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▶ Regulator may gain more powers as tertiary institutions grapple with claims of wage theft, sexual harassment and bullying

Universities face reckoning on governance and relevance

Paul Karp

University leaders have been warned their governance is not up to scratch at a time a series of high-profile scandals has reduced trust in the sector and education trends have caused many people to rethink the value of tertiary study.

The way universities are being run, disruption to their funding models from restrictions on enrolments and the skills revolution expected to flow from artificial intelligence were key challenges for the sector identified at The Australian Financial Review Higher Education Summit on Tuesday.

"If you don't think we've got challenges with university governance, you've been living under a rock," Education Minister Jason Clare told the industry forum.

Clare cited sexual harassment, wage theft, and the "distressing evidence in the Senate inquiry last week". Former ANU council member Liz Allen alleged in the Senate she was intimidated and ridiculed by chancellor Julie Bishop. Bishop and vice chancellor Genevieve Bell have also been under intense pressure since a huge \$250 million restructure and cost-cutting exercise.

Clare said governance had not been "up to scratch" and on Tuesday flagged an intention to give more powers to the Tertiary Education Quality and Standards Agency. This was welcomed by the National Tertiary Education Union but prompted a warning from Universities Australia chief executive officer Luke Sheehy, who said any change must bring "real improvements" rather than "add to the growing thicket of regulation weighing down universities".

Western Sydney University vice chancellor George Williams told the summit he saw a growing "generational divide", with students feeling that the system is "not serving them ... [and] not delivering on the social compact".

Williams singled out the failure of the Albanese government to roll back the Coalition's Jobs Ready Graduate package, which he said had raised the



If you don't think we've got challenges with university governance, you've been living under a rock.

Jason Clare, federal education minister



We are reduced to the Hunger Games in our system at the moment.

Vicki Thomson, CEO Group of Eight



Using AI is not cheating, it's clever.

Theo Farrell, VC, La Trobe University

PHOTOS: OSCAR COLMAN

cost of arts degrees to more than \$50,000. "We are pricing students out of university, particularly from equity backgrounds, [and] as a nation we're saying we do not value the humanities," he added.

Simon Haines, an adjunct professor at the Australian Catholic University, said Australian unis were doing "brilliantly" at training professionals and research, but the third function – cul-

tivating wisdom – was "being marginalised, defunded and eviscerated".

"I'm looking at you, ANU," he said, singling the university out for plans to "defund the humanities".

Funding cuts at ANU have included a two-thirds reduction in the casual teaching budget for the Centre for Social Research and Methods in the humanities and winding down of the university's school of music.

Jobs and Skills Australia commissioner Barney Glover argued that degrees that teach critical thinking were even more important in the era of artificial intelligence.

Sarah Bendall, first assistant ombudsman at the National Student Ombudsman, told the conference it had received about 2000 complaints in its first six months of operation. The largest category at 32 per cent were

complaints about administration, with a further 14 per cent concerned with fees and refunds. Teaching and learning was a cause of complaint for 19 per cent and academic appeals on student performance a further 19 per cent.

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'Stop panicking' about AI fraud

Rachael Bolton

Universities have been told to overcome their preoccupation with students using artificial intelligence to cheat and instead embrace the technology as both a tool and a subject as a matter of urgency.

"Using AI is not cheating, it's clever," La Trobe University vice chancellor Theo Farrell told the Financial Review Higher Education Summit on Tuesday, which was told building skills in the technology was vital for the country's economic future.

He said it was incumbent upon institutions to incorporate and elevate AI competencies, rather than panicking

about its use as academic fraud.

"We basically know that there's a lot of AI use in workplaces where the company hasn't adopted a policy on AI, but workers are using AI," he said, referencing a recent report by Jobs and Skills Australia. "There's all sorts of risk in that scenario."

"I say to staff, not only should you be using AI, but then you should talk to your co-workers, so you create a community of practice where you share what works and what doesn't."

Federal Education Minister Jason Clare told the summit that concern with cheating was far too narrow for the challenge AI presented.

"Over the last few years in schools

and universities, we've been too preoccupied by what it means for how we assess students, how we make sure that students are learning, not cheating," he said.

"But there's a bigger game here. If this is going to be as ubiquitous as we all think, if it's more likely to augment rather than automate work, then how do we prepare for that?"

Leaders from universities across the country said they were working to embed AI into all kinds of degrees.

For example, when the merger between the University of South Australia and University of Adelaide is completed next year, it will employ a

VC pay could be set by tribunal

Paul Karp

Universities have been urged to increase transparency and agree to the independent setting of vice chancellors' pay to increase public trust and move on from controversies about governance such as the one shaking the Australian National University.

Iain Martin, the vice chancellor of Deakin University, endorsed a proposal for a remuneration tribunal to set or at least advise on vice chancellor pay, telling the Financial Review Higher Education Summit on Tuesday it would "kill the issue dead".

Education Minister Jason Clare also tentatively endorsed a proposal made to him in July by the University Chancellors Council for a partnership with

the Commonwealth Remuneration Tribunal to provide nationally consistent advice on vice chancellor salaries.

The National Tertiary Education Union held a protest outside the summit against proposed restructures and job cuts, with the use of consultants, high VC pay and lack of consultation on their list of grievances.

Clare said the expert council on university governance, headed by Committee for the Economic Development of Australia chief executive Melinda Cilentio, was examining remuneration, transparency and accountability.

Clare noted the recent University Chancellors' Statement as a "good example" of the sector leaning in to the need to meet expectations. "But can I

What students complain about

Administration

Edmund Tadros and Hannah Tattersall

A large number of the almost 2000 complaints made in the first six months to the student ombudsman could have been resolved by universities, the head of the newly created federal government body said.

The National Student Ombudsman, which began taking complaints in February, was created by the federal government to address gender-based violence in universities. But the biggest share of complaints related to university administration, such as disputes over student debt, the handling of misconduct claims and the quality of teaching.

Almost half of all complaints received were about back-of-house issues such as changes to course structure and design, followed by teaching and learning and workplace-related placements, and unfair processes around academic performance.

"A huge percentage of the course administration ones could be resolved even before they go to the provider's internal complaints team," Sarah Bendall, first assistant ombudsman at the National Student Ombudsman, told The Australian Financial Review's Higher Education Summit on Tuesday.

"These seemingly small things are having a huge impact on [a student's] life," Bendall said, citing delays in a student refund which could impact that student's ability to buy food.

A small number of complaints were

from students saying they had been falsely accused of using AI.

Roughly 5 per cent related to health and safety issues, including attacks on female students.

"The complaints we can handle are complaints about how higher education providers have supported a student who has reported being a victim survivor of gender-based violence, and so, often the complaints are about students not feeling heard or supported through that process and different elements of higher education policies that really need to improve," Bendall said.

Some of the complaints related to "incredibly serious, really deeply troubling situations", she added. "We're working through them with students and with providers and achieving what I think are really great outcomes."

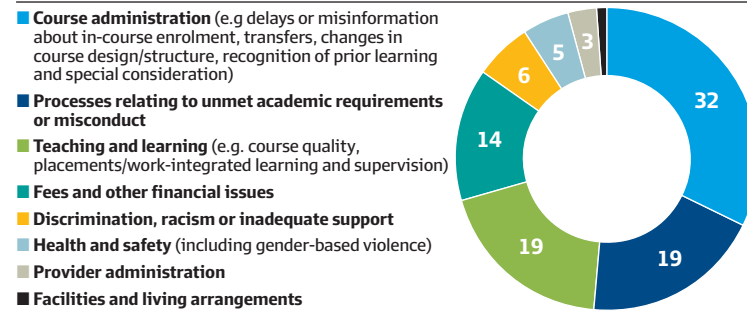
The ombudsman has finalised about half of the complaints, with outcomes including university representatives formally apologising, reconsidering a decision and revising a process.

While the size of the university did not have an effect on the nature of complaints, universities needed to improve their processes for handling complaints and that it was important university staff felt empowered to make fair decisions when complaints arise, Bendall said.

Alec Cameron, vice chancellor and president at RMIT, said he was not surprised by the results. "We, like probably many other universities, are looking continually at our processes and how we improve those to provide higher levels of service to students and staff," Cameron said. Whereas a generation

Staying the course

Student complaints, by topic (%)



SOURCE: NATIONAL STUDENT OMBUDSMAN

These seemingly small things are having a huge impact on [a student's] life.

Sarah Bendall, National Student Ombudsman

ago going to university was quite an "exclusive activity", students now attend 50 per cent of the time while juggling work and caring responsibilities, he said.

Professor Ben Edwards, a senior fellow at the Centre for Social Research and Methods at the Australian National University, runs a longitudinal research program called Generation which looks at what young people think. He said the complaints aligned with what students were telling him

about juggling university with other aspects of their lives.

"About 16 per cent, almost one in five, indicate that they're also a carer, involved in formal caring of a person with a disability or frail age, [and] about two in five report that they have some form of disability. Most of that is a mental health condition [such as] having autism spectrum disorder."

Sixty per cent of students are working part-time while studying. Six out of 10 students are combining learning on campus with online learning.

"They're deciding to stay at home, they're deciding to take a cheaper course," he said. "Some are ... postponing it to save up enough money. So the cost of living is part of the issue - the large numbers of students who are working significant amounts of time, that puts pressure on their capacity to deliver their assignments on time."

From SI

Stop panicking about AI fraud: La Trobe VC

new module structure to try and embed more flexibility.

All students would be required to take six of eight possible core units, several of which have an AI focus, UniSA vice chancellor David Lloyd said.

"You can't run a university and not be thinking about what AI is going to mean in terms of the way in which you assess students, the competence of those students and the relevance of those students to those who are going to employ them," Lloyd said.

"We've been obliged to move very quickly," RMIT University vice chancellor Alec Cameron said, adding that uni-

versities were moving away from a focus on trying to police all AI use in assessments.

"It's now just a given that students have access to AI."

Worry about misuse of AI works both ways.

"We have received complaints from students about misconduct processes where students believe that they've been incorrectly charged with using AI," said Sarah Bendall, a senior official at the new National Student Ombudsman.

Student complaints include that universities are using AI to detect them using artificial intelligence - and getting it wrong, she said.

Cameron said any academic misuse should not be ignored by universities but that RMIT was trying to strike a balance between "authentic assessment" and "responsible" AI use.

From SI

VC pay could be set by independent tribunal

just encourage everyone again: don't be defensive about this. I'm calling you in, not calling you out. Be part of this."

An analysis of vice chancellors' salaries by the *Financial Review* found the average remuneration was \$1,005,000 in 2024. The highest-paid last year was former Melbourne University vice chancellor Professor Duncan Maskell, who earned \$1.583 million. Bell, who took over as the head of ANU in January 2024, was the second-highest-paid boss, with a remuneration package of \$1,461,465. Sydney University's Mark Scott took home \$1,343,000.

Martin told the conference it was

important to be "very clear about how VC remuneration is set" and to ensure that the vice chancellor is "a million miles away from the membership of the remuneration committee."

"I'm actually a fan of putting this into the senior staff remuneration tribunal, because it gives a clear, documented, transparent pathway for how the decision is made. I think it would kill the issue dead very, very quickly. It is a lightning rod, but it's not the most important thing we're facing in the sector. Let's put it to bed."

Andrea Durrant, managing partner of BoardsGlobal, a consultancy that advises on university board governance, suggested Australian VCs' pay was comparable to other countries'.

Martin said research by Deakin University found 31 per cent of 1000 adults surveyed did not trust universities, and 18 per cent were unsure.



■ We underestimated the level of trauma that was existent in our community, the trauma experienced by Jewish students and staff ... by Palestinian students and staff.

Mark Scott, Sydney University vice chancellor.

■ This is essentially a destruction of the core of what, from the very beginning, universities actually were for.

Simon Haines, former head of ANU's school of humanities.

■ Research is not getting a look-in. What the Accord did is identify there is a funding problem in teaching and research. We have started to address teaching.

Vicki Thomson, Group of Eight chief executive.

■ We need to ensure that, in an AI-infused future, we build the human skills we need more powerfully, in a way, than they've ever been.

Barney Glover, Jobs and Skills Australia commissioner.

■ US is doing a great job at making [itself] look very unattractive [to foreign students].

Julie Mercer, Principal and UK Office Lead, Nous Group.

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Unis urged to stay silent on risky issues

Speaking out

Sumeyya Ilanbey and Paul Karp

Universities have been advised to adopt “institutional silence” on controversial issues such as the conflict in Gaza or same-sex marriage, to avoid undermining the fundamental purpose of encouraging debate to flourish.

University of Melbourne professor Adrienne Stone, a world-renowned expert on freedom of expression, told the *Financial Review* Higher Education Summit that universities should avoid taking a public stand and resist the pressure or temptation of taking a position on issues such as legalising same-sex marriage.

“I understand the impulse to do so, but reflecting on what universities are there for, they are there to maximise and provide a space in which a maximum level of contestation can happen,” Stone said.

“It actually turns out, I think, to be much better and much truer to the fate, the mission of the university, if they don’t say anything on the conflict precisely because it’s so important that they’re debated in the university.

“Public statements actually do very little to progress those issues ... on the [Indigenous] Voice, for example, they just create trouble and more division in the university. They undermine their fundamental purpose, and you can do a lot more effective things for students.”

Speaking on the same panel at the summit, Griffith University vice chancellor Carolyn Evans implored her peers to avoid the temptation to weigh in on every political contest.

Evans said the only time she had been involved in a decision for a uni-



Financial Review editor-in-chief James Chessell (left) hosts a panel with Simon Haines (ex-ANU), Carolyn Evans from Griffith University and Adrienne Stone from the University of Melbourne, at Tuesday’s summit in Sydney. PHOTO: RENEE NOWYTARGER

versity to adopt a position was on the Voice referendum, and that this had involved a rigorous and long process.

“I think the default position shouldn’t be to take positions on these things,” Evans said.

“I am surprised at the number of people who would generally speak with great contempt about vice chan-

cellors and their complete inability to get out of bed and put their socks on without a whole host of people helping them, who then say, ‘but you should definitely issue a statement.’”

Evans said vice chancellors should not use the university as a vehicle to broadcast their opinions. Griffith University’s decision to back the Voice was

discussed at various committees and advisory bodies, she said.

Industry and Science Minister Tim Ayres acknowledged that it was “very confronting” for Australian researchers to receive questions from the Trump administration about their collaboration with US institutions.

“I have not seen feedback from the

sector about the impact of that on specific research programs; maybe there is more to come,” Ayres said.

University of Melbourne vice-chancellor Emma Johnston said it was “an ongoing, somewhat chaotic process that is patchy in its impact in relation to our collaborative research with the US”.

“It is still playing out, so we are still seeing grants impacted in particular areas,” she said.

Public statements actually do very little to progress those issues.

Adrienne Stone, professor, University of Melbourne

“What is incredibly significant globally ... is the impact that the broader cuts to environmental research, public health, vaccine research, will have on the ability of us ... to prevent disasters, pandemics, and to predict climate extremes.

“We’re seeing thousands of national ocean and atmosphere workers who have decades of experience understanding climate being sacked.”

Johnston said the Trump shock had forced a focus on strengthening partnerships, including positive signals from the government that Australia might look to join the Horizon Europe research program with the EU.

Ayres said that despite “chaos in the international system around research and development”, it also presented “opportunities for Australia”, and universities are “very actively engaged in recruiting” researchers.

Job-ready tech graduates ‘are teaching us things’

Training

Edmund Tadros and Rachael Bolton

Broadband provider Superloop says its latest graduate recruits have artificial intelligence skills that have been immediately used to help upgrade its operations, countering comments that students should not be expected to emerge job-ready from universities.

Melbourne Business School dean Professor Jenny George last week asked business and government to stop asking universities to produce courses “chock-full of everyday know-how”.

She said students should learn job skills at work and that calls for universities to develop graduates who were fully formed workers misunderstood the true nature of education and the role of universities in developing tomorrow’s professionals.

But Superloop executive Daisy Stampfer said the company’s latest batch of recruits were experienced with using AI in a way it was actively

trying to develop, via training, in other parts of the business.

“We’re actually seeing now, for the first time, graduates coming out of university teaching us things,” Stampfer told The Australian Financial Review Higher Education Summit on Tuesday. The current grads intake were “AI natives” and the company was “actually giving them free rein to design the front end”, she said.

While Superloop was in the market for about 10 engineering graduates per year, the company shut down a wider graduate hiring program run by independent internet service provider Exetel, which it acquired in 2021 for \$110 million.

Exetel had relied heavily on graduates since it was founded in 2004. In fact, the majority of the business was made up of graduates and new grad recruitment was more than 50 per cent. But high turnover in this group, which was concentrated in sales executives, and the associated difficulty in attracting enough applicants of the



Superloop’s Daisy Stampfer says “AI natives” are useful. PHOTO: OSCAR COLMAN

We give them licence to be creative, to do things like problem-solving.

Daisy Stampfer, Superloop

right quality, led to Superloop shifting its recruitment to experienced and overseas hires.

Stampfer contrasted this with the technical graduates the company was

now hiring. Along with AI skills, she said graduates were expected to have the right attitude and the ability to think laterally. “We give them licence to be creative, we give them licence to do things like problem-solving,” said Stampfer. That strategy was giving Superloop “an edge in market” for graduates, she said.

Jobs and Skills Australia commissioner Barney Glover was less enthusiastic about the tertiary sector’s AI skills output, warning universities were not moving fast enough.

Glover said a recent JSA analysis of 1000 jobs showed a need for “curriculum reform”, “qualification change” and more short courses.

Earlier in the day, Education Minister Jason Clare said university chancellors were telling him they had bold plans in place to integrate AI training into all their degrees over the next five years. If true, that was a “real productivity-enhancing reform”.

In line with that vision, and as part of the merger of Adelaide University and the University of South Australia which will launch next year, UniSA vice chancellor David Lloyd said the new mega-institution was completely rethinking the format of degrees. AI ethics, responsible use of AI and design thinking would form part of the core modules students will have to complete over their degrees.

AI was already being used across the university in everything from cancer research to “personalised student support” and administration.

But while university leaders might seem bullish in conversation with the government about how quickly they plan to revise curriculums to include AI skills, “occasionally it’s an exaggeration on reality”, said Glover.

“I don’t think we have five years to transform our universities for AI,” he said. “I don’t think we have five years to ensure that every graduate is AI-literate or AI-competent or AI-fluent. Because if we don’t provide [students] with that capability, we’re not future-proofing their career path in a very disrupted economy.”