Refereed Article

How we got here: The transformation of Australian public universities into for-profit corporations*

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The application of New Public Management (NPM) approaches throughout the Australian higher education system (AHES) over the last thirty years has radically altered the ways in which tertiary education is administered and governed. We explore the ensuing crisis in the AHES through a focus on 'commercial business models' adopted by vice-chancellors and university governing bodies. We argue these models are premised on university executives acting as 'information gatekeepers' whereby most of the data about institutional operations are withheld from external (and especially public) scrutiny. Public accountability with respect to these neoliberal changes has been rendered problematic as the result of legislative changes to the governance clauses of universities. We consider the broader economic and cultural focus of NPM as calculative and commodifying practices that are constructed to be largely impervious to public evaluation. These regressive changes have legitimated by reducing the oversight of staff and student representatives on university governing bodies.

KEYWORDS: New Public Management, Australian universities, public accountability, financial transparency, democratic governance.

Introduction

Contemporary Australian public universities are managed like big commercial businesses. As vice-chancellors earn millions and students are herded through their degrees like cash cows, casualisation, job insecurity and wage theft for academic and professional staff are both rampant and pervasive. Increasingly expensive degrees leave local and international students with decades of debt. During what can only be described as a crisis in Australian public universities, we aim to explore: how did we get here?

The already limited democratic processes in our public universities have been systematically eroded since the so-called 'Dawkins reforms' of the early 1990s (Lake et al. this issue). State and federal legislative amendments have substituted elected staff and student representatives on university governing bodies for appointed business elites (Lucas and Pelizzon 2021; Pelizzon et al. this issue). This has resulted in universities being increasingly regarded as job factories rather than places of knowledge creation that contribute to the enrichment of the cultures and economies in which they are located. We submit that universities must be both democratically accountable and democratically governed if they are to fulfil their roles as institutions serving the public good.

This paper explores how higher education in Australia has been transformed into a dysfunctional public-private hybrid since the imposition of neoliberal forms of governance and the widespread introduction of new public management (NPM) practices. It attempts to synthesise five decades of critical research and experience regarding higher education to argue that the largely negative changes that have occurred during this period are antithetical to the purported goals of the education system. They are also corrosive of professional ethical standards, undermine efforts to inculcate in students a sense of social and environmental responsibility, and fail to meet the increasingly challenging demands of complex, rapidly changing societies in the 21st century.

As one of the more pernicious manifestations of neoliberalism, NPM practices have been primarily implemented through the corporatisation of university managerial cultures. Its ideological goal has been to reduce the autonomy of academics and professional staff to exercise their judgment and expertise, while concentrating power in a largely unaccountable and increasingly authoritarian clique of senior managers and university executives who act as 'information gatekeepers' (Tregear et al. this issue).

We position the Australian higher education system (AHES) in its historical and socio-political context by examining the system through the lens of finance, accounting and associated calculative practices. This is achieved in three parts. The first part briefly outlines the introduction of NPM in the AHES over the last three decades. The second part explores public universities' finances using a 'rhetoric versus reality' framework. The third part provides a case study of a journey through public universities over the past five decades, adopting a methodology known as autoethnography. We conclude by pointing to democratic models of governance that continue to persist at many European universities and offer a four-part diagnosis of how to reform the AHES, whereby the core academic principles of academic freedom, collegiality and critical engagement can be reinvigorated.

New Public Management and Australian public universities

Neoliberalism[1] and its handmaiden NPM rely on privatisation, deregulation, financialisaton and globalisation as their processual tools. According to neoliberal philosophy, 'free markets' are the best guarantee of economic prosperity and human freedom, whereby private sector managerial values, structures and processes are imposed as disciplinary measures on inefficient public services and a bloated and unresponsive public sector (Mirowski and Plehwe 2009). Key elements include a shift from professional to executive power, focusing on performance measured by quantitative targets, and the widespread use of financial incentives and numerical forms of performance assessment (Parker et al. 2022, forthcoming). In this context, the purpose of the public university has shifted from the education of elites and professions to the provision of marketable skills and research outputs for the 'knowledge economy' and commercial application (Lake et al. this issue).

The multiple contemporary crises in higher education in Australia have their origins in this economic, social and political transformation informed by neoliberal ideology. The idea of a self-governing and independent public university safeguarding its academic freedoms belongs to a bygone era (Martin-Sardesai et al. 2021). Many public universities have become academies of mass production: 'knowledge factories' informed by the same logic of productivity and performativity that supposedly contributes to the success of capitalist enterprises (Parker et al. 2022 forthcoming).

The 'accountingisation' and 'audit society' described by Power (1997) requires the continuous measurement of the performance of academic and operational workers, which is then used to assess the 'quality' of university teaching and research (Martin-Sardesai et al. 2017).[2] Beyond the constant anxiety of one's entire career hanging in the balance over barely attainable performance standards and the threat of dismissal if one does not meet those standards (Baum et al. this issue), the academic profession's sustainability is at stake (Martin-Sardesai et al. 2021; Vodeb et al. this issue).

The transformation of the AHES has taken place over the past four decades, with various Australian governments systematically restructuring universities according to NPM principles (Parker et al. 2022 forthcoming). The post-1980s public university model as a corporate enterprise (Shore and Wright 2017) emerged from the introduction of market mechanisms that embody neoliberal higher education policies. In Australia, these policies focused on generating university income from international student fees and reducing federal government higher education funding (Connell 2020). Before the 'Dawkins reforms' in the 1980s, approximately 80% of university funding was provided by the Federal Government. In 2019, that figure had reduced to about one-third (Babones 2021).

Vice-chancellors and senior management in public universities have subsequently shifted focus from quality teaching and research to quantitative measures of the performance of their academic and professional staff. These changes have been accompanied by competitive quasi-market approaches to student recruitment, intense competition for research grant funding, and a decisive shift to commercial business expectations concerning universities' contributions to society (Martin-Sardesai et al. 2021).

Consistent with NPM accounting, auditing and accountability practices (Guthrie et al. 1998), such neoliberal ideas have seen public universities focused on their financial performance. Property development, investments, and commercially oriented research income have become their core business and are routinely prioritised over providing quality teaching and research for knowledge production. Organisational behaviour is engineered through 'strategic goals and targets' and other measurement procedures. The tools employed to achieve these ends – such as economic and accounting calculations and audit logic – are the same as those used by the Big Four accountancy firms (Ernst and Young, Deloitte, KPMG and PWC), (Shore and Wright 2015). These firms provide consultancy advice to Australian university executives and government, and their members are routinely appointed to university governing bodies. In aligning their behaviour with the Big Four management ideals, public universities have become champions of the NPM principles of efficiency, commensurability, and 'accountability' (as narrowly determined by them) (Brooks 2018; Andrew et al. 2020). However, critics rightly ask who benefits from these outcomes (Carnegie et al. 2022 a,b)? This question has become even more critical given the COVID-19 pandemic as universities have become subject to marketisation and are now operated as commercial businesses reliant on international student fees to generate free cash flow (Babones 2021).

In Australia, governments emphasise universities' ability to contribute to the 'knowledge economy' by producing employable graduates and research culminating in commercial innovations and patent income (Parker 2020). Federal and state governments attempt to achieve this through regulatory legislation and budgetary policies, given that they are politically and financially responsible for universities.[3] Neoliberal techniques for controlling universities facilitate 'governance at a distance' while at the same time effectively intensifying central control by the government. Universities have now introduced highly centralised management systems that are increasingly opaque to either internal or external scrutiny (Carnegie et al. 2022a). These forms of (non-)accountability arguably contradict the model of universities as autonomous democratic and cultural institutions (Hil et al. this issue).

These trends have culminated from 2010 to 2021 in higher education becoming a significant export earner for Australia, taking third place on the list of Australia's largest export industries. Over the last decade, 40% of annual student revenue in the AHES was derived from international students (Mitchell Institute 2020). In 2019, Australia's universities educated 399,000 international students: almost as many students as were enrolled in the whole sector in 1989. During this period, federal governments have also introduced and then abandoned several different 'quality assurance' systems. This has included a new, demand-driven placement system for domestic students, and most recently the Job-Ready Graduates Program, which has seen fees for domestic students increase significantly and research funding decline by $4.7 billion annually (Lucas 2021 a,b). As of 2021, the average student contribution to course-related revenue was increased from 42% to 48%, while assistance from the Federal Government has been reduced from 58% to 52% (Lucas 2021 a,b).

Australian public university finances: smoke and mirrors

Since the early 1990s, vice-chancellors have been incentivised to treat Australian public universities as commercial businesses at the instigation of federal education ministers and changes to state and federal legislation. Their business models have relied on growing international student numbers and fees to fund operations, research and infrastructure. This goal has had everything to do with generating income and little to do with quality education.

In the wake of the COVID-19 pandemic, predictions of significant reductions in international student fees soon followed. Media reports from mid-2020 projected an overall sector-wide revenue decline of $4.8 billion in 2020: the actual results showed a decrease of $1.9 billion, or 5.1 % compared with 2019. Thus, we can see how, in 2020, when the pandemic hit, the drop in international student income was portrayed by the university lobby, vice-chancellors and many commentators as a significant financial crisis. This drop in international student revenue continues. However, it has become a smokescreen for other, more fundamental problems with the way the AHES engages with its workforce, the economy and broader society. We now know that at least 40,000 university employees lost their jobs between May 2020 and May 2021: more than any other non-agricultural sector in the Australian economy (Littleton and Stanford 2021). In 2021, we heard virtually nothing from either major political party about the level of job losses in the AHES.

The following Table 1 summarises 2019 and 2020 revenue for the public sector universities in Australia based on federal government data. Total revenue for the sector in 2020 was $34.6 billion, down from $36.5 billion in 2019 and $38 billion in 2018. A reduction in investment revenue was the primary driver of revenue decline across the sector, with a total investment income of $927.4 million reported in 2020, down $1.3 billion or 57.7 % from 2019.

In reviewing revenue, we can see that Australian government grants did not keep up with inflation for 2020. Furthermore, local student fees increased; also note the accounting trick of adding together government funding and student tuition fees and calling this 'Australian government financial assistance'.[4]

The current financial strength of the public higher education sector and most individual universities can be judged partly by the accounting numbers.[5] Short-term actions and tactical responses currently in play have mainly focused on cutting academic and operational workers' costs (the latter are generally referred to as 'professional staff' in union negotiations). Each year, the financial reports issued by universities confuse rather than explicate their financial position (Carnegie et al. 2022 a, b). Required statements for public sector universities are the income statement, comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows. All except the statement of cash flows are used by individual universities to obscure the flow of funds, as they require an accrual accounting calculative practice (Guthrie 1998). This enables universities to depreciate and amortise the value of assets they have received for free via government grants, philanthropic gifts and bequests against their cash income, making their financial positions look worse than were they required to only report cash in and cash out.

Universities receive money from the Australian Government in the form of financial assistance grants, domestic student fees paid by income-contingent loans, research and consulting income from government and industry, fees paid by international students, research commercialisation, and a range of commercially oriented business ventures.

In 2020, the amount of money flowing to Australian public sector universities was about $34.6 billion (see Table 1). Ten universities had revenues above $1 billion. Several had annual revenues over $2 billion, along with substantial net asset holdings, and consequently show signs of operating as financial corporations. The financial position of universities remained strong throughout the 2020 reporting period, with net assets of $62.7 billion reported across the sector as of 31 December 2020, up 1.9% from $61.6 billion in 2019. Total assets across the sector were $95.0 billion as of 31 December 2020, increasing from $90.4 billion in 2019. Property, plant, and equipment represented the most prominent component at $58.5 billion, followed by investments at $18.2 billion. In 2020, two of the wealthiest institutions, the University of Melbourne and the University of Sydney, reported net assets at $6.9 billion and $4.9 billion respectively (Howard 2021). The management of several universities' financial assets is outsourced to investment bankers. However, unlike public companies, there are substantial gaps in their financial reporting, as will be outlined in further detail below.

The rhetoric and reality of public university finances

Based on the publicly available data above,[6] we turn now to the gulf between the rhetoric of university vice-chancellors concerning their supposedly parlous financial positions, which require them to impose ever more draconian forms of austerity on their institutions, and the reality of Australian public universities as experienced by their staff and students (cf. Tregear et al. this issue).

The first gap between rhetoric and reality is the oft-repeated claim that universities' financial positions are poor. As was intimated in the previous section, while the rhetoric relies on claims of a loss of income due to the pandemic, the reality is that in 2020, after paying all operating costs, including employee wages and salaries, total cash flows from operating activities show surplus cash from ongoing

Table 1: Summary of 2019 and 2020 Revenue

Operating Revenue	2020	2019	Change	
	$'000	$'000	$'000	%
Australian Government Grants	12,122,312	11,976,440	145,872	1.2%
HELP Payments	6,063,971	5,806,178	257,793	4.4%
Australian Government Financial Assistance	**18,186,283**	**17,782,618**	**403,665**	**2.3%**
State and Local Government Financial Assistance	763,738	725,351	38,387	5.3%
Upfront Student Contributions	455,532	459,066	(3,534)	-0.8%
International Student Fees	9,222,983	9,978,794	(755,811)	-7.6%
Other Fees and Charges	1,454,207	1,814,300	(360,093)	-19.8%
Investment Revenue	927,414	2,191,312	(1,263,898)	-57.7%
Consultancy and Contracts	1,628,787	1,567,755	61,032	3.9%
Other Income *	2,012,149	2,000,053	12,096	0.6%
Total Revenues from Continuing Operations	**34,651,093**	**36,519,249**	**(1,868,156)**	**-5.1%**

***** Other income includes royalties, trademarks and licenses and the share of net results from associates and joint ventures, accounted for using the equity method.

operational income (e.g. government funds, student fees and investment income). All universities were in funds surplus with the government at the end of 2020, with students paying cash, and operating activities (excluding accruals) also paid in cash to suppliers and employees.

The second gap between rhetoric and reality is that only 17,000 employees lost their jobs in 2020. The fact is that 40,000 or more academics and operational workers have lost their employment, at least 35,000 of whom were employed in public universities (Littleton and Stanford 2021). Analysis of how universities account for the numbers of their employees highlights their inconsistent disclosures (Guthrie 2021 a,b and c)). Nearly all universities are registered as charities in their state or territory and should be treated as public organisations for staffing and financial disclosure rules. This issue of accounting for employees is also relevant in determining how many people have lost employment in Australian public universities since the pandemic: universities have been trying to hide these numbers, especially for casuals (Guthrie 2021a).

The third gap between rhetoric and reality is that the decline in international student revenue due to the COVID-19 pandemic forced universities to cut staff, programs and working conditions. The fact is that universities are using an unusual form of accounting called 'underlying operating results' in their annual reports and public disclosures. This is not an accounting statement for legal reporting, but one used to justify the 'rationalisation' of internal structures, staff terminations, and the axing of programs and subjects. These accrual financial statements use business accounting principles that should not apply in public sector organisations like universities. Accrual numbers can be manipulated by recognising depreciation and other accrued expenses (Guthrie 1998). Universities should be required to report cash in and cash out as the primary basis for annual reports of their financial health.

The fourth gap between rhetoric and reality is the claim that public sector universities should be run like commercial businesses, or are commercial businesses, when they are, on the contrary, registered under the *Charities Act* and are therefore not-for-profit organisations. Although Australian public universities *are* being run like commercial businesses, this fictional status (aided and abetted by both major political parties) has enabled them to hide behind so-called 'commercial-in-confidence' provisions to escape internal and external scrutiny. For example, the University of Melbourne is attempting to use 'commercial-in-confidence' to conceal from the public details of its $4.9 billion property holdings by challenging in the Federal Court a ruling by the Victorian Information Commissioner that it must reveal those details as a charitable organisation. As was noted in the previous section, public sector universities hold significant cash and investment portfolios. There has been considerable growth in cash holdings and investments reported by most universities over decades. They collectively held total cash and investments of $24.6 billion in 2020, up 9.8 % from $22.4 billion in 2019. The University of Melbourne held $3.5 billion in cash and investments at the end of 2020 but used the pandemic as an excuse to sack hundreds of permanent and casual staff (Guthrie 2021a).

Most of the financial assets accumulated by Australian universities over the last few decades are the result of cash surpluses from past activities. However, any income from these investments appears to be ring-fenced from operating activity. Consequently, we can only assume that this income goes back into further investments. We submit that such activity makes public universities look more like finance businesses than educational institutions. They have invested their operating surpluses in derivatives, currency swaps, cash holdings and marketable shares (Guthrie 2021a). For example, the Australian National University's (ANU) financial statement for 2020 notes financial assets in primary shares and other financial instruments totalling about $1.7 billion (Guthrie 2021b).

The fifth gap between rhetoric and reality is that universities' land and buildings are valued at a 'fair market value' of about $50 billion in 2020. The reality is that most of this property was gifted to universities by state and federal governments. Consequently, the accrual depreciation of these assets makes little sense in this context. There was a 4.9% increase in the value of property, plant and equipment across the sector in 2020. This was driven by recognising service concession assets (read 'public-private partnerships' for building student accommodation and commercial property) following the introduction of new accounting standards. Payments for property, plant and equipment were $3.3 billion in 2020, down 27.5% from $4.5 billion in 2019. Many universities continue to undertake significant infrastructure development at the cost of many billions of dollars. Public universities should not be permitted to use the cost depreciation of assets acquired for free to justify cutting staff, programs and subjects. Nor should they be permitted to spend vast sums of money on infrastructure at the expense of their core business of teaching and research.

The sixth gap between rhetoric and reality is that employee expenses are too high. The reality is that the critical assets of public universities are their people, who research, teach and provide operational support for staff and students. Employee expenses cost universities $19.2 billion in 2020, excluding payroll tax. This represented a substantial increase of 5.4% over the $18.2 billion reported in 2019 and was driven almost exclusively by termination payments made to staff. A Senate Select Committee on Job Security (2021: 161) has painted a picture of the university sector as 'dominated by insecure work and exploitation'. These staff usually find they must do more hours of work than those for which they are paid (Lucas and Eltham 2021; Baum et al. this issue). Wage theft is widespread throughout the sector, with several universities already paying back tens of millions in wages and several others still under investigation (Cahill 2020; Senate Select Committee 2021). However, employee expenses are not the most significant growth in expenses in universities over the past decade. On the contrary, universities' most considerable growth in expenses has been senior executive salaries, consulting fees, marketing, commission agents, service provider fees, and the outsourcing of university activities to commercial providers (Guthrie et al. 2021).

The seventh gap between rhetoric and reality is that vice-chancellors and university councils provide reliable and audited accounting numbers. The reality is that their public disclosures tend to confuse and conflate different types of accounting numbers. They are also ring-fencing other revenue from their operating activities, for example, investment and commercial income. Most of the funds for these investments and commercial businesses would have been originally sourced from excess government grants and student fees including the HELP/HECS loan scheme to educate students.

An autoethnography: the university transformed

In this section we provide an autoethnography for a fictional person 'Smith', who is an amalgam of academics who began her academic career in the early 1980s, and who was fortunate enough to begin her free university education during the years of the Whitlam Labor Government from 1972 to 1975. Smith's extended journey through the AHES provides an illuminating history of how radically the sector has changed over the last five decades.

In the early 1970s, the primary purposes of universities and colleges of advanced education was to produce local undergraduates and postgraduates. Soon after it was elected in 1972, the Whitlam Government took over the funding of public universities from the states and made it a federal responsibility. Apart from providing undergraduate education for free, it also provided for the first time a living wage for students to complete their studies. There were no international students at Smith's university, and student numbers in lectures, workshops and tutorials were small. It was not until the early 1980s, when she moved to the 'Big Smoke', that she noticed the impact of neoliberalism and NPM practices in the AHES. As a postgraduate, she observed the effects on staff and students of what was to become an unending series of policy reforms premised on neoliberal ideas under another Labor Government, this time led by Bob Hawke.

The so-called 'Dawkins reforms' of the AHES, instituted during the final years of the Hawke Government, ushered in sweeping changes that spanned management structures, pricing, the devolution of budgets, auditing mechanisms, reporting systems and more. In the best traditions of neoliberalism, this was all done in the name of improving service delivery, efficiency, and effectiveness (Guthrie and Parker 1990; Martin-Sardesai and Guthrie 2021). Further changes to administrative practices were legislated. These policies saw performance indicators, competition between sectors and programs, and program budgeting focused on outputs rather than inputs (Martin-Sardesai et al. 2021). They also saw the emergence of business accounting for public sector organisations, as well as accrual-based accounting and the requirements that public universities produce business accounting statements in their annual reports (Guthrie and Cameron 1993).

In the early 1990s, soon after she secured her first tenured academic position, Smith noticed a significant change in student demographics, including many international students and larger class sizes. There were now 600 students in one of her lecture theatres. At the same time, contact with students per subject was reduced from five to three hours. In 1995, she was offered a tenured position at a graduate school, where she stayed for a decade. This was an enlightening experience as the community of academics had to work together not as a siloed discipline but as a group of teachers and researchers to provide life-changing postgraduate experiences for engaged students.

Smith also noticed a significant shift from academic objectives to financial management during this time. The number of publications she produced now defined her research performance, regardless of their quality or the amount of work she put into producing them. She noticed the Federal Government's introduction of a neoliberal technique associated with NPM and the audit culture which radically changed how the research performance of academics was assessed (Martin-Sardesai et al. 2017). It involved the introduction of a performance measurement that rated disciplines from five to one compared to what were described as 'world-class' standards. Strangely, there was no funding attached to this new kind of performance measurement, even though it had significant internal ramifications for academics regarding teaching, research grants, promotion, and sabbatical (Martin-Sardesai et al. 2019).

In the late 1990s, Smith was alarmed to see that several of her academic colleagues were sacked by management on the grounds that they had not brought in sufficient student income from their teaching, or funding from their research. They were classified as 'dead wood' and lopped off: tenure had been abolished by stealth. At the same time, new metrics were introduced that supposedly represented the total cost of degrees.[7] These costs were then levied on international students, most of whom were postgraduates, which then became a significant source of discretionary funding for universities (Carnegie et al. 2022a). Federal Government control of undergraduate student numbers and government funding in terms of financial support per student was further reduced in the name of 'efficiency gains'. Smith watched with dismay as she and her colleagues were obliged to teach ever larger classes for both lectures and tutorials. She was recently told that AHES student–staff ratios and class sizes are now among the highest in the world (Times Higher Education Survey 2021).

The 'rationalisation' continued apace throughout the early 2000s and beyond. Internally, faculty-level budgets were devolved to 'cost units' or 'centres'. Revenue from teaching was used to cover a unit's salary costs, and the rest was contributed to 'central' to cover physical facilities, library, IT services, general administration and the salaries of senior management and executives, and for investments. The graduate school at which Smith worked paid about 20% to the 'centre' in early 2020, whilst her colleagues at the Business School witnessed about 75% of their teaching fees directed to the 'centre' in 2017.[8] Secretly, Smith thought this was poetic justice, as it was this business school and others throughout the country that had been cheerleaders for NPM and neoliberal ideology since the early 1980s.

In 2004, Smith was offered a professorship at a prestigious city university. Her salary was geared to her research performance, which had in turn to be aligned with the 'strategic goals' and 'research priorities' of her department and faculty but were actually decided at the university level (Martin-Sardesai et al. 2017). She and her colleagues were discouraged from thinking of themselves as a collective of academic citizens and encouraged to focus on their own self-interest. Insufficient attention to this admonition would lead to termination of employment. Permanent performance monitoring and the commodification of her labour-power were the price of compliance (Gray et al. 2002). After all, she was told, who could possibly object to such a benign incentive to work harder, especially since it was all about improving her university's global rankings and reputation (Martin-Sardesai et al. 2021)?

Having witnessed the early retirement and sacking of several of her colleagues under this performance-based regime, Smith decided she had had enough and took the option of early retirement. She was fortunate in gaining a fractional position at a European university for the next decade. The sensible Europeans had not adopted neoliberalism nor the NPM practices that went with it. University education in her adopted country was free. The vice-chancellor (rector) was elected from the ranks of academics and operational support staff (see Vodeb et al. this issue). The election campaign for rectors ran publicly for several months, with candidates presenting their vision for the university in forums, round tables, and the media. The candidates spoke not only to the academic community but also to members of society – because, after all, knowledge and the university are a public value and a public good. Smith was both surprised and pleased to see that deans and department chairs were also elected in a transparent, democratic process (cf. AAUP 2020).

Conclusion

Australian public universities are no longer serving public interest criteria. Nor are they focused any longer on their core teaching and research activities. They have become dysfunctional public-private hybrids that have pretensions to be for-profit corporations but lack all the checks and balances on executive power that ensure their leadership is accountable. Vice-chancellors use their interpretations of the financial results to paint a picture of ill financial health and a crisis in tertiary education that can only be resolved through increased public funding or cuts to staff and programs. A realistic assessment of the financial health of public sector universities that examines underlying trends, threats and opportunities over an extended period shows that most public sector universities are doing well. Nevertheless, despite their essential role in society – and their growing financial significance – financial accountability and transparency are almost entirely absent.

We have identified several transparency issues that can be dealt with in the short term. First, the nationally consistent, full disclosure of employment data and the cost of executive salaries. Second, the reporting of university funding allocations and university budgets based on cash flow should be publicly available and in a format that the public can easily understand. Annual accrual financial statements do nothing for transparency. It is neither in universities nor the public's interest for university executives to be empowered as 'information gatekeepers'. Third, university councils should include equal representation for staff and students and not be dominated by business elites (Pelizzon et al. this issue). Fourth, the performance management systems that surveil academics and construct a notion of performance in line with senior executive strategies need to be recognised for their negative impact on research and teaching quality, as well as academic freedom and privacy.

While the administrative elites at universities have grown, the academic profession has been reduced and casualised (Pelizzon et al. 2021; Lucas and Pelizzon 2021). Throughout our academic and professional careers, we have both experienced this transition. Guthrie started as one of a collective of scholars and became an individual unit of production in the university machine. Lucas began his academic career as a casual tutor and lecturer in the early 1990s but could not secure a full-time lecturing position until 2008 and has subsequently been subjected to six rounds of 'change management'. Lost in the corporatisation of the AHES is the notion of intellectual citizenship and the idea that an academic career is something of which one can be proud because of its contribution to enriching society. Nevertheless, we are both convinced that change for the better is not only possible but necessary if Australia's public universities are to fulfil their social obligations to its citizens and the wider world.

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Notes:

***** This article has been written in dialogue with – and in connection to – all other themed articles within this special issue. As a result, it is best read as part of the issue as a whole.

1. These measures echo the broader set of global trends advocated in the Milton Friedman and Chicago School-brand of neoliberal economics (Shore and Wright 2015). This school of thought saw radical experiments in Chilean public sector universities in the 1980s, removing direct grants to universities from the state and only funding teaching through student tuition fees. To pay for their education, students could take out a government loan. This happened directly after the US-backed military coup d'état on 11 September 1973.

2.We note that the performance measurement targets set by deans and vice-chancellors have become increasingly unrealistic. For example, Martin-Sardesai et al. (2021) note that one business school is using ABDC, Scopus, Scimago and Quartile classifications for performance expectations:

> full professors are required to annually attain targets such as five-figure research grant income, one to two PhD students graduated per year, and four A–A*/4–4* ranked journal articles published per year … One performance standard in a 2019 issued business school document reveals that a Professor (Level E) is required to win $40,000 of grant income per year, graduate one PhD student per year and publish four C1 articles per year, three of which must be in Quartile 1. Another university has been reported in the press for taking its academics' funding and publishing targets to the extreme – for instance, requiring professors to publish at twice the average annual rate for their field of research. To add to the strain, these targets are often being set in a time where the conventional 40/40/20 teaching/research/administration load is steadily giving way to a 40/30/30 split.

3. University governance within Australia has been shaped by various factors, including changes to legislation regarding the structure and functions of university governing bodies and the sources of funding for universities. State Acts of Parliament establish various Australian universities and are subsequently amended to reflect the ideological preferences of incumbent governments. These acts regulate aspects of university governance, including their governing bodies' size and composition (councils, senates, boards of trustees). A chancellor is the formal head of a university, working closely with the vice-chancellor and president (Lucas et al. 2020; Pelizzon et al. this issue).

4. Undergraduate students pay for their degree via what was formerly known as the Higher Education Contribution Scheme (HECS) when first introduced in 1989. Now known by the acronym HELP, the scheme is still commonly referred to as 'HECS' and debts as 'HECS debts'. These student contributions have always covered a substantial proportion of the cost of a public university degree. This can be thought of as a budget saving for government, as the student replaces government contributions to their education with their own contribution via income tax following graduation. Furthermore, the Federal Government does not charge interest but does index the HELP debt.

5. The finance and accounting data was extracted from the DESE (2021) University Finances 2020 Summary Information, 28 October 2021, and associated database. These are the financial results for the sector for 2020. It is noted that individual universities have different results, and we have mainly reported on aggregate data. We do not reference the data in the paper as it comes from DESE (2021).

6.Publicly available data for university finances and staffing is limited to DESE (2021) which uses calculative practices to limit transparency and public scrutiny. State and federal government education departments and individual universities stonewall freedom of information requests about the composition of international students, their institutional costings and research grants, as well as classes of employment and vice-chancellor and senior executive salaries (Babones 2021).

7. The cost of a degree is a very contested concept. The Deloiite Access Economics report on this issue is flawed (Babones 2021). Infrastructure depreciation should not be used in costing as nearly all of this was gifted by governments to public universities.

8.However, many of the inputs counted were shadow prices allocated by the centre in the absence of actual costs. For example, on revenue, Master students from China in one program were charged exorbitant fees. This generated a free cash flow of $200 million a year for the centre of the university concerned.

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