

A higher purpose

Submission to the Senate Education and Employment Legislation Committee's Inquiry into the quality of governance at Australian higher education providers

The decades-long push to make Australia's universities more 'business like' has had scandalous consequences. The remedy is to make university governance more transparent, democratic, and accountable. The most effective way to enact this change would be to amend the establishing Acts that give universities their public mandate.

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Summary

This submission to the Senate Education and Employment Legislation Committee's Inquiry into the quality of governance at Australian higher education institutions relates to all of its terms-of-reference, including:

- the powers available to the Tertiary Education Quality and Standards Agency (TEQSA);
- providers' governing bodies;
- providers' financial reporting;
- compliance with legislative requirements; and
- employment practices, executive remuneration, and the use of external consultants.

Great countries have great institutions. But, after nearly forty years of pressure to become more “business like”, Australia's universities' governance structures are increasingly inappropriate for the size, structure, and goals of modern university management. In short:

- Most universities are governed by state acts of parliament even though they are federally funded.
- University Vice Chancellors are remunerated as if they were running a large business even though they do not face the oversight of a board with the legal obligations of a private company, the pressure from consumers who are protected by Australian consumer law, or the threat of takeover if they are poorly run.
- Universities are neither exposed to the kind of regulation and scrutiny that ASIC and the ACCC can apply to privately owned organisations, nor are most of them accountable to Senate estimates, committee or other commonwealth parliamentary oversight.

Since the 1980s, regulatory changes have been accompanied by a shift in the funding models for Australian universities. Over this time, the higher education sector has moved away from a heavy reliance on direct public funding and towards increased reliance on tuition fees, commercial contracts, investments, and student loans. Consequently, after decades of ‘reform’, Australia's public higher education institutions are now characterised by job insecurity, wage theft, large class sizes, decreasing student satisfaction, large advertising budgets, huge spending on consultants, an obsession with surplus budgeting, and exorbitant remuneration for senior executives.

Governance in public higher education no longer focusses on education or the wellbeing of staff and students, but on maximising surpluses and enhancing the privileges and status of senior management.

To remedy these problems, this submission argues that the Acts which govern Australia's universities should be reformed to ensure that university councils serve the Australian public's need for the equitable provision of higher education. Refocusing the governance priorities of the sector back to education and the wellbeing of staff and students requires amending these establishing acts to clarify that universities should be run as educational institutions for the public good, and accountable to the public. In summary, we make the following recommendations:

- **Recommendation 1: Amend the establishing acts of universities to clarify that their central purpose is public research and education, not commercial or corporate performance.**
- **Recommendation 2: In its first 12 months of operation, the Australian Tertiary Education Commission should develop, in consultation with university stakeholders, a new sector-wide funding model as recommended by the Australian Universities Accord.**
- **Recommendation 3: The Australian Government should increase public funding for Australia's public higher education system to 1% of GDP.**
- **Recommendation 4: The Australian Tertiary Education Commission should be empowered to properly scrutinise and sanction universities whose governance, course quality and health and safety standards are shown to be inadequate. The Commission's foundational legislation should include a preamble that clearly articulates the educational, social, civic and economic functions of a public university sector.**
- **Recommendation 5: The Australian Government should pass legislation to create a Whistleblower Protection Authority.**
- **Recommendation 6: Amend the establishing acts of universities to ensure that the majority of university council/governing body members are democratically elected by university staff and students.**
- **Recommendation 7: Require university councils/governing bodies to publish the minutes of their meetings in full, with any exceptions or redactions publicly explained.**
- **Recommendation 8: Require the meetings of university councils/governing bodies to be held in public, like parliament or universities in other countries.**
- **Recommendation 9: Require all universities to provide, along with their financial reports, a separate and itemised consultancies disclosure report, as is currently the case in Victoria. This could be tabled in state/territory parliaments.**
- **Recommendation 10: Require all universities to register all council members' real and/or perceived conflicts of interest to whichever is the appropriate body (TEQSA or ATEC) in real time. Ensure this information is publicly accessible in the form of a regularly updated register.**

- **Recommendation 11: Pursue opportunities to provide pooled services between universities, including for payroll, recruitment, IT support, subscriptions and international marketing.**
- **Recommendation 12: Cap Vice-Chancellor remuneration.**
- **Recommendation 13: Pay and remuneration committees should be governed by legislation, not by university council self-regulation, and there should be provision for staff and student representation on these committees.**
- **Recommendation 14: Prohibit Vice-Chancellors of public universities to take on other paid work during their tenure.**

Please note that this submission draws on information available in the following Australia Institute papers, which have been attached as Appendix A:

- *At the Crossroads*
- *Public attitudes on issues in higher education*
- *University councils, transparency and the Adelaide University merger*
- *Australian public universities are now spending millions on consultants*
- *The high pay for Vice-Chancellors does not deliver better outcomes for students*
- *Uni Vice-Chancellors keep getting richer while those who teach and research are left behind*
- *While Uni Vice-Chancellors rake in millions, young researchers struggle to survive*
- *Elective spending at Australian universities: Millions splashed on consultancies, travel and advertising*

Introduction

The Australia Institute welcomes the opportunity to make this submission to the Senate Education and Employment Legislation Committee's Inquiry into the quality of governance at Australian higher education providers.

Australian universities have experienced nearly forty years of pressure to become more "business like," but it is not at all clear what the benefits of this approach have been. Regulatory changes have been accompanied by a shift in the funding models imposed on universities and, as a result of these policy choices, the sector has moved away from direct public funding and towards increased reliance on tuition fees, commercial contracts, investments, and other private sources.

As a result of decades of such 'reforms' the higher education sector is now characterised by job insecurity and wage theft for staff, larger class sizes and decreasing satisfaction for students, large advertising budgets, huge spending on consultants, an obsession with surplus budgeting, and exorbitant remuneration for senior executives.¹ Governance in higher education no longer focusses on education or the wellbeing of staff and students, but on maximising surpluses and enhancing the privileges and status of senior management.

By the Commonwealth Government's own admission, "systemic issues persist across the higher education sector, including widespread underpayment of staff, suggesting governance arrangements could be improved."² The need for this inquiry is further evidence of how deeply entrenched these problems have become.

The Australia Institute has been raising concerns about these shifts in the higher education sector for nearly 25 years. In 2001, the Institute published research on the decline in academic freedom resulting from commercialisation, which raised the following concerns:³

- increased workloads, in part arising from writing competitive tenders and developing and marketing commercial courses, were significantly reducing academics' independent research time;

¹ Woelert (2021) 'Why Australian uni students have a right to know class sizes before they sign up', *The Conversation*, <https://theconversation.com/why-australian-uni-students-have-a-right-to-know-class-sizes-before-they-sign-up-170378>

² Australian Government (2023) *Australian Universities Accord Interim Report*, p 115, <https://www.education.gov.au/australian-universities-accord/resources/accord-interim-report>

³ Kayrooz, Kinnear and Preston (2001) *Academic Freedom and Commercialisation of Australian Universities: Perceptions and experiences of social scientists*, <https://australiainstitute.org.au/report/academic-freedom-and-commercialisation-of-australian-universities-perceptions-and-experiences-of-social-scientists/>

- the pressure to attract research funding from industry and a range of consulting and other services increasingly channelled research effort into safe, well-defined areas, rather than speculative or curiosity-driven ones;
- the emphasis on fee-based courses, particularly for domestic and international postgraduates, was lowering student standards;
- the emphasis on fee-based courses benefited disciplines that were vocational, rather than speculative and critical, and sometimes redirected academics' teaching focus to areas tangential to their expertise;
- the drive to market flexible fee-based courses, particularly online courses and distance packages, challenged the ownership of course material and had the potential to erode academics' intellectual capital; and
- the emphasis on 'market' demand required more corporate management structures in universities which, in turn, eroded collegial decision-making structures.

This submission relates to the overarching term-of-reference for this inquiry, and touches on all four subpoints. Overall, it argues that the Acts which govern Australia's universities should be reformed to ensure university councils serve the Australian public's need for higher education.

Please note that this submission draws on information available in the following Australia Institute papers, which have been attached as Appendix A:

- *At the Crossroads* (2022)⁴
- *Public attitudes on issues in higher education* (2023)⁵
- *University councils, transparency and the Adelaide University merger* (2023)⁶
- *Australian public universities are now spending millions on consultants* (2024)⁷
- *The high pay for Vice-Chancellors does not deliver better outcomes for students* (2025)⁸

⁴ Littleton (2022) *At the Crossroads*, <https://australiainstitute.org.au/report/at-the-crossroads/>

⁵ Littleton (2023) *Public attitudes on issues in higher education*, <https://australiainstitute.org.au/report/public-attitudes-on-issues-in-higher-education/>

⁶ Harrington, Adhikari and Anderson (2023) *University councils, transparency and the Adelaide University merger*, <https://australiainstitute.org.au/report/university-councils-transparency-and-the-adelaide-university-merger/>

⁷ Adhikari (2024) *Australian public universities are now spending millions on consultants*, <https://australiainstitute.org.au/post/australian-public-universities-are-now-spending-millions-on-consultants/>

⁸ Thrower (2025) *The high pay for Vice-Chancellors does not deliver better outcomes for students*, <https://australiainstitute.org.au/post/the-high-pay-for-vice-chancellors-does-not-deliver-better-outcomes-for-students/>

- *Uni Vice-Chancellors keep getting richer while those who teach and research are left behind (2025)*⁹
- *While Uni Vice-Chancellors rake in millions, young researchers struggle to survive (2025)*¹⁰
- *Elective spending at Australian universities: Millions splashed on consultancies, travel and advertising (2025)*¹¹

⁹ Thrower (2025) *Uni Vice-Chancellors keep getting richer while those who teach and research are left behind*, <https://australiainstitute.org.au/post/uni-vice-chancellors-keep-getting-richer-while-those-who-teach-and-research-are-left-behind/>

¹⁰ Thrower (2025) *While Uni Vice-Chancellors rake in millions, young researchers struggle to survive*, <https://australiainstitute.org.au/post/while-uni-vice-chancellors-rake-in-millions-young-researchers-struggle-to-survive/>

¹¹ Black (2025) *Elective spending at Australian universities: Millions splashed on consultancies, travel and advertising*, <https://australiainstitute.org.au/?p=27012>

Commercialising universities

Changes in sources of funds for ... universities could ... have implications for academic freedom. If we accept that he who pays the piper can at least suggest a tune, then a number of possibilities become apparent. With government funding an ever-diminishing share of the total expenditure of universities, the pressure is on to find alternative sources. It is not difficult to imagine situations in which a totally commercially focused council or board might exert at least subtle pressures to ensure that the university staff or students did not in some way offend major donors. Having already seen some major potential donors walk away from the university after failing to prevent the publication of some research work, I do not make this suggestion merely as a piece of idle speculation.

Source: Bruce Ross, Vice-Chancellor, Lincoln University, New Zealand Graduation address, 1996¹²

Concerns about the impact of commercial pressures on public universities are not new, and not unique to Australia. As the above quotation shows, concerns were already being raised at the highest levels of New Zealand's university governance nearly 30 years ago. Since then, the corporatisation of Australian university management has only increased. Democratic governance, oversight, and transparency have all diminished while revenues, expenditure on consultants, advertising budgets and the remuneration of senior staff have grown.

Improving university governance requires a fundamental refocus away from a commercial and corporate orientation and toward a renewed emphasis on education and research, which are the central purposes of these public institutions. Such changes will need both regulatory change to legally embed these purposes, and a shift in the funding model of the sector to ensure these purposes are not undermined by commercial pressures.

REGULATORY CHANGES

Although state and territory governments are responsible for the legislation that governs most Australian public universities, the Commonwealth Government is by far the largest single funder of the nation universities. In 2022, the most recent year for which data is

¹² Kayrooz, Kinnear and Preston (2001) *Academic Freedom and Commercialisation of Australian Universities: Perceptions and experiences of social scientists*, p 1

available, total government funding for Australian universities amounted to \$19.1 billion, of which just \$929.3 million came from the states.¹³

In the early 2000s, the Howard Government used this financial power to pressure universities to embrace commercialisation, through the *Higher Education Support Act 2003* and the associated *Higher Education Support Act 2003—Commonwealth Grant Scheme Guidelines (02/06/2004)*. To be eligible for an increase in funding, universities had to implement the stipulations of the Guidelines. Unsurprisingly, all of Australia’s public universities chose to do so, and enabling legislation was subsequently passed at the state level (often at the behest of university leaders) to ensure regulatory consistency.¹⁴

The Commonwealth Grant Scheme Guidelines stipulated eight primary responsibilities for university councils, including a focus on commercial undertakings. The Guidelines stated that governing bodies could not exceed 22 members, that they must include at least two members with “financial management expertise at a senior level”, and at least one member with “senior level” commercial expertise.¹⁵ They required “a majority of external independent members who are neither enrolled as a student nor employed by the higher education provider.”¹⁶ As a result of these changes, all public universities were required to have a minimum of three council members with either commercial or financial expertise, and councils were made responsible for “approving significant commercial activities of the higher education provider.”¹⁷ These changes were designed to make Australian universities more focussed on making them more autonomous from government and to give them “increased scope to raise revenue from diverse sources.”¹⁸

¹³ Australian Government (2024) *Finance 2022: Financial reports of higher education providers*, p 8, <https://www.education.gov.au/higher-education-publications/resources/2022-higher-education-providers-finance-tables>

¹⁴ See Jackson (2003) *Higher Education Support Bill 2003* (Bills Digest No. 56 2003–04), https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r1887; Section 33-15 of the *Higher Education Support Act 2003*; Chan (2018) *Legislative Changes Affecting the Governance of Australian Universities*, <https://static1.squarespace.com/static/5b984f4e5ffd2046651aea73/t/5bceb24d4192023439248fee/1540272720988/Legislative-changes-affecting-University-Governance-20180221.pdf>

¹⁵ Protocol 5, 7.5.35 of *Higher Education Support Act 2003 - Commonwealth Grant Scheme Guidelines (02/06/2004)*, Federal Register of Legislation <https://www.legislation.gov.au/Details/F2006B00696>

¹⁶ Protocol 5, 7.5.35 of *Higher Education Support Act 2003 - Commonwealth Grant Scheme Guidelines (02/06/2004)*.

¹⁷ Protocol 2, 7.5.5(h) of *Higher Education Support Act 2003 - Commonwealth Grant Scheme Guidelines (02/06/2004)*.

¹⁸ Nelson (2003) *Speech, Pursuing Opportunity and Prosperity*, Media Centre, <https://melbourneinstitute.unimelb.edu.au/outlook/assets/2003/BNelson1.pdf>

However, Commonwealth funding has not been contingent on compliance with these Howard-era Guidelines since the Labor party amended the relevant legislation in 2008.¹⁹ Nevertheless, all state governments have retained the 2003 changes to the composition and function of councils, which were updated in the form of a Voluntary Code in 2010-11.²⁰

Despite the tenor of these regulations, most of Australia's universities are *not* businesses but public education institutions: of the 41 accredited domestic universities, 37 are public.²¹ Significantly, many attempts to create private universities in Australia have been spectacularly unsuccessful, with, for example, Melbourne University Private vanishing quietly after eight years of existence and over \$20 million in losses.²²

Refocusing the governance priorities of the sector back to education and the wellbeing of staff and students requires amending these establishing acts to clarify that universities are educational and research institutions that exist for the public good, accountable to the public.

Recommendation 1: Amend the establishing acts of universities to clarify that their central purpose is public research and education, not commercial or corporate performance.

¹⁹ See the *Higher Education Support Amendment (Removal of the Higher Education Workplace Relations Requirements and National Governance Protocols Requirements and Other Matters) Act 2008*, Federal Register of Legislation, <https://www.legislation.gov.au/Details/C2008A00089>; and the 2008 Parliamentary Library Bills Digest no. 74, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillsdgs%2FXTUP6%22>

²⁰ *Voluntary Code of Best Practice for the Governance of Australian Public Universities*, first introduced in 2010 and then amended at the Universities Australia and University Chancellors Council joint meeting on 15 May 2018, <https://static1.squarespace.com/static/5b984f4e5ffd2046651aea73/t/5bceb2aeec212d6baa8c2e19/1540272816529/Voluntary-Code-of-Best-Practice-for-the-Governance-of-Australian-Universities-May-2018.pdf>; Parliament of Tasmania (2024) *Final Report on the Provisions of the University of Tasmania Act 1992*, p 14, <https://www.parliament.tas.gov.au/committees/legislative-council/select-committees/lc20select20-20university20of20tasmania/submissions/submissions>

²¹ Australian Government (2025) *List of Australia's universities*, <https://www.studyaustralia.gov.au/en/plan-your-studies/list-of-australian-universities>

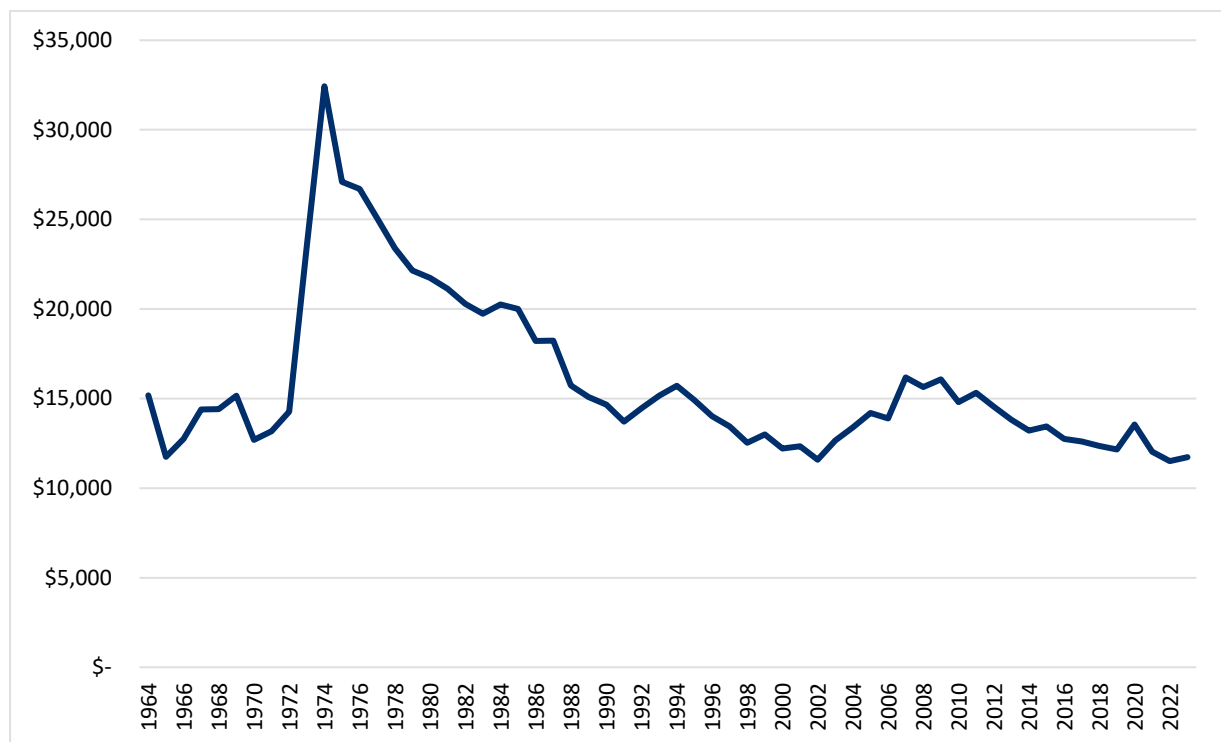
²² Times Higher Education (2005) *Melbourne's private affair ends in red ink*, <https://www.timeshighereducation.com/news/melbournes-private-affair-ends-in-red-ink/196763.article>

SHIFTING FUNDING MODELS

The other key driver behind today's financially focused approach to university governance has been the major shift in tertiary education funding that has taken place since the 1980s.

The tertiary education sector has steadily moved away from a primarily public funding model, where governments bear most of the costs of providing this public good. When accounting for inflation and increasing domestic student numbers, federal spending on higher education has declined since the 1970s, when the Whitlam government made tertiary education free for students. In 2022, inflation-adjusted government spending per student on higher education was the lowest since records started in 1964 (Figure 1).

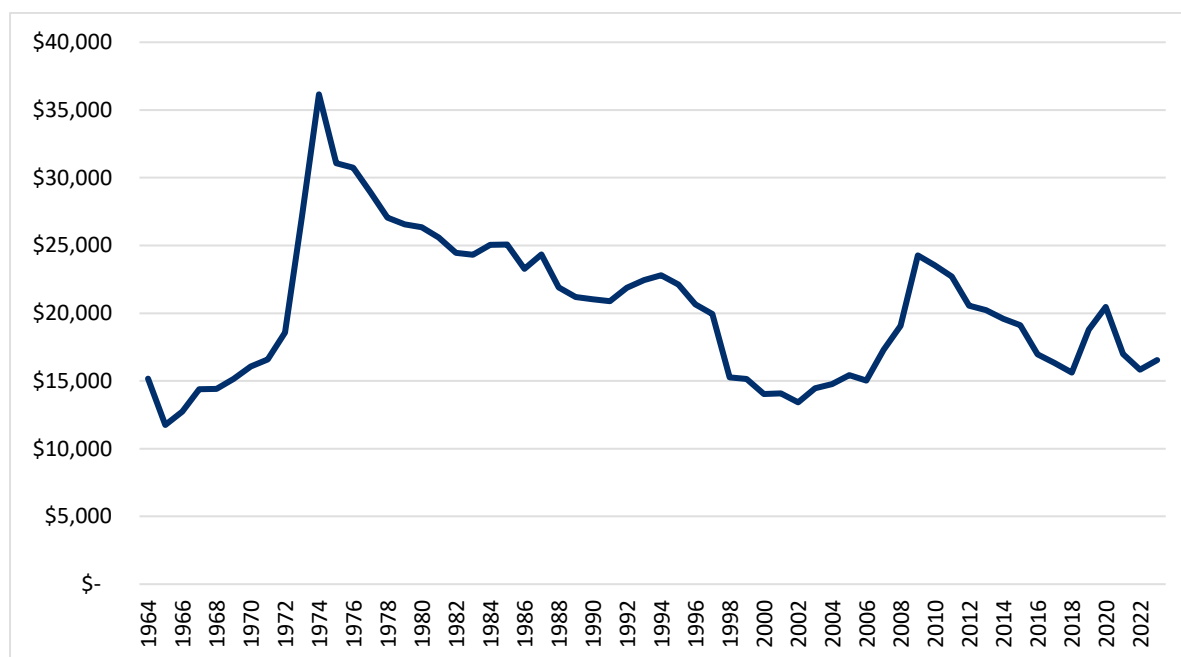
Figure 1: Federal spending on higher education per domestic student, 1964 to 2023, December 2024 dollars



Source: author's calculations using data from Parliamentary Budget Office, Australian Bureau of Statistics and Department of Education

This decline is also apparent considering spending on both higher education and 'student assistance', which includes expenses such as student welfare payments (for instance Youth Allowance and Austudy), scholarships, and the costs of providing student loans through the Higher Education Loans Program (HELP). Spending is also historically low on this measure, although it has not sunk to the depths of spending seen in the late 1990s and early 2000s (Figure 2).

Figure 2: Federal spending on higher education and student assistance per domestic student, 1964 to 2023, December 2024 dollars



Source: author’s calculations using data from Parliamentary Budget Office, Australian Bureau of Statistics and Department of Education

There have been two brief exceptions to the downward trend in per-student federal funding since the Whitlam era. The first, from 2007 to 2011, saw the federal government boost funding in response to the Bradley Review (2008).²³ The second arose during the COVID-19 pandemic, during which the Morrison Government invested \$550 million in places for short courses, and briefly allowed universities to keep their Commonwealth Grant Scheme funding even if enrolments fell.²⁴

From another angle, Commonwealth funding for universities (excluding HELP) fell from 0.9% of GDP in 1995 to 0.6% in 2021. If spending had kept up with growth of the overall economy, funding would have been \$6.5 billion higher in 2021, equal to nearly half (46.5%) of higher education funding.²⁵ Notably, boosting Commonwealth funding by this amount, would cost less than two thirds of the Commonwealth Government spending on fossil fuel subsidies, which cost \$10.5 billion in 2021-22.²⁶

²³ Chesters (2013) ‘The education revolution’ in Aulich (ed) *The Gillard Governments: Australian Commonwealth administration 2010-2013*, Melbourne University Publishing, pp 141-157.

²⁴ Norton (2023) ‘Higher education’ in McCaffrie, Grattan and Wallace (eds) *The Morrison Government: Governing through crisis, 2019-2022*, UNSW Press, pp 142-153.

²⁵ Littleton (2023) *Public attitudes on issues in higher education*

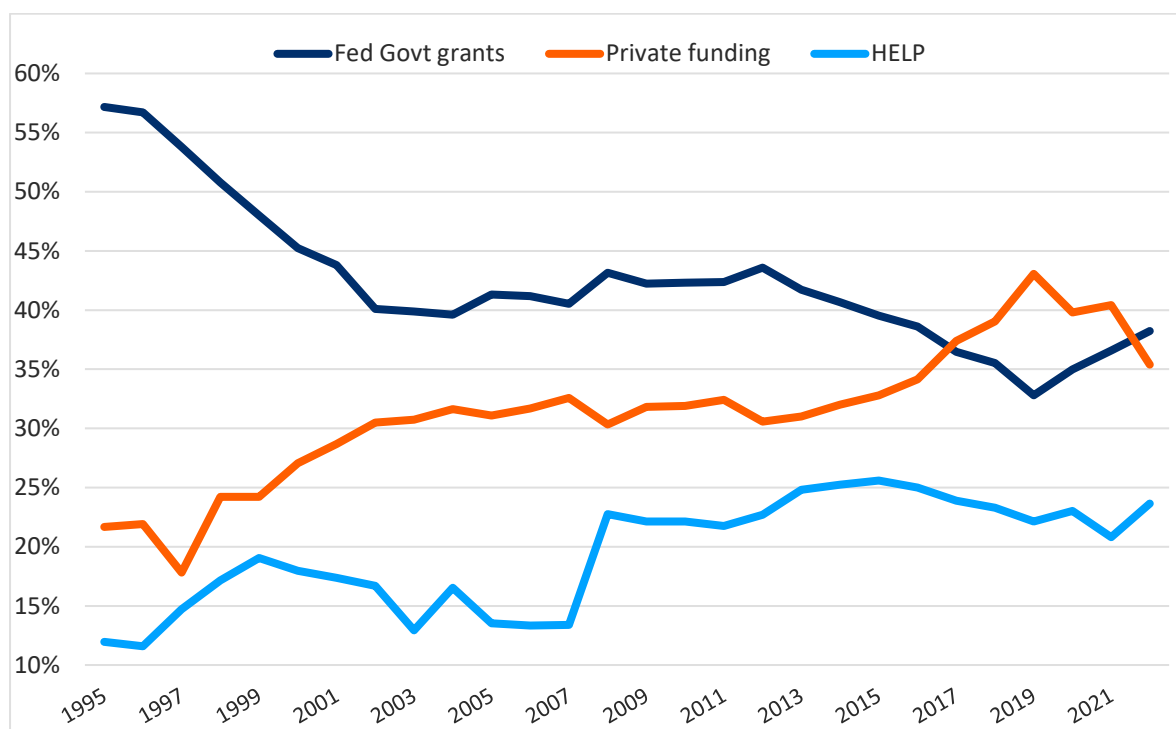
²⁶ Armistead et al (2022) *Fossil fuel subsidies in Australia (2021-22)*, <https://australiainstitute.org.au/report/fossil-fuel-subsidies-in-australia-2021-22/>

To make up this shortfall in public spending, universities have increasingly relied on other sources of non-government funding. While in 1995 over 55% of Australian university funding came from federal government grants, this figure has remained under 40% since 2015. In 2019 (immediately before the pandemic) it dropped as low as 32.8% (Figure 3). Meanwhile, since 1995, private sources of revenue – such as international student tuition fees, investments, commercial engagements, and philanthropy – have doubled as a share of university revenue (from 21.7% in 1995 to 43% in 2019). International student fees have become a particularly influential source of funding, rising from 16% of revenue in 2008 to 27% in 2019, before declining slightly over the pandemic period.

Also in recent years, Higher Education Loan Program (HELP) debts, which are a partially private source of revenue (as they are government supported but represent a shift of burden from the public onto students) have risen from 12% of revenue to nearly a quarter. This shift of burden onto students is marked – today Australia consistently collects far more from student debt repayments than it does from the gas industry through the Petroleum Resource Rent Tax.²⁷

²⁷ Jericho and Thrower (2024) *Yes, the government collects more money from HECS than it does from the petroleum resource rent tax.*, <https://australiainstitute.org.au/post/yes-the-government-collects-more-money-from-hecs-than-it-does-from-the-petroleum-resource-rent-tax/>

Figure 3: Public university sources of funding as a percentage of total revenue, 1995-2022

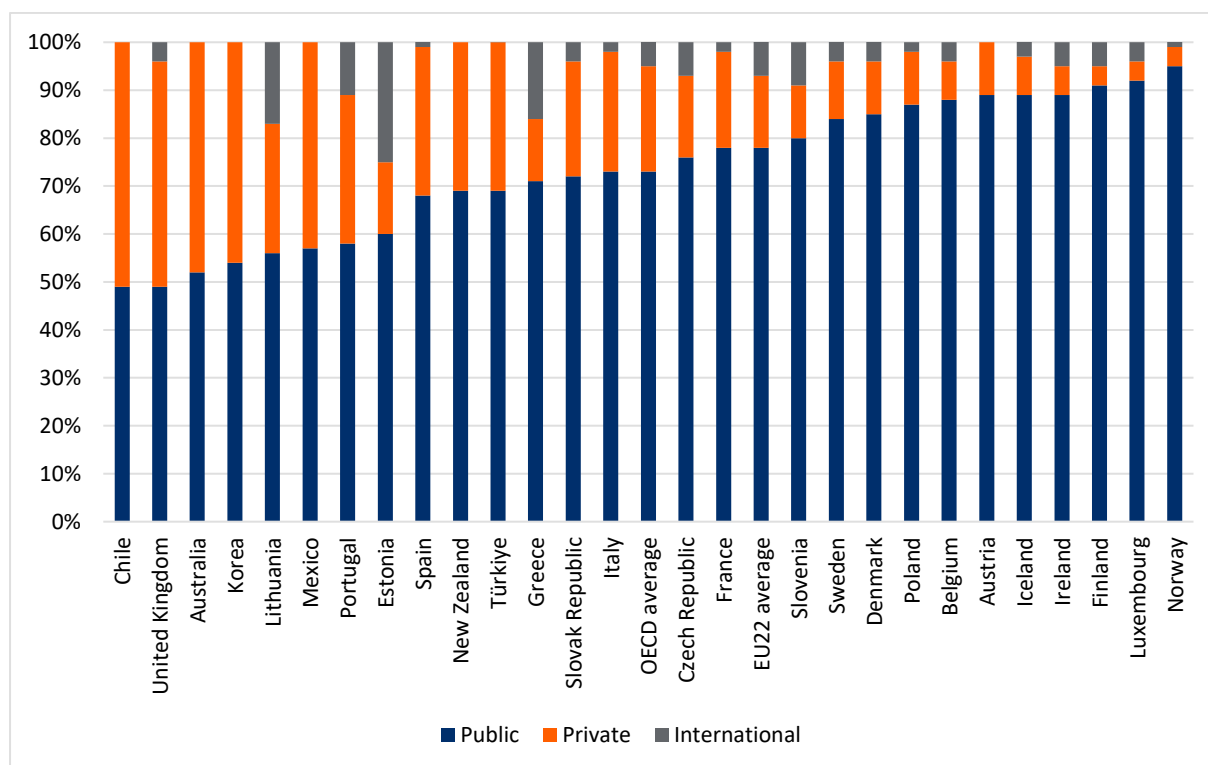


Source: Author's calculations based on Department of Education (various years) *Financial Reports of Higher Education Providers*.²⁸

In Australia today, only about half of the money spent on tertiary education comes from the government. This proportion is the third lowest among OECD countries (for which data is available) and is similar to some countries with notoriously high tuition fees, such as the United Kingdom and Chile. Across the OECD, public expenditure accounts for an average of around three-quarters (73%) of tertiary education expenditure. Public spending is even more prevalent in the Nordic countries. In Sweden, over four in five krona of spent on higher education public (84%), while in Norway 19 in 20 krone (95%) spent on tertiary education is from the public.

²⁸ The portions of revenue do not sum to 100 as not all sources of revenue were included in the graph. The sources left out are minor sources of revenue such as state and local government assistance and upfront domestic student contributions. The decline in private revenue in 2022 is primarily due to large investment losses rather than a substantial increase in public funding.

Figure 4: OECD countries by sources of tertiary education expenditures, before public-to-private transfers, 2019

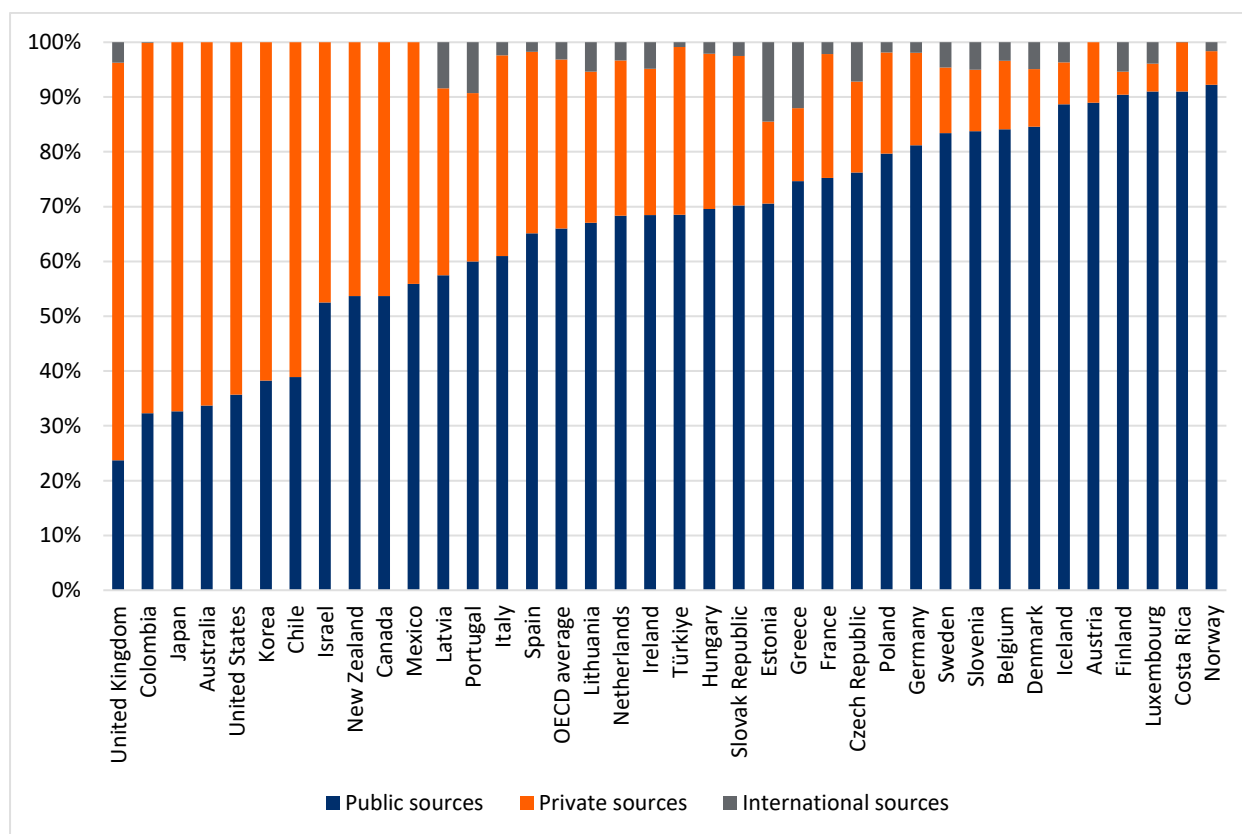


Source: OECD.²⁹ 2019 data used to exclude impacts of the pandemic shock. ‘International’ spending includes both direct international expenditure for educational institutions (for example, a research grant from a foreign corporation to a public university) and international transfers to governments. ‘International’ spending does not refer to fees from international students. Countries such as the United States are excluded because no data is available.

These figures are even starker once public-to-private transfers, such as federal subsidies for domestic student fees, are accounted for. This form of public spending plays into concerns about the commercialisation of universities because a large proportion of university funding is contingent on ‘selling’ education services to students whose fees cross-subsidise the costs of research. On this metric, only a third (33%) of Australia’s tertiary education spending comes from the public sector, the fourth lowest rate in the OECD.

²⁹ OECD (2022) *Education at a Glance 2022*, https://www.oecd.org/en/publications/2022/10/education-at-a-glance-2022_4aad242c.html

Figure 5: OECD countries by sources of tertiary education expenditures, after public-to-private transfers, 2019



Source: OECD.³⁰ 2019 data used to exclude impacts of the pandemic shock. 'International sources' includes direct international payments to educational institutions such as research grants or other funds from international sources paid directly to educational institutions.

The decision to oblige universities to focus more heavily on pursuing non-government sources of revenue has incentivised universities to shift away from their traditional focus on the creation and distribution of knowledge, and towards commercial concerns.³¹ Australian universities have an incentive to maximise the number of the most 'profitable', high fee-paying students they can attract.

There is some evidence that these commercial considerations are affecting behaviour. For example, universities have engaged in a range of practices to try to maximise their international student enrolments. In the words of one academic, "in terms of attracting international students, universities will do whatever they need to do...they are the cash cows. There is no doubt about it."³²

³⁰ OECD (2022) *Education at a Glance 2022*

³¹ Jayasuriya (2021) 'COVID-19, markets and the crisis of the higher education regulatory state: the case of Australia', *Globalizations*, <https://doi.org/10.1080/14747731.2020.1815461>

³² Worthington (2019) *Four Corners: Cash Cows*, <https://www.abc.net.au/news/2019-05-06/cash-cows/11084858>

However, although it is often asserted that the students from which the greatest financial surplus can be extracted are international students and postgraduate coursework students (whose fees are largely uncapped) university accounts do not provide enough data on the costs of, and revenue from, different cohorts of students to verify such assumptions. Indeed, if universities really were governed as ‘commercial entities’ such information would be foremost in the minds of senior management. But, despite the rapid growth in the salaries of Vice-Chancellors and the size of their ‘chancelleries’, there is little evidence that university managers or councils have any reliable information on the profit made per student in Australia.

The flip side of the incentive to pursue the most profitable students is the desire by Australian university managers to cut ‘unprofitable’ student numbers, and even entire disciplines.³³ Universities have cut programs deemed to be ‘economically unviable’ due to being insufficiently profitable.³⁴ In recent years, some universities have also started offering online courses, often of low quality and with little to no actual teaching, delivered by third-party providers.³⁵

While no one would expect a restaurant to offer up meals to diners at a price below their cost, are Australian citizens and the governments that represent them happy for regional universities to abandon the teaching of whole disciplines to some communities on the basis that selling degrees to foreign or postgraduate students offers a higher rate of return?

The *Final Report* of the Australian Universities Accord, published over a year ago, proposed a new funding model that would enable sustainable enrolment growth, consistency across institutions, sensitivity to projected future earnings, and funding according to need for entry-level and preparatory courses.³⁶ It also recommended that the proposed Australian Tertiary Education Commission (ATEC) be tasked with the “responsible stewardship” of the new formula and its implementation.³⁷

In the 2024-25 budget, the federal government committed \$54 million in funding for the new Commission over the next decade, expecting that it would be operational by 1 July

³³ Australian Government (2024) *Australian Universities Accord Final Report*, p 282, <https://www.education.gov.au/australian-universities-accord/resources/final-report>

³⁴ University of Wollongong (2025) *Teaching & learning workplace change*, <https://www.uow.edu.au/about/transformation/teaching--learning-workplace-change/>

³⁵ Smee (2023) ‘*No actual teaching’: alarm bells over online courses outsourced by Australian universities*, <https://www.theguardian.com/australia-news/2023/mar/07/no-actual-teaching-alarm-bells-over-online-courses-outsourced-by-australian-universities>

³⁶ Australian Government (2024) *Australian Universities Accord Final Report*, p 288, <https://www.education.gov.au/australian-universities-accord/resources/final-report>

³⁷ Australian Government (2024) *Australian Universities Accord Final Report*, p 285, <https://www.education.gov.au/australian-universities-accord/resources/final-report>

2025.³⁸ Given this significant initial investment and imminent commencement date, ATEC should develop this new funding formula by the end of 2025.

Recommendation 2: In its first 12 months of operation, the Australian Tertiary Education Commission should develop, in consultation with university stakeholders, a new sector-wide funding model as recommended by the Australian Universities Accord.

While boosting direct public funding for higher education is beyond the terms of reference for this inquiry, re-establishing reliable public funding for what remains a public tertiary education system is essential for refocusing and improving governance. Previous Australia Institute research has recommended boosting higher education public funding to 1% of GDP.³⁹

Recommendation 3: The Australian Government should increase public funding for Australia's public higher education system to 1% of GDP.

³⁸ Australian Government (2024) *2024-25 MYEFO: Delivering the Australian Tertiary Education Commission fact sheet*, <https://www.education.gov.au/australian-universities-accord/resources/202425-myefo-delivering-australian-tertiary-education-commission-fact-sheet>

³⁹ Littleton (2022) *At the Crossroads*

Empowering ATEC where TEQSA failed

The Tertiary Education Quality and Standards Agency (TEQSA) has been designed as the regulator of an artificial “market” for higher education. As the previous section has shown, this market has failed to deliver quality higher education for students. The Terms of Reference for this inquiry assume that TEQSA would be an appropriate regulatory body, if only it were afforded sufficient power. TEQSA’s core problem is its purpose, not its powers.

The original rationale for TEQSA was that a “demand-driven” system prioritising “choice” would need an “independent, national regulatory agency” to guarantee quality and minimum performance standards across the country.⁴⁰ Established in 2011, TEQSA purportedly has “investigation powers” and the ability to enforce, via courts, “administrative sanctions” and “civil penalties”.⁴¹ In reality, Australia’s universities largely have the freedom to “self-regulate” their course accreditations. The language of demand, choice and self-regulation is another symptom of the push to convert public institutions into institutions that resemble for-profit businesses. However, businesses operating in a commercial environment are governed by much stricter rules than TEQSA applies to Australian universities. For example, while it is illegal for a privately owned company to make false and misleading claims about its products, universities claim that they are not covered by Australian consumer protection laws because universities are not engaged in ‘trade or commerce’. Somehow, when the salaries of university Vice Chancellors are being discussed, the size of the ‘business’ they oversee is frequently cited, but when the need to protect students from misleading claims made by profit-motivated university managers is at issue Australians are told that universities are not a business. Most of Australia’s least-satisfied graduates come from the most reputable public universities, whose large class sizes and time-poor academics rarely meet the expectations set by glamorous and expensive advertising campaigns.⁴² TEQSA does not have the powers of the ACCC, but students paying \$80,000 for a degree require at least as much protection as those buying an \$800 TV.

⁴⁰ Bradley *et al.* (2008) *Review of Australian Higher Education: Final Report*, p xv, <https://apo.org.au/node/15776>

⁴¹ *Tertiary Education Quality and Standards Agency Act 2011* (Cth) sec. 97, <https://www.legislation.gov.au/C2011A00073/2022-11-30/text>

⁴² Heffernan (2023) *Australia’s happiest students are not at sandstone universities*, <https://www.smh.com.au/education/australia-s-happiest-students-are-not-at-sandstone-universities-20230704-p5dlj6.html>; Cassidy (2023) *Students launch class action against James Cook University over unaccredited financial advice major*, <https://www.theguardian.com/australia-news/2023/may/03/students-launch-class-action-against-james-cook-university-over-unaccredited-financial-advice-major>

In the 14 years that TEQSA has existed, only seven universities have ever received conditional re-registrations (those conditions chiefly involving extra reporting and benchmarking requirements, occasionally governance changes). Just one, Torrens University, is currently subject to any conditions.⁴³ In practice, TEQSA has mirrored all of the worst features of the modern university sector. Its public funding has been unstable, its responsiveness has deteriorated as a consequence and, though it does not get to retain the extra revenue, it has recently relied on the principle of ‘user pays’ to recover costs from large institutions on an annual basis.⁴⁴

TEQSA has also suffered from a lack of expertise at the top. In 2020, the Morrison government appointed a CEO with no prior experience in the tertiary education sector beyond his own undergraduate degrees.⁴⁵ Why would we expect such a regulator to improve Australian universities when it mirrors so many of their current deficiencies?

When concerns about enrolment numbers, course quality and student safety have been raised with TEQSA, the universities have been successful in having the agency remove any temporarily imposed conditions and restrictions.⁴⁶ In 2023, the Australian Catholic University made many of its staff redundant in the hope of repairing a \$35.7 million deficit.

⁴³ TEQSA (2025) *About the National Register*, <https://www.teqsa.gov.au/national-register/about-national-register>

⁴⁴ Hurst (2014) ‘Higher education regulator was not consulted about budget changes’, *The Guardian*, <https://www.theguardian.com/world/2014/jun/05/higher-education-regulator-not-consulted-budget>; Croucher (2015) ‘Labor’s higher ed policy: focus on retaining students and increasing per-student funding’, *The Conversation*, <https://theconversation.com/labors-higher-ed-policy-focus-on-retaining-students-and-increasing-per-student-funding-47859>; Table 8: ‘Median processing times from submission of application to decision’, TEQSA (2017) *Annual Report 2016-2017*, p 45, <https://www.teqsa.gov.au/about-us/reporting-and-accountability/annual-report#previous-annual%20reports>; TEQSA (2024) *Cost recovery for regulatory activity – frequently asked questions*, <https://www.teqsa.gov.au/cost-recovery-regulatory-activity-frequently-asked-questions>; TEQSA (2024) *Annual Report 2023-24*, p 6, <https://www.teqsa.gov.au/about-us/reporting-and-accountability/annual-report#previous-annual%20reports>

⁴⁵ Lucas *et al.* (2020) ‘Governing universities: tertiary experience no longer required’, *The Conversation*, <https://theconversation.com/governing-universities-tertiary-experience-no-longer-required-145439>; Matchett (2020) ‘New TEQSA head: ambassador, corruption fighter, John Howard staffer’, *Campus Morning Mail*, https://campusmorningmail.com.au/news/new-teqsa-head-ambassador-corruption-fighter-john-howard-staffer/?utm_source=sendgrid.com&utm_medium=email&utm_campaign=website

⁴⁶ Oliver (2019) ‘Charles Sturt University assures students after Tertiary Education Quality and Standards Agency finds problems’, *Canberra Times*, <https://www.canberratimes.com.au/story/6182757/charles-sturt-university-defends-itself-after-registration-blow/>; Dodd (2022) ‘Murdoch Uni reviews controversial changes to STEM degrees’, *The Australian*, <https://www.theaustralian.com.au/higher-education/murdoch-university-is-reregistered-after-pledging-to-improve/news-story/9d31931e7fbc3ab580ca74bb621ce423>

A year of scandals and controversies followed, but it was not until December 2024 that TEQSA advised it would conduct a “compliance assessment”.⁴⁷

The *Universities Accord Final Report* celebrated TEQSA’s role in “establishing a minimum set of standards” and “enforcing a baseline for provider behaviour”.⁴⁸ However, the panel’s proposal to create the new Australian Tertiary Education Commission (ATEC) to oversee the reformation of the university sector shows its lack of confidence in the agency. The panel proposed that TEQSA be retained as an independent body and its chair made an ex officio member of ATEC, but there was little doubt that the new Commission would subsume many of TEQSA’s functions.⁴⁹

If ATEC is to succeed where TEQSA has failed, it must not simply be tasked with doing the same job. Rather, it needs to be premised on an appreciation of the purpose and function of the university sector – which must be education for the benefit of the public – and it needs to be able to enforce the highest standards of quality teaching and learning, impactful research and fair remuneration and safety conditions.

Recommendation 4: The Australian Tertiary Education Commission should be empowered to properly scrutinise and sanction universities whose governance, course quality and health and safety standards are shown to be inadequate. The Commission’s foundational legislation should include a preamble that clearly articulates the educational, social, civic and economic functions of a public university sector.

In cases where material conflicts of interest or other misconduct have occurred, university staff and students need to feel safe reporting the information. The sector would benefit from the creation of a national Whistleblower Protection Authority that can “provide support, information and assistance to current, former, and prospective public interest whistleblowers” as well as supporting federal and state anti-corruption agencies.⁵⁰

Recommendation 5: The Australian Government should pass legislation to create a Whistleblower Protection Authority.

⁴⁷ Bashan (2024) ‘Embattled Australian Catholic University under investigation from nation’s higher education regulator’, *The Australian*, <https://www.theaustralian.com.au/higher-education/embattled-australian-catholic-university-under-investigation-from-nations-higher-education-regulator/news-story/67677343d48c20c6e2399a77fb7b87ff>

⁴⁸ Australian Government (2024) *Australian Universities Accord Final Report*, p 229, <https://www.education.gov.au/australian-universities-accord/resources/final-report>

⁴⁹ Australian Government (2024) *Australian Universities Accord Final Report*, p 7, <https://www.education.gov.au/australian-universities-accord/resources/final-report>

⁵⁰ Human Rights Law Centre, Transparency International Australia and Griffith University (2024) *Making Australian Whistleblowing Laws Work: Draft design principles for a Whistleblower Protection Authority*, p 7, <https://www.hrlc.org.au/reports-news-commentary/draft-design-principles-for-a-whistleblower-protection-authority>

Reforming university councils

REPRESENTATIVE GOVERNANCE?

The number of elected members that sit on university councils is decreasing, while the number of corporate, appointed members is rising. While in 2000 more than one-third of positions on university councils were elected, by 2020 this was down to one in four.⁵¹ A 2024 NTEU report found that 27% of people who sit on university councils are corporate executives or consultants. Of the 545 council positions across Australia, 336 are appointed. Of these unelected members, 143 are corporate executives or consultants from for-profit organisations.⁵² Comparatively, elected members – staff, students, and graduates – held 137 in total.⁵³ The academics who do still serve on university councils now sit with consultants and executives from the private sector. This dynamic has led to several cases in which academics have been pushed out for being critical of university governance.⁵⁴

To ensure councils properly represent the university community, their governing Acts should be amended so that the majority of university council members are elected by university staff and students. As Constitutional Law professor Luke Beck points out, “shareholders, who are the ‘members’ of a company, get to elect a company’s board of directors. ... By contrast, the ‘members’ of the university do not choose university councils.”⁵⁵

Reforming the composition of university councils in this way would ensure that they better represent the interests of the staff and students that comprise universities, make deeper institutional memory and knowledge available in high-level decision-making, and keep the primary focus on educational excellence. A predominantly elected university council would ensure accountability, transparency, and responsiveness to institutional needs. Financial management or commercial expertise could still be provided to these councils through limited appointed or ex officio positions.

⁵¹ Faruqi (2021) *The university of the future: higher education built on democracy and equity*, p 2, <https://greens.org.au/campaigns/uni-future>

⁵² NTEU (2024) *The corporatisation of university governance in Australia*, available: <https://betterunis.nteu.au/>

⁵³ NTEU (2024) *The corporatisation of university governance in Australia*

⁵⁴ Moore (2021) ‘Academy of Silences’, *The Saturday Paper*, <https://www.thesaturdaypaper.com.au/life/education/2021/11/27/academy-silences/163793160012955>

⁵⁵ Moore (2003) ‘The destruction of university faculties’, *The Saturday Paper*, <https://www.thesaturdaypaper.com.au/news/education/2023/08/26/the-destruction-university-faculties>

Recommendation 6: Amend the establishing acts of universities to ensure that the majority of university council/governing body members are democratically elected by university staff and students.

TRANSPARENCY IN MEETINGS, MINUTES, AND FINANCIAL REPORTS

Universities are characterised by a distinct lack of transparency in council-level decision-making. There are no requirements—at the Commonwealth or state level—for any of Australia’s 37 public higher education providers to make the minutes of their council meetings public. Under current rules neither university staff, students, nor the public have the right to know the decision-making processes of the councils that govern Australia’s public universities. This is in contrast to most other government-created bodies. For example, the Reserve Bank of Australia regularly publishes the minutes of the Board meeting.⁵⁶ It is hard to believe that the deliberations of our public universities should be shrouded in greater secrecy than the deliberations of the RBA.

One particularly egregious example of this opacity occurred in 2023, during the planned merger of two South Australian universities. In July 2023, the University of Adelaide and the University of South Australia announced a plan to merge and become ‘Adelaide University’.⁵⁷ Although the South Australian government committed \$444.5 million toward the merger,⁵⁸ the two universities involved refused to make the business case for the merger public, arguing that it is “commercial in confidence”.⁵⁹ A South Australian Parliamentary inquiry has looked at various aspects of the merger, including governance.⁶⁰ The University of South Australia’s council also refused the inquiry’s request to make public the results of the vote it held on the merger.⁶¹ As one commentator has noted, “[i]f this was

⁵⁶ Reserve Bank of Australia (n.d.) *Monetary Policy Minutes*, <https://www.rba.gov.au/monetary-policy/rba-board-minutes/>

⁵⁷ Adelaide University (2023) *Adelaide University: A new university for the future*, <https://adelaideuni.edu.au/>

⁵⁸ Government of South Australia (2023) *Historic agreement to create university for the future*, <https://www.premier.sa.gov.au/media-releases/news-items/historic-agreement-to-create-university-for-the-future>

⁵⁹ Kelsall (2023) ‘Not telling: Unis won’t name business case consultants’, *In Daily*, <https://indaily.com.au/news/2023/07/07/not-telling-unis-wont-name-business-case-consultants/>; In August, a 28-page ‘comprehensive summary’ was eventually released by the two universities, but it still excluded detail they considered to be ‘commercial in confidence’. See Joint Project Management Office (2023) *Feasibility Assessment*, <https://adelaideuni.edu.au/siteassets/docs/business-case-comprehensive-summary.pdf>

⁶⁰ Parliament of South Australia (2023) *Submissions open: joint committee on the establishment of Adelaide University*, <https://www.parliament.sa.gov.au/en/News/2023/07/11/01/31/Establishment-of-Adelaide>

⁶¹ Kelsall (2023) ‘Uni keeps ‘overwhelmingly positive’ merger vote secret’, *In Daily*, <https://indaily.com.au/news/2023/08/18/uni-keeps-overwhelmingly-positive-merger-vote-secret/>

a proposed merger between two privately owned businesses, such information would belong to the shareholders. But the two universities are public institutions, and the public of South Australia needs to know the answers because they are the losers if the merger fails.”⁶² University councils have neither the obligation to provide information to shareholders, nor the obligation to be transparent to state and federal parliaments.

Putting in place a legal requirement for the minutes of council meetings to be made public would immediately increase transparency and accountability and foster greater trust in our public universities. This would allow university staff, academics, and students to be fully informed participating members of Australia’s public higher education institutions and reinforce accountability to the broader public.

Models for greater transparency could also draw from universities in other countries. For example, the University of Turin (Italy) sets out in its ‘General Principles’ a commitment to transparency based on the recognition that it is first and foremost a public entity.⁶³ The meetings of all its Collegial Bodies are held publicly, unlike in Australia, where under the auspices of commercial sensitivity such meetings are commonly held confidentially.⁶⁴

This idea has been put forward by legislators. In South Australia, Robert Simms (Greens MLC) *Statutes Amendment (Universities) Bill 2023* set out transparency measures for publicly accessible council meetings and minutes.⁶⁵ A Greens higher education discussion paper also puts forward transparency measures, including that council meetings could be live-streamed.⁶⁶

Recommendation 7: Require university councils/governing bodies to publish the minutes of their meetings in full, with any exceptions or redactions publicly explained.

Recommendation 8: Require the meetings of university councils/governing bodies to be held in public, like parliament or universities in other countries.

⁶² Dodd (2023) ‘Big questions go unanswered in SA’s \$2bn university merger’, *The Australian*, <https://www.theaustralian.com.au/higher-education/big-questions-go-unanswered-in-sas-2bn-university-merger/news-story/57e83e7c4128ae330433739ba98db52c>

⁶³ Hil Thompsett and Lyons (2022) ‘Over the horizon: Is there an alternative to neoliberal university governance?’ *Social Policy*, https://socialalternatives.com/wp-content/uploads/2022/04/HIL-et-al-SA_41_1.pdf

⁶⁴ Hil and Connell (2022) ‘Raewyn Connell on why and how universities need to change, and soon: Interview with Richard Hil’, *Social Alternatives*, <https://www.proquest.com/scholarly-journals/raewyn-connell-on-why-how-universities-need/docview/2658311971/se-2?accountid=14757>

⁶⁵ *Statutes Amendment (Universities) Bill 2023*, South Australian Legislation, [https://www.legislation.sa.gov.au/lz/path=/b/current/statutes%20amendment%20\(universities\)%20bill%202023_hon%20robert%20simms%20mlc](https://www.legislation.sa.gov.au/lz/path=/b/current/statutes%20amendment%20(universities)%20bill%202023_hon%20robert%20simms%20mlc)

⁶⁶ Faruqi (2021) *The university of the future: higher education built on democracy and equity*, p 3, <https://greens.org.au/campaigns/uni-future>

Less power for secret consultants

In recent decades, external consultants have become heavily involved in the management of Australia's universities, and with little oversight.⁶⁷ In 2023, a collective \$151 million was spend on consultants between just five of Australia's Group of Eight (Go8) universities.⁶⁸ Because each state has its own disclosure laws, so there are inconsistencies in the annual reporting requirements across the sector, but we know that large proportions of consultancy expenditure go to corporate firms for strategic advice, including the 'big four' firms. Some examples of high spending on consultants include:

- The University of New England, which in 2023 spent \$5.3 million on consultants, including \$1.6 million on "analysis and support services" from PricewaterhouseCoopers.⁶⁹
- The University of Sydney, which in the four years to 2024 spent \$12.3 million on professional contractors and consultants to help manage its wage theft review and remediation program.⁷⁰
- The Australian National University, which in 2023 spent roughly \$54 million on consultants and professional fees.⁷¹ At a Senate Estimates hearing in February 2025, ANU executives were asked about potential conflicts of interest arising from Chancellor Julie Bishop's procurement of consulting services from Vinder Consulting, a firm owned by her former chief of staff Murray Hansen, who is also a partner in Bishop's own consulting firm Julie Bishop and Partners.⁷² These questions were taken on notice by the ANU, and have not been answered at the time of writing.

⁶⁷ Moore (2023) 'The Big Four consultants have captured universities', *The Saturday Paper*, <https://www.thesaturdaypaper.com.au/news/education/2023/06/17/the-big-four-consultants-have-captured-universities>

⁶⁸ ANU (2024) *Annual report 2023*, p 141, <https://www.anu.edu.au/about/strategic-planning/annual-report-2023>; University of Sydney (2024) *Annual report 2023*, p 78, <https://www.sydney.edu.au/about-us/vision-and-values/annual-report.html>; University of Melbourne (2024) *Annual report 2023*, p 77, <https://about.unimelb.edu.au/strategy/annual-reports/2023-annual-report>; University of Queensland (2024) *Consultancies*, <https://about-us.uq.edu.au/organisation/policies-procedures-guidelines/annual-reports>; Monash University (2024) *Annual report 2023*, p 106, <https://www.monash.edu/about/governance/2023-annual-report>.

⁶⁹ UNE (2024) *Annual report 2023*, p 42, <https://www.une.edu.au/about-une/annual-reports>

⁷⁰ University of Sydney (2 October 2024), Responses to Supplementary Questions, Budget Estimates, *NSW Legislative Council*, <https://www.parliament.nsw.gov.au/committees/Pages/budget-estimates.aspx>

⁷¹ ANU (2024) *Annual report 2023*, p 141, <https://www.anu.edu.au/about/strategic-planning/annual-report-2023>

⁷² Hare (2025) 'ANU quizzed over contracts awarded to chancellor Julie Bishop's friend', *Australian Financial Review*, <https://www.afr.com/work-and-careers/workplace/anu-quizzed-over-contracts-awarded-to-chancellor-julie-bishop-s-friend-20250225-p51f0w>

The sums involved are only part of the problem. Universities ostensibly use consultants because they claim to lack sufficient expertise. This is either a concerning admission of the lack of knowledge held in our higher education institutions, or a faulty justification for spending millions on private contracts. Moreover, several of these contracts have led to major, controversial decisions being taken at Australian universities without the integrity and transparency needed to ensure public confidence. While reforms to the Acts that regulate university councils (of the kind recommended in this submission) will help improve governance generally, specific measures will be needed to ensure greater transparency around the use of consultants. The Adelaide University merger and the program cuts proposed at the University of Wollongong, discussed in the section below, are two standout examples.

ADELAIDE UNIVERSITY MERGER

In 2022, as the South Australian Parliament held an inquiry into the merger of the University of South Australia and the University of Adelaide, South-Australian-based news outlet *In Daily* made a Freedom of Information Act request that led to the release of a heavily redacted copy of the minutes of the University of South Australia meeting during which the merger was approved. While most of the agenda items were redacted, the minutes showed that a representative of the consultancy firm Accenture was present.⁷³

A few months later, the consultancy firm Deloitte was named as the “integration and transformation partner” contracted to manage the prospective merger. The Chief Executive of Deloitte Asia-Pacific, David Hill, was a member of the University of Adelaide’s council when it voted in favour of the merger.⁷⁴ Both Deloitte and The University of Adelaide have rejected any notion that this constituted a conflict of interest.

The University of Adelaide’s regulations require council members to disclose conflicts of interest to the council, and any member of council with a “direct or indirect personal or pecuniary interest in a matter decided or under consideration by the council ... must not vote in relation to that matter.”⁷⁵

⁷³ Kelsall (2023) ‘REDACTED: UniSA blocks release of merger details’, *In Daily*, <https://indaily.com.au/news/2023/08/15/redacted-unisa-blocks-release-of-merger-details/>

⁷⁴ Kelsall (2023) ‘Conflict concerns after Deloitte awarded uni merger contract’, *In Daily*, <https://indaily.com.au/news/2023/10/04/conflict-concerns-after-deloitte-awarded-uni-merger-contract>

⁷⁵ *University of Adelaide Act, 1971*, South Australian Legislation, <https://www.legislation.sa.gov.au/lz/path=/c/a/university%20of%20adelaide%20act%201971>

In 2024 TEQSA confirmed the amalgamated institution’s initial registration on the basis that it met the standards required for registration. Under TEQSA’s seven-year renewal terms, Adelaide University will not be subject to full review again until 2031.⁷⁶

UNIVERSITY OF WOLLONGONG

The *University of Wollongong Act (1989)* requires members of its council to disclose material interests to council (including where that interest constitutes being a member, partner or employee of a company or other body with whom the university is doing business).⁷⁷ Council is then responsible for managing that conflict of interest.⁷⁸

Local Wollongong media outlets have reported that, following his appointment as interim Vice-Chancellor of the University of Wollongong in June 2024, Professor John Dewar continued to work for consulting firm KordaMentha “one day a fortnight.”⁷⁹ According to the same report, KordaMentha had already been engaged to “advise on a restructure of the university’s operations”.⁸⁰ Spokespersons for the university have indicated that the Vice-Chancellor was “appointed separately from the consultancy firm,” but others have suggested that the whole affair “screams of a conflict of interest”.⁸¹ The university has told journalists that any “potential, perceived, or actual conflicts of interest have been and will continue to be managed in full compliance with UOW’s Conflict of Interest Policy”.⁸²

In 2022, consultancy firm PricewaterhouseCoopers (PwC) misused confidential tax information from the Australian Treasury for commercial gain.⁸³ This led to a Senate inquiry

⁷⁶ TEQSA (2025) *National Register – Adelaide University*, <https://www.teqsa.gov.au/provider/adelaide-university>

⁷⁷ *University of Wollongong Act 1989* (NSW) schedule 2A(5)(1-2)

⁷⁸ *University of Wollongong Act 1989* (NSW) schedule 2A(5)(4-5)

⁷⁹ Langford (2025) ‘V-C continued to work for KordaMentha despite UOW saying he was on leave’, *South Coast Register*, <https://www.southcoastregister.com.au/story/8884023/uow-v-c-conflict-he-kept-one-day-a-forenight-for-kordamentha/>

⁸⁰ Sheldon (6 February 2025) ‘Tertiary Education’, Senate, *Debates*, https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansards/28691/&sid=0261

⁸¹ Langford (2025) ‘UOW V-C “appointed separately” from consultancy firm where he is a partner’, *Southern Highland News*, <https://www.southernhighlandnews.com.au/story/8759526/uow-interim-vice-chancellor-faces-conflict-of-interest-questions/>; Sheldon (6 February 2025) ‘Tertiary Education’, Senate, *Debates*, https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansards/28691/&sid=0261

⁸² Langford (2025) ‘V-C continued to work for KordaMentha despite UOW saying he was on leave’, *South Coast Register*, <https://www.southcoastregister.com.au/story/8884023/uow-v-c-conflict-he-kept-one-day-a-forenight-for-kordamentha/>

⁸³ Barrett (2023) *PwC Australia scandal: what actually happened and will it be fatal for the advisory firm?*, <https://www.theguardian.com/australia-news/2023/may/31/pwc-australia-scandal-what-actually-happened-and-will-it-be-fatal-for-the-advisory-firm>

into the ‘management and assurance of integrity by consulting services,’ which in its final report made a raft of recommendations intended to ensure that consultants act in the public interest.⁸⁴

Given how intertwined consultancies and Australia’s universities now are, many of these recommendations are relevant to the university sector. A good place to start would be to require universities to be more transparent about how and why they use consultants.

Examples of how this could be done include:

- The Victorian *Financial Management Act 1994* and associated Financial Reporting Directions⁸⁵ (in particular, *FRD 22 Standard disclosures in the Report of Operations*), which require Victorian universities to provide a separate and detailed report on consultancy use.
- In Queensland, section 31.1 of the *Annual report requirements for Queensland Government agencies*,⁸⁶ which requires universities (as public bodies) to provide a separate report on use of consultants. A template is provided by the Queensland Government.⁸⁷

Recommendation 9: Require all universities to provide, along with their financial reports, a separate and itemised consultancies disclosure report, as is currently the case in Victoria. This could be tabled in state/territory parliaments.

A national requirement to report on itemised spending on consultants should also be accompanied by stricter requirements for the disclosure of conflicts of interest. The *TEQSA Act (2011)* makes explicit regulations only for the prevention of its own commissioners’ real or perceived conflicts of interest, not those of university councils or boards. At the state level, rules for the disclosure of executive conflicts of interest are often left to university councils to decide and administer.

⁸⁴ Parliament of Australia (2023) *Management and assurance of integrity by consulting services Report 2024*, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Consultingservices/Report

⁸⁵ See Victoria State Government (2025) *Financial reporting directions and guidance*, <https://www.dtf.vic.gov.au/financial-reporting-directions-and-guidance>

⁸⁶ See Queensland Government (2025) *Managing government performance*, <https://www.qld.gov.au/about/how-government-works/managing-government-performance>

⁸⁷ Queensland Government (2023) *Annual reporting consultancies reporting template*, <https://www.data.qld.gov.au/dataset/publishing-standards-data-qld-gov-au/resource/4f5b5d75-2291-4990-bb18-89fb110bf627>

Recommendation 10: Require all universities to register all council members' real and/or perceived conflicts of interest to whichever is the appropriate body (TEQSA or ATEC) in real time. Ensure this information is publicly accessible in the form of a regularly updated register.

These policies should be aimed not just at making consultancy spending more transparent, but also at creating the conditions where university administrators do not need to rely on external consultants to do their job. The sector needs better capacity to handle its own payroll processes, domestic recruitment, international marketing and IT systems development.

Universities have already shown that sector-specific bodies can be useful for building capacity while achieving economies of scale. For instance, universities increasingly use the Council of Australian University Libraries (CAUL) Consortium to help manage things like library services, digital subscriptions and Open Access publishing agreements. In this case, the sector benefited from existing institutions and adjacent networks that could be developed and repurposed in the face of massive transformations in IT and communications.⁸⁸

The federal government should assist universities with capacity-building for other essential processes and services. This may take the form of providing a shared fund for administrative and IT capacity development or the creation of public enterprises to perform these kinds of services across the sector.

Recommendation 11: Pursue opportunities to provide pooled services between universities, including for payroll, recruitment, IT support, subscriptions and international marketing.

⁸⁸ CAUL (2025) *About CAUL*, <https://www.caul.edu.au/about-caul>

Reducing excessive executive remuneration

Amidst the tertiary sector's severe governance problems, Australia's university Vice-Chancellors are among the highest paid in the world. This was not always the case. In 1985, Vice-Chancellors were paid over \$300,000 per year (2024 dollars). At this time remuneration for Vice-Chancellors was partially regulated through the Academic Salaries Tribunal (see Figure 1). These regulations were removed as the sector shifted towards commercialisation and corporate governance models. By 1995, remuneration for Vice-Chancellors in the Go8 universities had more than doubled, to about \$660,000 (2024 dollars). By 2023, annual remuneration for Go8 Vice-Chancellors had again doubled to \$1.3 million (2024 dollars). This means the Vice-Chancellors' remuneration has more than quadrupled since 1985.

There is no strong relationship between Vice-Chancellor pay and student satisfaction. Many universities abroad with similar global rankings as Australian universities pay their senior executives considerably less than in Australia.

Calls have been made for Vice-Chancellor pay to be capped at no more than roles with comparable or more responsibility, such as the Treasurer, Prime Minister or state/territory Premiers. Examples include:

- At the federal level, Senator Jacqui Lambie's proposed a cap of \$430,000 in January 2025 through her *Tertiary Education Legislation Amendment (There For Education, Not Profit) Bill 2025*.⁸⁹ This Bill has been referred to a Senate inquiry. The Bill seeks to amend the TEQSA Act 2011 to require compliance from all other Australian public universities.
- In South Australia, Robert Simms (Greens MLC) proposed a cap of no more than the state Premier through the *Statutes Amendment (Universities—Caps on Vice-Chancellor Salaries) Bill 2021*⁹⁰ and the *Statutes Amendment (Universities) Bill 2023*.⁹¹

⁸⁹ *Tertiary Education Legislation Amendment (There For Education, Not Profit) Bill 2025*,

https://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=s1443

⁹⁰ *Statutes Amendment (Universities—Caps on Vice-Chancellor Salaries) Bill 2021*, South Australian Legislation, [https://www.legislation.sa.gov.au/lz/path=/b/archive/statutes%20amendment%20\(universities%20-%20caps%20on%20vice-chancellor%20salaries\)%20bill%202021_hon%20robert%20simms%20mlc](https://www.legislation.sa.gov.au/lz/path=/b/archive/statutes%20amendment%20(universities%20-%20caps%20on%20vice-chancellor%20salaries)%20bill%202021_hon%20robert%20simms%20mlc)

⁹¹ *Statutes Amendment (Universities) Bill 2023*, South Australian Legislation,

[https://www.legislation.sa.gov.au/lz/path=/b/current/statutes%20amendment%20\(universities\)%20bill%202023_hon%20robert%20simms%20mlc](https://www.legislation.sa.gov.au/lz/path=/b/current/statutes%20amendment%20(universities)%20bill%202023_hon%20robert%20simms%20mlc)

Another possibility is to link Vice-Chancellor pay to other university salaries. This could mean, for instance, that Vice-Chancellors are paid no more than four times the salary of an entry-level lecturer. In 2022, Vice-Chancellor remuneration was at least seven times more than that for university lecturers. This was also more than nine times that of a high school teacher, and over 10 times more than a primary school teacher.⁹²

Currently, the performance and remuneration committees of councils are tasked with setting pay for senior executives, including the Vice-Chancellor. The membership of these committees is often small and dominated by a Chancellor or handful of senior executives with corporate rather than education or research backgrounds. Vice-Chancellors are often members of this committee and, according to some reports, have been known to “attend” and even exercise “formal rights of audience and debate” at the meetings where their pay is discussed, though not for the decision itself.⁹³

Recommendation 12: Cap Vice-Chancellor remuneration.

Recommendation 13: Pay and remuneration committees should be governed by legislation, not by university council self-regulation, and there should be provision for staff and student representation on these committees.

In addition to their excessive remuneration, Vice-Chancellors and other senior executives can engage in other paid work. This raises concerns about their capacity and potential conflicts of interest. Executives who hold the ultimate responsibility for the operation of universities, such as Vice-Chancellors and Chief Operations Officers, should not be permitted to hold external paid employment for the duration of their tenure. Any executive who is paid more than \$250,000 should be required to disclose any ongoing partnership or non-remunerated corporate role to the national regulator, not to a university council. The national regulator should be empowered to make the final determination about whether such external positions are appropriate.

Recommendation 14: Prohibit Vice-Chancellors of public universities to take on other paid work during their tenure.

⁹² Thrower (2025) *Uni Vice-Chancellors keep getting richer while those who teach and research are left behind*

⁹³ Rowlands and Boden (2020) ‘How Australian vice-chancellors’ pay came to average \$1 million and why it’s a problem’, *The Conversation*, <https://theconversation.com/how-australian-vice-chancellors-pay-came-to-average-1-million-and-why-its-a-problem-150829>; Boden and Rowlands (2022) ‘Paying the piper: the governance of vice-chancellors’ remuneration in Australian and UK universities’, *Higher Education Research & Development*, <https://doi.org/10.1080/07294360.2020.1841741>

Conclusion

The decades-long push to make Australia’s universities more “business like” has left its governance with the worst of both worlds: not properly accountable to the Australian people, nor subject to the pressure of ‘market forces’. Each year, billions of public dollars are spent on universities, but they do not receive nearly as much scrutiny as that faced by government agencies or for-profit corporations who are answerable to parliaments, the ACCC or ASIC. While shareholders keep companies on their toes, university councils are poor at reigning in Vice-Chancellor remuneration or consultancy spending.

This has enabled a system that is bad for students, who face mounting debts and substandard educational experiences; bad for staff, who are subjected to job insecurity, casualisation, hours of unpaid work and even outright contraventions of employment law; and bad for the broader community, whose taxes fund this dysfunctional system that fails to deliver educational and research outcomes.

Twenty-five years ago, the Australia Institute raised concerns about the commercialisation of the tertiary education system, but the problems it has wrought have only worsened.

Are Australia’s universities going to continue to try and run in the ‘businesslike’ way that has led to opaque governance, the casualisation of staff, an international student bubble, the funnelling of money to consultants, exorbitant executive salaries, and wage theft scandals – or are they going to focus on education and research for the public good?

Australia Institute polling shows that Australians want their universities to focus on education. According to The Australia Institute polling conducted in 2023, two in three Australians (66%) think that improving education for students should be the primary concern of university councils.⁹⁴ This echoes earlier polling conducted by The Australia Institute, which found that 83% of Australians were concerned about universities focusing on profit at the expense of education.⁹⁵

This inquiry is an opportunity to address the consequences of the hollowing out of Australia’s universities and ensure that Australians have a public higher education sector that they can be proud of.

To this end, we make the following recommendations:

⁹⁴ Harrington, Adhikari and Anderson (2023) *University councils, transparency and the Adelaide University merger*, p 16, <https://australiainstitute.org.au/report/university-councils-transparency-and-the-adelaide-university-merger/>

⁹⁵ Littleton (2023) *Public Attitudes on Issues in Higher Education*, p 2, <https://futurework.org.au/wp-content/uploads/sites/2/2023/07/Public-attitudes-on-education-FINAL.pdf>

- **Recommendation 1:** Amend the establishing acts of universities to clarify that their central purpose is public research and education, not commercial or corporate performance.
- **Recommendation 2:** In its first 12 months of operation, the Australian Tertiary Education Commission should develop, in consultation with university stakeholders, a new sector-wide funding model as recommended by the Australian Universities Accord.
- **Recommendation 3:** The Australian Government should increase public funding for Australia's public higher education system to 1% of GDP.
- **Recommendation 4:** The Australian Tertiary Education Commission should be empowered to properly scrutinise and sanction universities whose governance, course quality and health and safety standards are shown to be inadequate. The Commission's foundational legislation should include a preamble that clearly articulates the educational, social, civic and economic functions of a public university sector.
- **Recommendation 5:** The Australian Government should pass legislation to create a Whistleblower Protection Authority.
- **Recommendation 6:** Amend the establishing acts of universities to ensure that the majority of university council/governing body members are democratically elected by university staff and students.
- **Recommendation 7:** Require university councils/governing bodies to publish the minutes of their meetings in full, with any exceptions or redactions publicly explained.
- **Recommendation 8:** Require the meetings of university councils/governing bodies to be held in public, like parliament or universities in other countries.
- **Recommendation 9:** Require all universities to provide, along with their financial reports, a separate and itemised consultancies disclosure report, as is currently the case in Victoria. This could be tabled in state/territory parliaments.
- **Recommendation 10:** Require all universities to register all council members' real and/or perceived conflicts of interest to whichever is the appropriate body (TEQSA or ATEC) in real time. Ensure this information is publicly accessible in the form of a regularly updated register.
- **Recommendation 11:** Pursue opportunities to provide pooled services between universities, including for payroll, recruitment, IT support, subscriptions and international marketing.
- **Recommendation 12:** Cap Vice-Chancellor remuneration.
- **Recommendation 13:** Pay and remuneration committees should be governed by legislation, not by university council self-regulation, and there should be provision for staff and student representation on these committees.
- **Recommendation 14:** Prohibit Vice-Chancellors of public universities to take on other paid work during their tenure.

Appendix A

- **Attachment 1:** At the Crossroads (2022)
- **Attachment 2:** Public attitudes on issues in higher education (2023)
- **Attachment 3:** University councils, transparency and the Adelaide University merger (2023)
- **Attachment 4:** Australian public universities are now spending millions on consultants (2024)
- **Attachment 5:** The high pay for Vice-Chancellors does not deliver better outcomes for students (2025)
- **Attachment 6:** Uni Vice-Chancellors keep getting richer while those who teach and research are left behind (2025)
- **Attachment 7:** While Uni Vice-Chancellors rake in millions, young researchers struggle to survive (2025)
- **Attachment 8:** Elective spending at Australian universities: Millions splashed on consultancies, travel and advertising (2025)