

— Exclusive

Failure to rein in uni bosses led to problems of 'excess'

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The cult of the fat-cat vice chancellor whose excesses and ambitions are not reined in by governing bodies has become a political issue for universities as “problems of culture” such as too many international students, [wage theft](https://www.afr.com/work-and-careers/workplace/university-wage-theft-tops-159m-union-tally-20231204-p5eov6) [<https://www.afr.com/work-and-careers/workplace/university-wage-theft-tops-159m-union-tally-20231204-p5eov6>] and [sexual assault](https://www.afr.com/work-and-careers/education/too-big-to-care-universities-under-the-microscope-20230926-p5e7qj) [<https://www.afr.com/work-and-careers/education/too-big-to-care-universities-under-the-microscope-20230926-p5e7qj>] hit the headlines, says the former head of Australia’s higher education regulator.

Peter Coaldrake, who retired as head of the Tertiary Education Quality and Standards Agency 10 days ago, says he is troubled that “chancellors and governing bodies have not been a brake on vice chancellors’ exuberance and, in a number of cases due to their inattention, contributed to problems of culture”.



Peter Coaldrake says university governing bodies need to be tougher on their vice chancellors. **Jamila Toderas**

“I’ve felt over the years that some universities use international students’ income as some sort of Kool-Aid. If your imperative to recruit exceeds the influence of purely academic considerations, there is a problem,” Professor Coaldrake told *The Australian Financial Review*.

“The budget position of a lot of universities has been distorted by the reliance on international student income.

“I didn’t say much about it as the regulator, but universities need to be mindful of their capacity to support both international and domestic students. If the academic and quality arms of your senior management team are subordinate to one that recruits international students, then you have a problem.”

International students are in the spotlight as the Albanese government drives reforms to get net temporary migration back to 260,000 over the next year or so. Opposition Leader Peter Dutton has pledged to go further and cut numbers to 160,000, which would have the effect of almost shutting down the \$48 billion sector.

Most highly paid VCs

A three-time Fulbright scholar, Professor Coaldrake has a rare curriculum vitae: he was vice chancellor of Queensland University of Technology for 14 years to 2017 and a member of a university council (Newcastle). He has also worked in

government as head of the Queensland Public Service Commission under premier Wayne Goss.

Having spent four years as regulator looking inside the engines of every university and higher education provider, Professor Coaldrake says he is left with some abiding concerns.

These include “cultural problems, including the recruitment of international students riding roughshod over academic and quality oversights of universities; the unfettered use of non-disclosure agreements to silence dissenting voices; and ... vice chancellors, particularly in the context of more than \$160 million in underpayments to junior and casual staff”.

“A lot of people are perplexed as to why relations between universities and government are so poor. But if you are a politician, the first thing you might hear about universities is that vice chancellors are paid a lot of money

[\[https://www.afr.com/work-and-careers/education/are-australian-university-bosses-worth-the-big-bucks-20240122-p5ez5x\]](https://www.afr.com/work-and-careers/education/are-australian-university-bosses-worth-the-big-bucks-20240122-p5ez5x),” he said.

“Second, these are organisations that have been accused of significant underpayment of wages to their junior and casual staff.”

Australian vice chancellors are the most highly paid in the world – by a long shot. They earn double their Canadian counterparts, an analysis by Canadian consultant Alex Usher last year found.

In 2022, the heads of 16 of Australia’s 41 universities each earned more than \$1 million a year.

For example, that year Paddy Nixon, the then-vice chancellor of the University of Canberra, which was ranked equal 421st best university in the world, had a salary package of \$1,045,000 – the same as Dame Louise Richardson, who was running the world’s best university – Oxford.

Professor Coaldrake said federal Education Minister Jason Clare’s review of governance would undo some of the reforms of the past 15 years or so, which have made university councils much smaller – the average size has fallen from 24 to about 16 or fewer, partly by removing staff and student positions.

He said the university sector’s ongoing travails with federal governments of both persuasions were perplexing to many, but came down to how middle Australia

interpreted the varying scandals that made the news.

Toxic cultures

He is concerned that prioritising reputation over doing the right thing, especially in instances of underpayments and sexual assault, are leading to toxic cultures inside some institutions.

“I feel like the Lyndon B. Johnson maxim is appropriate: it’s better to have everyone in the tent than have some of them outside it,” he said.

“I’m not surprised to see the government back the strengthening of students and staff on governing bodies. Having outside corporate expertise does not necessarily mean the council is independent. Sometimes, it’s more like friends at court. Councils shouldn’t be overly friendly to the vice chancellor.”

Having shut the door behind him at TEQSA, Professor Coaldrake says there are still a couple of other hugely complex issues facing the sector: artificial intelligence and its impact on teaching and learning, and non-disclosure agreements.

“NDAs are being used to shoehorn people out of universities. They are a legitimate mechanism for very specific protections, but are being widely abused and a lot of government bodies are not asking about their number, costs or the circumstances under which they are being used. They can mask all manner of things,” he said.

While there was “no malice” in relation to underpayments, he found it disconcerting when institutions did not immediately report instances of underpayment when they first came to light, but instead tried sweeping it under the carpet.

The same could be said of [sexual assaults on campuses](https://www.afr.com/work-and-careers/education/too-big-to-care-universities-under-the-microscope-20230926-p5e7qj) [https://www.afr.com/work-and-careers/education/too-big-to-care-universities-under-the-microscope-20230926-p5e7qj], which blew out into a public relations disaster for the sector last year, largely because most universities did not address the issue head-on.



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