

The authoritarian academy: corporate governance of Australia's universities exploits staff and students and degrades academic standards. Part 3

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The corporatization of Australia's public universities has been driven by government funding cuts and regressive changes to how universities are governed. The rationale for corporatization was that it would encourage universities to become more entrepreneurial by turning vice-chancellors into CEOs and governing bodies into corporate boards. The resulting hybrid has been very successful at promoting university 'brands' to international students but has utterly failed to maintain a supportive and collegial work environment for staff and students on university campuses.

Pandemic-related border closures have forced an [abrupt reassessment of universities' internationalization ambitions](#). But they have not yet led to any acknowledgement that the [exploitative culture that now dominates the management and organization of Australian universities](#) also needs to change.

In the wake of the current crisis, university leaders have, on the whole, demonstrated no willingness to question any aspect of the dysfunctional forms of funding and governance that have been imposed on Australia's higher education system over the last three decades. They have been almost totally silent in response to the [Coalition's latest efforts to reshape higher education](#) and [the commercialization of research](#). They have likewise shown very little willingness to question or criticize the additional [funding cuts to the system announced in last month's Federal Budget](#).

While it is indisputable that most Australian universities have experienced [huge growth in international student revenues](#) over the last decade, the billions of dollars in 'operating surpluses' that have flowed through the system during this time have not been invested in expanding and developing academic workforces, or [lowering staff-student ratios](#), or increasing teaching and learning support for students. Instead, those responsible for making these decisions have [spent billions of dollars on construction and marketing programs](#) that laud their institutions' world-class status (usually in the techno-sciences), while systematically degrading the working conditions of academic and professional staff and the quality of education received by students.

[High levels of casualization](#), [widespread wage theft](#), less face-to-face time between academics and students, and steadily [increasing workloads](#) for academic and professional staff [characterize the contemporary Australian university](#). A constant churn of pseudo-consultations, new bureaucratic procedures and online administrative platforms maintain employee compliance.

Resources critical to the performance of a wide range of tasks and initiatives are regularly withheld for no good reason. Hiring freezes and the imposition of annual staff performance assessments further contribute to the general atmosphere of fear and anxiety promoted by senior management, who never appear to have the same performance metrics applied to them. Student and staff services that had previously been free or subsidized have been monetized

and privatized. Professional services and expertise that could easily be sourced ‘in-house’ are routinely outsourced to external consultants.

In the Brave New World of [‘digitally-enhanced learning’](#), [online delivery](#) and [‘new revenue streams’](#) not only has there been [more casualization of teaching over the last decade](#), but academics are also being required to teach larger classes over fewer weeks in each semester. They are also being forced to move lectures, tutorials and seminars online, [not just during COVID, but permanently](#).

Few of these negative trends are captured in the metrics senior management regularly deploy to spruik the virtues of their universities to students, parents and potential donors. Preoccupied with ‘cost recovery’, ‘performance metrics’ and ‘efficiency dividends’, senior managers and executives have reconstructed staff and students as revenue-generators who are surplus to requirements if not producing financial surpluses and/or ‘measurable outcomes’ that contribute to improved university rankings. International league tables, performance monitoring, teaching and research excellence awards, and all the other ‘metrics of excellence’ with which university executives and managers are currently obsessed are means to these ends.

At least ten public universities [failed to put aside sufficient reserves](#) in the event of an external crisis and are now highly vulnerable financially. At least twenty others [achieved modest operating surpluses at the end of 2020](#), if the inclusion of depreciation, amortization and employee redundancy costs is omitted.

It has become very clear from the operating results that even those universities with adequate reserves to ride through the loss of revenue from international students still made [cuts to staff levels, degree programs and coursework offerings](#).

In the wake of COVID, most universities, including those that were not struggling financially have [combined or dissolved](#) a number of their own faculties, departments and schools. Hundreds of programs, courses and subjects [have been or will be deleted](#). A [number of university executives and senior managers](#) have nevertheless seen fit to [further inflate their already excessive salaries](#) while subjecting their employees to the harshest of austerity measures.

It is therefore inaccurate and misleading to describe the current situation as a financial crisis, when it is, in fact, a *governance* crisis.

But what few people realize is that the secretive, punitive and authoritarian management culture that now dominates most contemporary universities has been nurtured and institutionalized through a series of [legislative changes by state and federal governments over the last thirty years](#).

These legislative changes have been primarily motivated by a long-held belief within the Coalition and certain elements of the Labor Party that universities should be run like corporations. Those who have embraced this belief are convinced that business and industry provide the best models for university governance because they always perform better than public sector institutions.

Following the Dawkins reforms of Australia's higher education system in the early 1990s, this item of faith has been progressively embedded in all of the administrative and managerial functions of universities. As successive state and federal governments have continued to reduce funding to the system they have sought to graft an increasingly Frankensteinian model of 'corporate governance' onto Australia's public universities.

Under the [traditional collegial model of university governance](#), which [still operates in many European universities](#), academics and students are democratically elected by their peers to represent the common interests of the university, while also fulfilling the institution's [broader responsibilities to improve society and enrich culture](#). But according to the main architects of the current higher education system, [John Dawkins](#) and [Brendan Nelson](#), academics are too 'self-interested' to govern universities sensibly. They argued that, under the old collegial model, the parochial interests of individuals, disciplines and schools too often conflicted with the broader goals of the university.

Consequently, one of the unspoken goals of the enabling legislation incorporated into state-based university acts has been to [reduce elected staff and student representation on university governing bodies](#). These bodies, generally known as university councils, are supposed to exercise scrutiny over executive proposals and decisions. In practice, [executives have played a major role in selecting and appointing most members of council](#), who therefore have no incentive to disagree with executive decisions, and who are more often than not given insufficient information about major decisions by their executives to make informed judgements.

The vast majority of corporate appointees to most of Australia's current governing bodies have [no history of working in tertiary education and no experience in teaching or research](#). The Coalition has been particularly active over the last decade in undermining a diversity of representation on academic boards.

For example, in 2012 the NSW Coalition Government inserted specific clauses in the [enabling NSW legislation concerning university governance and finances](#) which specify that appointed members require financial and management experience, while those sub-clauses specifying requirements for tertiary, professional and community experience have been removed. Similar changes to university acts were made by the [WA Coalition Government in 2016](#).

Corporatization is primarily aimed at empowering university leaders with the autonomy to run universities like corporate CEOs. These changes [continue to be justified](#) on the basis that the vice-chancellors of Australia's largest universities run enormous, multi-billion dollar enterprises that involve tens of thousands of people. Granted they now have to raise half of their operating costs due to government funding cuts, but [their remuneration is not benchmarked to their performance](#). Furthermore, [Australian vice-chancellors earn twice the average salaries of their UK counterparts](#). Many of those currently in office are originally from the UK.

In a public corporation, the executive is accountable to shareholders and the board of directors. Poor performance is questioned, and senior executives and managers can be removed if the board or shareholders are unhappy with that performance. However, unlike corporate boards, which are answerable to their shareholders, and to some extent, the public

as ‘clients’ or ‘consumers’ of their goods and services, the accountability of university governing bodies is effectively restricted to financial issues.

The auditors-general of each state and territory are empowered to annually scrutinize the [financial accounts of all universities under their jurisdiction](#). Even so, it is highly unusual for them to call universities to account for anything other than minor infringements of accounting rules and standards. They have rarely shown any willingness to delve deeply into university finances under their jurisdiction, despite some [clear cases of maladministration, mismanagement and even corruption](#). There is no evidence that any audits have ever uncovered wrongdoing, conflicts of interest, or incidents of malfeasance, even though we know from our own colleagues in administrative positions at multiple universities that such behaviour is not at all uncommon.

Likewise, state tertiary education ministers are able to [fall back on the ‘autonomous institution’ argument](#) when quizzed about their knowledge of such practices and the [lack of accountability of university leaders](#). This is because the legislation – which in many cases they helped to create – enshrines both university autonomy and restricted external accountability.

Universities, therefore, have the worst of both worlds as far as their governance is concerned. Staff and students have little or no say over how priorities are set and strategies are pursued. They are subject to the whims of management, who generally regard academics as an obstacle to the efficient running of ‘their’ universities, and who have no legitimate contributions to make as far as they are concerned. They rarely admit to having made mistakes or demonstrate any willingness to learn from them.

To illustrate this point, in the wake of COVID, it would make sense to proportionally cut back on staffing and resources in those areas that had the highest proportions of international students, and those related to their support and recruitment. However, there is no evidence from any decisions made to date by university executives that these disciplines or activities have borne the brunt of ‘cost savings’. On the contrary, even prior to the current pandemic, the arts, humanities and social sciences have been targeted for job cuts, including non-replacement of tenured academics that have retired or resigned. In most of these instances, the financial cases for these cuts have been based on decisions that have little or no evidence to support them.

Many academics and students feel that senior managers target disciplines in these fields because those who work and study in them are willing to speak out against management and executive excesses. Critical thinking, teaching and research is deemed by university leaders to be acceptable within those contexts, [but not when reflexively applied to their decision-making](#).

Academics who [dare to call out lax admission standards for international students](#) and other questionable practices which [undermine academic integrity](#) are [punished with litigation and threats of termination](#). Not only does such behaviour constitute an [attack on academic freedom](#), it indicates that those who initiate such measures are [deluded if they believe they are acting in the best interests of the institutions](#) employing them.

All of the distorted priorities that universities manifest today are an outcome of the inappropriate and dysfunctional corporate governance and reporting models that successive

governments have imposed on universities throughout the country over many years. It is noteworthy that Coalition governments throughout the country have made successive changes to university acts that have the clear intention of disenfranchising staff and students from any meaningful input into university governance.

It should be abundantly clear from all this that the existing legislation concerning university governance is deeply flawed. It is an obstacle to better university governance and degrades the value and quality of education for our young people and the next generation of professionals. It also devalues the work of academic and professional staff and demonstrates no capacity for critical self-reflection. It is therefore completely inadequate to the task of confronting the enormous challenges that humanity faces in the twenty-first century.

We need to start a national conversation about the kinds of changes that are needed to bring about genuine reform of Australia's higher education system. A good start would be to focus on the ways in which university governing bodies are organized and constituted, with a particular focus on how and why different categories of members are selected and represented.

Democratic accountability and transparency should be embedded in every new process and structure.

These three articles are the product of many discussions, comments and feedback from colleagues at more than a dozen universities over the last several years. They are intended to provide background for a national campaign for reform of Australia's higher education system involving [Academics for Public Universities](#), the [Australian Association of University Professors](#), the [National Higher Education Action Network](#) and the [National Tertiary Education Union](#). Please feel free to contact any of these organizations if you are interested in becoming involved.

*This text was initially published in [Pearls and Irritations](#).

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