANU Council and external stakeholders regarding the University's ability to manage its obligations, mitigate the risk of non-compliance and enhance the culture of compliance at the University.

Assurance mapping as part of the 2025 internal audit work program is intended to provide a holistic visual representation of the University's internal control and risk environment to ARMC and Council, ensuring that gaps, overlaps, and inefficiencies in risk oversight are promptly identified.

ANU Academic Board

The ANU Academic Board is established by Council under the Governance Statute.

Under its Charter, the ANU Academic Board is tasked with ensuring the University maintains the highest standards in teaching, scholarship and research. Academic Board approves academic policies, degrees, and other awards. Moreover, it provides a forum to facilitate information flow and debate within the University and between the University senior executive and the wider academic community.

The Academic Board plays a critical role in maintaining academic integrity and quality. It oversees the development of policies, monitors teaching and research standards, and advises the ANU Council on academic matters. Its work ensures that the University's academic programs and research outputs continue to meet world-class standards.

ANU employment policies, procedures, and guidelines

The ANU Enterprise Agreement (EA) is the foundational legal document that outlines the employment terms and conditions for ANU staff. Under the EA, employment practices are governed by a range of policies, procedures and guidelines that are publicly available to staff and those outside of the University.

The EA aligns with Australian Fair Work regulations and National Employment Standards, which set the national workplace relations framework, including minimum wages, working conditions, and employee rights. The EA must meet or exceed the conditions set by the *Fair Work Act 2009*, ensuring that ANU employees receive entitlements such as leave provisions, job security, and workplace protections.

The EA is developed through negotiations between ANU management and staff representatives, including unions, ensuring fair working conditions and benefits. The most recent EA commenced in 2023, and provided an 18.5 per cent pay increase across the three-year agreement (senior management are excluded from the EA).

ANU employment-related policies, procedures, and guidelines are designed to promote transparency, equity, and consistency across the institution. For example:

- The ANU Appointments Policy and Procedure ensures recruitment and appointment activity is undertaken in a fair and transparent manner, defining recruitment and selection processes including methods of appointment, requirements and standards.
- The Probation Procedure outlines the process for new staff probationary periods and managing performance for the successful completion of probation.
- The Procedure on Ordinary Hours of Work and Related Provisions provides Professional staff with information on a range of associated employment conditions including ordinary hours of work, span of hours, and entitlements to breaks.
- The Casual Professional Staff Conditions Procedure outlines employment conditions and procedure for the engagement and payment of casual professional staff covered by the ANU EA.
- The Redeployment Procedure outlines the principles and processes which facilitate the redeployment of staff whose position is no longer required or who cannot undertake their current responsibilities due to personal incapacity to work, in accordance with the provisions of the ANU EA.
- The Code of Conduct establishes ethical behaviour guidelines for all ANU staff and affiliates.
 - Affiliates are any entity that provide goods or services to the University.
 - The Code emphasises integrity, respect, and professionalism and recognises the concept and practice of academic freedom.

Executive remuneration

A further recommendation of the ANAO performance audit related to monitoring and reporting of senior executive remuneration to comply with the PGPA Rule.

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 consistent with the University Executive Remuneration policy implemented in February 2023.

In 2024, ANU appointed a dedicated Remuneration and Benefit Manager and expanded the University's access to and use of market salary benchmarking data for all senior management appointments. Market benchmarking ensures the University remains competitive. Generally, this is against comparative positions in other Group of Eight universities. Some positions require ANU to compete with a broader market. Benchmarking for these positions is undertaken using general market data for organisations with similar context to the University, or customised research and industry surveys.

Per the ANU Act, remuneration and conditions for the employment of the Vice-Chancellor are determined by ANU Council (or the Chancellor on behalf of Council), acting on the advice of the Remuneration Committee.

The salary of the Vice-Chancellor had been benchmarked in February 2023 in anticipation of upcoming contract negotiations with the then-Vice Chancellor. The recommended total remuneration package from this benchmarking process was up to \$1.3 million.

This figure was re-benchmarked, further tested with the President of the Remuneration Tribunal, and endorsed and accepted by the ANU Council in September 2023 during the appointment process for the current Vice-Chancellor. The final total remuneration package for the current Vice-Chancellor was agreed at \$1.1 million, although Vice-Chancellor Bell requested that it be further reduced by 10 per cent in October 2024, reflecting the financial position of the University.

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* (RT Act). This provision was added to the RT Act in 1995, when the Parliament passed an amendment repealing the Remuneration Tribunal's responsibility for determining remuneration of senior executives at ANU (as well as the University of Canberra, and the Australian Maritime College). The ANU Act was simultaneously amended to clarify that the ANU Council holds power to determine remuneration for the Vice-Chancellor and Deputy Vice-Chancellors.

CONCLUSION

ANU understands the Committee's focus on ensuring quality higher education outcomes. Given the existing complexity of the higher education regulatory environment, ANU recommends caution before expanding TEQSA's areas of responsibility, particularly where that may require a significant broadening away from TEQSA's current core areas. This could be counterproductive and weaken TEQSA's effectiveness, and also lead to duplication and overlap unless other legislative requirements are simultaneously adjusted or streamlined.

Finally, ANU reiterates its strong commitment to continuous improvement and best practice self-governance, and looks forward to continuing to engage with the Committee, and Parliament more broadly, on these important issues.