



Case Study:

Workforce Stabilisation and Enterprise Agreement Reform in a Crisis Environment

Context

In early 2020, the University of Adelaide faced a convergence of significant challenges. The global escalation of COVID-19 resulted in an immediate disruption to operations, including the rapid transition to online delivery and severe constraints on international student mobility. This had a material financial impact, with revenue loss in 2020 estimated at approximately **\$100 million**, with further shortfalls projected into 2021.

At the same time, the University was operating in a period of governance disruption, requiring strong executive leadership to maintain continuity and support effective decision-making at Council level.

As **Chief Operating Officer and Emergency Director**, I was responsible for leading the University's operational response to COVID-19 while also addressing emerging structural financial pressures.

Challenge

The University faced a set of interrelated and time-critical challenges:

- A **sharp and sustained reduction in revenue**, particularly from international student enrolments
- Workforce costs representing approximately **60% of total expenditure**, limiting flexibility in cost management
- A need to achieve material cost reduction quickly, while preserving capability and avoiding long-term damage to institutional capacity
- A complex industrial relations environment, with strong union involvement and sector-wide uncertainty
- Limited time and incomplete information, requiring decisions to be made under uncertainty

At a sector level, a nationally negotiated **Enterprise Agreement Variation (EAV)** framework had been established between universities and the National Tertiary Education Union (NTEU), offering a pathway to reduce workforce costs in exchange for protections on jobs and conditions.

The University needed to determine whether to pursue this approach or adopt more traditional restructuring measures.

Role

As COO, I led the design, negotiation and implementation of the University's response through the EAV process, including:

- Advising Council on strategic options and recommended approach
- Leading the assessment of the University's financial position and submission to the NTEU-established independent Expert Assessment Panel
- Designing the University's proposed EAV package
- Leading **direct negotiations with the NTEU**, including engagement with national representatives
- Managing alignment across Council, executive leadership and staff
- Overseeing the staff consultation and ballot process
- Ensuring implementation of agreed measures through organisational and system changes



Approach and Actions

1. Establishing a credible financial case

- Oversaw development of a detailed financial submission demonstrating the scale of revenue loss and need for intervention
- Secured appropriate financial classification of the University, confirming eligibility for more substantial cost-saving measures under the EAV scheme
- Used independent assessment to provide credibility with unions and staff

2. Framing a balanced strategic response

- Positioned the EAV as a mechanism to “**buy time**” and avoid immediate large-scale restructuring while preserving future optionality
- Balanced short-term cost reduction with longer-term strategic flexibility
- Carefully assessed risks, including constraints on future restructuring inherent in the EAV framework

3. Designing a targeted cost-reduction package

Developed a suite of measures aligned to both financial requirements and industrial feasibility, including:

- **3.5% temporary salary reduction** (with protections for lower-paid staff)
- Deferral of a **1.5% salary increase**
- Structured **purchased leave arrangements** aligned to mandated shutdown periods
- Removal or modification of selected benefits

This package was designed to deliver **approximately \$28 million in savings** and preserve employment capacity.

4. Leading complex industrial negotiations

- Negotiated directly with NTEU representatives over multiple sessions
- Navigated competing pressures between national union positions and local branch dynamics
- Secured agreement on a package that balanced cost savings with staff protections, including:
 - preservation of superannuation
 - limits on compulsory redundancies
 - hardship provisions

5. Securing organisational alignment and support

- Worked closely with Council to build confidence in the proposed approach
- Led a comprehensive staff engagement process, including communication materials, financial modelling transparency, salary impact tools
- Positioned the EAV as a **shared institutional response**, rather than a management-led cost reduction exercise

6. Delivering implementation

- Oversaw the staff ballot process and transition to formal approval through the Fair Work Commission
- Led organisational and system changes required to operationalise the EAV measures
- Managed associated risks, including payroll complexity and compliance



Outcomes

- **Staff approved the Enterprise Agreement Variation**, with **58.8%** of staff voting in favour
- Delivery of approximately **\$28 million in workforce cost savings**
- Preservation of approximately **200 FTE positions**, avoiding more substantial job losses
- Maintenance of institutional stability during a period of significant disruption
- Positive staff reception to key elements of the package, particularly structured leave arrangements
- Establishment of a platform for subsequent strategic decisions, including later organisational restructuring

Broader Impact

The EAV approach enabled the University to:

- Stabilise its financial position at a critical point in the pandemic
- Avoid immediate large-scale redundancies that would have reduced long-term capability
- Maintain organisational cohesion and staff engagement during a period of uncertainty
- Create time and space to develop a more structured and strategic response to ongoing financial challenges

Key Capabilities Demonstrated

- Negotiation of complex industrial agreements under time and financial pressure
- Integration of financial, workforce and governance considerations into a coherent strategy
- Leadership across multiple stakeholder groups, including Council, unions and staff
- Delivery of outcomes requiring broad institutional consent
- Execution of complex organisational change within a constrained and highly scrutinised environment