Exclusive: The consultancy driving ANU cuts

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Rick Morton 10 May 2025

Vice-chancellor of the Australian National University Genevieve Bell.
Credit: AAP Image / Lukas Coch

Professor Genevieve Bell had been the vice-chancellor of the Australian National University for just 17 days when a senior adviser in the executive emailed the management consulting firm Nous with an expression of interest for “strategic research analysis”. New documents show that service would turn into a $3 million gig aimed at cutting costs amid a financial crisis many within the university feel has been overstated.

Internal communications and documents from the prestigious Group of Eight, seen by *The Saturday Paper,* reveal the full timeline of the highly confidential approach to Nous that began nearly 18 months ago. According to academics who spoke on condition of anonymity, it demonstrates a pattern of misleading behaviour and shows the $250 million cost-saving restructure that will cut up to 600 jobs from the university was “pre-ordained” from the moment the new VC arrived in the suite.

Phillip Tweedie, senior adviser to the chief operating officer, wrote to the generic Nous email address on January 17 last year: “The ANU is keen to commission some competitive benchmarking and strategic research analysis of the Australian HE [higher education] sector generally and some key competitors specifically.”

Within days, two Nous principals had met with Tweedie on campus at the ANU's Chancelry Building and the following week they provided a project proposal.

This proposal was favoured over two other consulting firm approaches, with one piece of feedback from Bell herself asking how the university could achieve profit.

Documents released under freedom of information this week show that Nous responded to Bell directly ahead of a project kick-off meeting in early April 2024.

"Phillip also mentioned that, in addition to those case studies, you would like a sharper focus on the question of 'how does the sector achieve margin in its activities?'. We have attached a short paper on that topic," one Nous principal, whose name has been redacted, wrote.

"The first section takes a rather 'commercial' view on university financial performance and the second section walks through the range of tactics across academic delivery, professional services, and non-labour costs. We also cover tactics to pursue targeted high-margin growth."

After an April 8 meeting with the Nous team, Bell noted an "excellent" discussion and that she was "already looking forward to our next meeting".

This first round of Nous work was a minnow as far as consulting contracts go – the bill was $48,000 – but within months it led to a second piece of work worth almost $900,000 that would be used directly, and quietly, to gain the approval of the ANU's governing council for the dramatic reorganisation of the university and cuts to its cost base. A memo to Bell, also released under FOI this week, asked the VC to approve a special exemption to appoint Nous to the "sensitive" work. Bell approved the approach on September 6, and staff were alerted that the rest of the process would start "ASAP" that month.

"They're running the place like a start-up, rather than like a public entity governed by federal law."

Nous was awarded the contract a fortnight before the ANU council was called to an emergency meeting to approve an intervention in the structure at the university. It is not clear that the council was ever told the work, including a critical paper outlining the plan that members were separately asked to endorse, was prepared by Nous.

"Due to the highly sensitive nature of the review and advice required, and the confidential nature of the subject, the COO Office has sought a Supplier who has worked with us before ... and will be able to start working with minimal instruction," the tender exemption approval says.

"Engaging a new provider would require extensive onboarding and orientation, which would delay the project's commencement and reduce the effectiveness of the outcomes and is a risk to keeping the nature and aim of the services confidential."

Council minutes report members repeatedly thanked the VC for the “high level of transparency and information” being shown to them but do not mention any consulting firm or external engagements.

“The university’s expenses and revenue growth have been diverging since 2019 resulting in a significant and growing cumulative operating deficit,” the minutes from September 23, 2024, record.

“The Vice-Chancellor will provide a paper for approval following this meeting … that outlines how the university will realign its underlying cost base to achieve the required $250 million reduction, endorsed by Council.”

On October 15, a Nous principal wrote to the ANU provost and COO: “At our meeting on Monday, I offered to start the thinking on your upcoming paper to Council that combines the principles and approach to get to [redacted]. Attached is that straw dog for your critique, noting that we will, of course, format the Figures in the back into ANU branding and similar cleaning up if you’d like them included in a final paper.”

Why the Nous involvement has been so heavily guarded is not clear. The secrecy has led the university into fractious debates before the Australian parliament, however. Last month the ANU had to pull several of its official responses to questions in budget estimates hearings, in which it falsely stated that no consulting firms were ever involved in cost-saving and restructuring work at the university.

Two months after she signed the pre-approval for Nous’s exemption to work on cost saving at the university, Bell and her team appeared before Senate estimates – making the ANU the only university to be called before Commonwealth parliament. They were asked whether consultants were engaged in cost-cutting work.

“I initially engaged the Nous Group a number of months ago to help think about how to look at the role and the changing role of universities in a global landscape,” Bell said. “I was interested in what were the ways that universities thought strategically and what was a global survey. Since then, we’ve been continuing to work with them in order to understand best practice around service infrastructure and support services.”

At the November 7 hearing, independent Senator David Pocock asked how much that contract was worth. The chief operating officer, Jonathan Churchill, answered a different question: “We’ve paid circa $50,000 so far this year.”

As *The Australian Financial Review* revealed, however, Nous had already invoiced the university for more than half a million dollars. In any case, Bell used the incorrect figure as proof she didn’t know the value of the contract, despite having signed the exemption for the $837,000 two months earlier.

“Which explains why I don’t know,” she told the hearing, referring to the threshold for contracts that can be entered into at the university without VC approval. She did, however, approve these significant contracts and did again in February this year when

Nous was selected for a further $1 million, six-month engagement to build on the work it had already done. This comes with a six-month extension built in, also for $1 million.

The closed tender document for that work, under a project branded "Renew ANU", describes it as "targeted consultancy services to support … provision of detailed data analysis of our existing employee base and cross referencing of efficiency and effectiveness levels of services provided across the University", along with "Industry benchmarking against other Higher Education providers (notably the Group of Eight) through a universal dataset [and] support around designing future state operating models."

Academics at the university have repeatedly queried whether the financial situation at the institution is as dire as they have been told. The paper prepared on behalf of the VC for the decision of the council in September 2024 outlined the ANU's assessment of its financial position as "a substantial financial challenge", and not a new one.

[Everything that's wrong with university management]

[Rick Morton It's business as usual in the university sector, where exorbitant executive pay, insecure jobs and exploitation of academic staff continue unabated.]

"Our expenses have steadily climbed since 2019 and our revenue has not kept pace. Since 2021, there has been 8.9 per cent growth in expenses, whilst revenue has grown only 3.5 per cent. As a result, the University has gone from a reported surplus to a persistent operating deficit, with more than $600M in cumulative operating deficits since 2020."

On Wednesday, the director of the ANU Centre for Social Research and Methods, Professor Matthew Gray, and Distinguished Professor of Economics Rabee Tourky presented the findings from their own analysis of the university's public accounts, which they have circulated internally for discussion.

The Saturday Paper obtained a copy of this paper and the in-person presentation, which agrees with an international assessment of the university's budget, by its most recent accounts, as being in modest surplus in 2023. Ratings agency Standard & Poors last year affirmed the same healthy credit rating for the ANU with a stable outlook, meaning there is no near-term risk of a downgrade.

"If every year is 2023, we are in good shape," Tourky told the audience on Wednesday. "The greatest year we ever had was 2019. If every year was 2019, you might as well privatise us."

The ANU was doing so well in 2019, in fact, that management faced criticism for the size of its profit, which was $316 million, and chose to cap international undergraduate student numbers. Then Covid-19 struck, after which those numbers did not recover to the same extent as they did for other universities.

“We need to fix it, but you do not fix this by cutting costs,” Tourky told staff on Wednesday.

Tourky and Gray argue in their staff paper that net assets are the preferable measure of a university’s financial health.

“We have been making a raw, unadjusted surplus, well above breaking even, every year,” Tourky told the audience.

He described some “shenanigans in the figures” after 2019, but decided they relate to “various flipping with what is capital and what is not capital, over- and undervaluing capital.

“Extending the analysis from 2013 to 2023 we found that the university maintained a sound financial position throughout the period. There was never a point where we were in deep trouble.”

Academics and staff who spoke to *The Saturday Paper* in confidence have expressed concerns about the leadership combination of Chancellor Julie Bishop and Vice-Chancellor Genevieve Bell.

“I think it’s because they’re running the place like a start-up, rather than like a public entity governed by federal law,” said one source familiar with the governance arrangements at the university.

Late on Thursday, new documents released under FOI revealed Bishop, in her capacity as ANU chancellor, had the university pay Vinder Consulting, which was set up by her long-time staffer Murray Hansen, almost $34,000 over three years for speechwriting. As of January 31, 2024, her conflict of interest register disclosed to ANU Council did not mention the company. It does mention that Bishop is a director of Julie Bishop and Partners, a private outfit that also employs Hansen, and whose staff share her refurbished chancellor’s office in Perth.

In response to questions from *The Saturday Paper*, an ANU spokesperson said, “The University stands by its statement to the Senate, that the Chancellor has never engaged Vinder Consulting to provide any service to ANU.

“[T]he Chancellor’s office does not engage external providers, and the ANU Communications team and their executives make determinations on the resourcing and any resultant procurements.

“Murray Hansen is not an employee of Julie Bishop & Partners, and neither he nor Vinder has any financial interest in JBP.”

This article was first published in the print edition of The Saturday Paper on May 10, 2025 as "Alternate university".