



Capturing the Academy: Australian higher learning and the exceptional powers of the regulatory state

Peter Quiddington

University of New England

The state derives its power from a claim to a monopoly on sanctioned violence, while the academy derives symbolic power by virtue of its grasp of universal human values and accepted truths, made potent by the fact that it can then speak to the legitimate claims of the state. This relationship has been fundamental to the rise and success of the secular state; however, it also generates endless border conflict, and much ambiguity, especially within pluralist democratic systems where the lines of institutional demarcation are unclear. This leads to the proposition that when the state becomes oligarchic, or inward looking, it will invariably seek to contain and capture the academy, seeking to exploit its instrumental value, rather than drawing upon its symbolic value. This results in the need for an organisational 'buffer', or intermediary, to stand between the state and institutions of higher learning. This paper tests this hypothesis by examining the changing relations between the state and higher education in Australia since major reforms began, and particularly during the Howard years. It argues that the nation's experiment, in abolishing the intermediary, has yielded predictable results.

Universities are – this is not open to reasonable doubt – very peculiar institutions (Crick 1963)

The private versus public status of Australian universities has never been quite so ambiguous. They have been deregulated and encouraged to become more commercially competitive, yet they are more closely managed at virtually every level by the dead hand of bureaucracy. While most universities are legally part of the public sector their income derives predominantly from the private sector, by way of student loan payments¹, direct fees and charges, consultancies and investments. State and federal grants and other forms of 'assistance' now make up only 47.2 percent of their income and this comes predominantly from the Commonwealth (OECD 2007a). It uses this to 'micromanage' the sector and this is achieved by leveraging control and influence, or what some critics describe as 'financial blackmail'. The scope of this varies but extends to most areas of university operations: staffing issues, research and publications, academic standards, curriculum and teaching, governance and administration and finance (Moses 2007: 265–273).

Individually, universities have more administrative autonomy to engage in commerce; however, higher education as a national enterprise has become more tightly circumscribed through interventions by the Commonwealth. The Commonwealth sets broad strategic directions, regulates many daily operations, and governs academic standards, albeit often by 'steering at a distance'. As a result of this single-desk approach the sector is also arguably more open to political influence and direct meddling. However, the great complexity of this regulatory regime, and the fact that much of it is not subject to routine public scrutiny, means that the extent to which Australian academia is open to 'capture' is a matter for debate.

¹ The coalition government did not treat student loan revenues as private but classified these as 'government payments' (DEST 2007, 3). However, the OECD (2007a) regards them as a private source of income, as noted by Marginson (2007, 29)

The academy² is destined to have an awkward and complex relationship with the state. They have a long and intimate history and one that is largely symbiotic. The academy might even be considered part of the state, though in the Anglo–American tradition it usually enjoys institutional autonomy, and might therefore best be categorised as part of the ‘quasi–state’ (Davis 1993: 24). However, its members often claim allegiance to a larger imaginary state; the fraternal republic of scholarship and science, and this gives the academy a certain cachet and mythic appeal, heightening its sense of moral purpose. This may account for the institution’s longevity and success and help to explain why governments have difficulty moulding universities into dedicated market–orientated entities. Public universities usually see their mission as having a broader social and civil dimension. This is an inherent feature of academic identity even though, under current reform pressures everywhere, this is becoming much more contingent and ‘negotiable’ (Henkel 2005: 160–163).

Nevertheless, this remains a deeply felt sensibility that can be traced back to the instrumental and symbolic role higher learning played in the rise of the secular state throughout the middle–ages (Riddle: 1993) and the manner in which it has ensured the state’s ongoing technical and social success. This imbues the institution with a two–fold civil purpose: helping to advance the interests of the democratic state, while keeping that advance in balance. This is a role shared with several other key institutions, the law courts, the church, the legislature, and the media. What distinguishes the academy, enabling it to perform its particular set of functions, is its ‘immense and omnipresent organisational memory’ (Neave and van Vught 1991: ix–x).

In combination with its utilitarian roles the university is, in many respects, the conscience of the secular state. It may be slightly anarchic and unwieldy as an institution, but this is part of its experimental nature, essential to its functioning as part of the ‘ballast’ that keeps liberal democratic processes in balance. To maintain this function it requires a certain scope for self–regulation in order to maintain internal equilibrium, allowing it to keep alive its traditions and maintain its organisational memory. A fundamental tenet of comparative higher education policy is that this equilibrium is best achieved within a pluralist administrative context; whereas, centralisation tends to have the opposite effect, in that it stifles academic creativity and innovation (Clark 1983: 178). This theoretical view is reinforced by the historic principle that autocratic regimes invariably quash academic freedoms, or capture the academy, in order to draw upon its instrumental power for their own political purposes rather than using the symbolic power of the academy as a source of legitimacy (Gerbod 2004; Hammerstein 1996). When the university is drawn into the political arm of the state, critical scholarship invariably declines, along with the symbolic values that generate informed citizenship. The logic of this stems from the basic tension between academia and politics. As Jaspers correctly observed: ‘the state makes the university’s existence possible and protects it...and no state intolerant of any restriction of its power for fear of the consequences of a pure search for truth, will ever allow a genuine university to exist’ (1946: 132).

The paradox in conventional management thinking towards higher education is that it ignores the central notion, set out by Ricardo in the early 1800s, that firms need to concentrate on their ‘core set of activities’ (Zook 2001: 3) as this yields competitive advantage. This is orthodox economic thinking and applies as much to multinational firms and it does to entire

2 ‘Academy’ is used throughout to mean the human institutions and traditions of academia the core of which resides within universities

nations (Porter 1990). Institutions need to do what they 'do best'; however, the cumulative impact of much recent higher education policy runs the risk of undervaluing the social function of universities, as they are steered towards more utilitarian goals. The proposition here is that the failure to acknowledge the central distinguishing features of the university, as a civil institution generates systemic instabilities and disequilibrium. As Australia's higher education reforms have been particularly far reaching, the nation provides a useful case example to test this idea. Of those nations embracing the push towards 'academic capitalism' (Slaughter and Leslie 1997) from the 1980s onwards, Australia was among those on the American periphery to apply market-based policies with 'unusual singularity and thoroughness' (Marginson 2002: 418). The consequential decline in collegial decision-making and the rise of executive control within universities has been well documented (Meek and Wood 1997; Marginson and Considine 2000: 64–67; Marginson 2002: 421). What is less well understood is the nature of the administrative and political environment — immediately external to universities — in which higher education policy is shaped and implemented.

It is argued here that the uncertain predicament facing Australian universities is best observed on multiple levels, which take into account the cumulative impact of a series of complex policy trends and other key developments. Moreover, this analysis strengthens the case for the re-introduction of an intermediary body, or some form of buffer, within Australia's higher education administrative system. The argument has three linked steps.

The first looks at the extent to which the executive is now able to impose policy from the top-down, and how this has been extended in recent years behind the empty rhetoric of small government and a thin veneer of 'centrifugal' policy making.

In this context, the second step examines how the deregulation agenda has been advanced, coinciding with the re-consolidation of policy capacity, the strengthening of administrative resources and the tightening of the reins on semi-autonomous organizations. The impact of these developments has been a heavy-handed imposition of policy in the near absence of meaningful consultation, creating a two-way squeeze on universities between the 'market' and 'Moscow' (Corden 2005).

A third critical development is the way in which policy change is achieved by 'steering at a distance' mechanisms. These techniques were initially intended to provide some strategic guidance, but have instead become the powerful weapons of bureaucratic and political control, empowered by ubiquitous monitoring and enforced with the aid of a centralised system of data collection, the Higher Education Information Management System (HEIMS). Associated with all of these three key developments, and woven throughout, is the extraordinary ability of government to manage information flows, influence public debate and avoid internal scrutiny.

What emerges from examining this broad political and administrative context is an entrenched attitude of exceptionalism that avoids the same degree of accountability that it regularly imposes. Furthermore, it is across this broad front of developments that the self-regulatory capacity of the nation's academic enterprise is being steadily eroded, piece-by-piece and often in subtle ways. This threatens to undermine the innovative and productive capacity of the sector. Finally, a number of statistical measures are provided to support these claims, including the way investment in the nation's research portfolio lacks strategic coherence, and is out of step with current international trends. This challenges recent arguments that the many gains made from the ongoing reforms are worth the 'pain'.

Paths to centralisation

In strict terms, the Commonwealth has under the constitution only limited regulatory power over universities, but it does have the right to provide funding with conditions attached (Craven 2006: 3–5,7) and this has been the basis for a gradual shift in higher education policymaking towards Canberra during the post-war period, and particularly in the past two decades. This is in spite of the fact that universities remain legally constituted within their respective State or Territory, except for the Australian National University, which comes under the Commonwealth. Because of this federal structure a pluralist model of intergovernmental negotiation evolved from the late 1950s, initially facilitated through the Australian Universities Commission (AUC), followed by the Commonwealth Tertiary Education Commission (CTEC). These were statutory authorities with large amounts of control over universities, to approve capital works and to allocate funding; however, this was often more ‘through the exercise of judgement rather than by way of precise formulae’ (Karmel 2003:16).

From the mid 1980s the thrust of Labor’s economic reforms included the removal of statutory authorities that were seen to be a hindrance to the government’s stewardship of the economy. This suited the calls for greater autonomy from some of the more prestigious institutions, which wanted greater control over their own staffing and finances (Meek 1991:469,484). Instead of reforming CTEC and providing universities with greater discretion, the coordinating body was abolished in 1987. The absence of an intermediary is regarded as ‘unusual for a federated nation’ (Emmanuel and Reekie 2004: 21) and so Australia has been engaged in what might be considered a bold experiment in institutional design. Intermediaries, or buffer bodies, have been regarded traditionally as one of key mechanisms preventing ‘the error of monopoly of power’ (Clark 1983: 268–270) in higher education systems. The former British University Grants Commission was close to the ‘ideal’ in this sense. Its successor, the Universities Funding Council, was abolished in the early 1990s not long after the demise of its Australian counterpart.

CTEC had been created in 1981 out of the AUC, whose responsibilities had been expanded in 1977 to include the colleges of advanced education (CAE) and the technical and further education (TAFE) system. This was part of a steady — and for the most part welcome — increase in Commonwealth involvement in post-secondary education (Harman 1984: 508). Both the AUC and CTEC were created then, not so much to moderate university–government relations, but as a means of facilitating greater federal responsibility. The virtue of their buffering, or moderating function, has become increasingly apparent in hindsight.

The importance of co-ordinating agencies in higher education continues to be recognised within federated Anglo–American systems, and most particularly in North America. They have been a permanent feature of the larger Canadian provincial jurisdictions, though their scope of activities has undergone some change. Intermediary bodies are now more likely to cover provincial clusters and are also more specialised, with a system-wide focus on post-secondary education, rather than being broadly education based (Shanahan and Jones 2007: 38–39). In spite of a trend towards increased levels of central funding to Canadian universities, regulation at the provincial level has constrained the emphasis on market-based policies. It has also led to the adoption of more ‘inventive and effective’ (Garret–Jones 2007) regional development and innovation strategies. The American system of higher education, while more diverse, is broadly similar to the Canadian, in that funding is given to the states as ‘unconditional transfers’ (Skolnik and Jones 1992: 128). The states themselves also make substantial contributions to university budgets. However, over recent decades these levels have been falling as demands for accountability and the use of market-based performance

measures have increased (Toma 2007: 64–65). Combined with the adoption of corporate management styles, this has meant that traditions of ‘shared governance’ have tended to give way to a more uniform ‘culture of capitalism’ (Rhoades 2005). Notwithstanding this broad trend, one of the most effective intermediaries, the Californian Independent Planning Authority, has over a long period played a central role implementing the State’s higher education master plans, while ensuring that the academic system is immune from external influence (Bowen et al 1997; Fox 1994). In the wake of structural reforms from the mid–1980s New Zealand decided, in 2003, to reintroduce a co-ordinating agency to sit between the national government and universities. The Tertiary Education Commission is charged with allocating funds and providing ministerial advice (PCO 2007). The general aim is to move away from the ‘bums on seats’ approach of demand-driven competition between providers and shift towards greater ‘regulatory coherence’ within a framework of closer collaboration (English 2006: 69–71).

Calls are made periodically for the reintroduction of an intermediary body in Australia, especially to counter the ‘one-size’ fits all funding formulae, and the resulting uniformity brought about by the lack of a ‘plurality in priorities among universities’ (Karmel 2003: 15). When CTEC was abolished, close observers noted that this ended a sometimes tense but generally stable and productive arrangement, and one supported by both levels of government (Harman 1984; Marshall 1992: 37). The immediate effect that was noted was a significant loss of expertise (Meek 1994: 24) though there were also concerns that the move would mean that the ‘broader policy community’ (Marshall 1992: 45) would have much less input into national policy. The States and Territories had already ceded responsibility for university funding to the Commonwealth in the early 1970s. CTEC’s replacement, the new higher-level consultative forum – the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) – gave the federal minister the dominant role in policy formulation. These changes also opened the way forward for much more intrusive micro-management of the sector, directed from above, the wide scope of which could not have been foreseen.

When the coalition government gained office in 1996 it inherited the foundations of a more centralised administrative structure for the nation’s higher education sector. The former colleges of advanced education had been — or were still in the process of being — combined with universities to form a single unified system. Within government itself, however, the responsibility for higher education remained fragmented. The higher education portfolio was mostly located in one department in charge of education, training and youth affairs (DETYA), whilst science, technology and some research policy was located within industry, science and resources (DISR). This break-up reflected the priorities of the previous Labor administration, and which have been reasserted after the election victory of Kevin Rudd. At the time, however, the portfolio break up was of no immediate consequence, as there were no key policy reforms underway. The general thrust of the Hawke–Keating programs were maintained, though at reduced levels (Quiddington 1999: 14). There was much anticipation that this would change with the Backing Australia’s Ability (BAA) package, launched at the ‘innovation summit’ of February 2000.

The summit was reminiscent of the ‘technology summit’ held nearly two decades earlier, in 1983, and presided over by the then science minister Barry Jones. This event had been one of Labor’s ‘consensus’ exercises — a series of which signalled the embrace of participatory governance and new public management (NPM) by Labor. The then Prime Minister, Bob Hawke, subsequently created a set of new consultative structures, including the Prime Minister’s Science Council. This was part of an enlarged Department of Prime Minister and Cabinet, the expansion of which had represented the most significant consolidation of

centralised policy coordination in 25 years (Keating and Weller 2000: 61–62). After winning office in 1996 John Howard expanded the science council to become the Prime Minister's Science, Engineering and Innovation Council (PMSEIC). This came under the Cabinet Policy Office which was moved into Howard's own office effectively creating an 'engine room of executive government' (Kelly 2006: 11). Regardless of these changes Howard did not necessarily express a particular interest in – or present any clear vision for – education and research. Unlike Paul Keating, however, he did attend and support the efforts of the science council (Quiddington 1999: 14). Moreover, the structures he created became critical from the end of the 1990s when 'science and innovation, and higher education' became one of the strategic areas requiring a 'whole-of-government' approach (McClintock 2002, cited by Kelly 2006: 15). This broad backdrop provided the administrative context in which Australian universities would undergo a second wave of reform, driven by executive government with the aggressive use of financial levers, quantitative performance measures and close monitoring. This would, in turn, consolidate Australia's frontal position in the international 'oversight explosion' (Scott and Hood 2004: 78).

Reinventing Devolution

The coalition's innovation summit ostensibly adopted a network policy development model. An elaborate stakeholder participation process, involving many committees and discussion papers, was followed. The whole exercise was planned and boldly promoted as 'a joint effort of the Business Council of Australia (BCA) and government' (Howard 2000: 11). The fanfare event proved very successful in creating the erroneous impression that the BAA was a product of 'mutual exchange' between academia, government and industry. For instance, it has since been argued that the BAA led to the creation of new forms of 'micro-governance' structures thereby creating 'reciprocal engagement' between industry and government (Mintrom and Wanna 2006: 168). But the most significant cornerstone structure of this type – the Industry Research and Development Board – was in fact established under Hawke, in 1986, mostly to administer the then highly innovative R&D tax concession. The board's guidelines were modified in 2004 (AGD 2007) in the context of changes to programs absorbed within the BAA. In broad terms, there were no substantial redirections in policy with the BAA. There were indications from government that the package would provide generous increases in innovation funding. But many of the promises, especially those relating to universities, proved hollow, as explained below.

What occurred behind the scenes was that the BCA had withdrawn from its coordinating role for the summit quite early in the process, after delegates were slow to register and pay the obligatory \$12,500 attendance fee. Departmental staff and ministerial minders stepped in, took over the coordination and effectively 'stage managed' the event (Quiddington 2000: 10). Above all, the aim was to ensure that a positive message went out across the media. What was not widely reported was that key 'sea change' initiatives, that had been co-operatively developed by the 'summit implementation group' and which were aimed at promoting an innovation culture, were abandoned at the last minute. The proposals had been developed at length through 'stakeholder' consultation, refined at the summit itself, but were mysteriously absent from the final report. That document had been prepared and edited within the department before going to federal cabinet (Quiddington 2001: 1–2). To its credit the summit did provide some 'networking opportunities', and some practical ideas were put forward³.

³ For instance, one of the many fruitful suggestions was that the ABC restart The Inventors program

But on balance, the summit exercise was more about public relations and securing ‘consent and legitimacy’ (Aucoin and Bakvis 2005: 191). The coalition was more interested in creating the impression of ‘network governance’ rather than the substance. This is not at all unusual for this period, as research into a similar ‘participatory’ decision-making exercise aimed at water reform in New South Wales, clearly demonstrates (Bell and Park 2006).

While the political rhetoric lingered, from the late 1990s new public management had lost its glow within government. Evidence from Canada, New Zealand and the UK suggested that NPM practices of devolved policymaking potentially undermined policy capacity. This could ‘exacerbate coordination problems and potentially limit the scope for strategic thinking’ (Edwards et al 2003: 33). The concern was that this would lead to declining confidence in government. This was prompting a turnaround internationally, marked by moves within government to regain and reconsolidate policy capacity (Christensen and Løegrie 2005: 149). The coalition government in Australia was an early mover, regardless of whether or not public confidence in government was falling (Holland 2004, cited by Bartos 2005: 95). By the early 2000s it had embraced what would become the typical range of strategies: strengthening the political-administrative centre; strengthening controls over agencies and state companies; better defining accountability of subordinate leaders; and, launching programs and projects to strengthen coordination. Critically, there was also the much wider use of ministerial advisers (Christensen and Løegrie 2005: 149–152).

With this agenda, sweeping public service reforms brought the restructuring and amalgamation of departments into policy mega-departments serviced by central agencies (Shergold 2004: 3). Science, education and research policy came together within the Department of Education Science and Training (DEST). In a rationalisation of statutory bodies the Australian National Training Authority (ANTA) was also brought into DEST, and this accounts for a small percentage of the department’s overall expansion since 2000, as detailed below. This was all part of a ‘regeneration’ process to counter ‘bureaucratic proliferation’ as the government embraced the notion of ‘seamless’ policy delivery through a ‘whole of government’ approach (Shergold 2004: 4). For reasons of public accountability, statutory bodies were to be more tightly controlled using a ‘template of governance’, but the idea of loosening ministerial control over board appointments was firmly resisted (Bartos 2005: 95–99).

While ‘size of government’ is a thorny academic issue and often the topic of public debate, the rapid expansion of the federal bureaucracy from around 2000 attracted surprisingly little comment. The coalition had made deep cuts after it came to power and the number of public service employees reached a low point in 1999 of 111,000. However, the numbers then began to grow steadily to reach 146,434 by 2006, beyond the 140,000 mark of 1996 (APSC 2006). Also, the changing profile of staff within DEST indicates a significant growth in capacity within middle management. From 2001, executive staff in the two brackets immediately below the Senior Executive Service (SES) were being recruited. By mid-2004, the numbers had grown from 473 to 715 (Senate 2004) representing part of an overall growth in staff of around 32 percent, to reach a total of more than two thousand (DEST 2002, 2003, 2005). The department also began winding back external consultancies. Having spent \$24.6 million on consultancies in 2001–02 this dropped to \$15.6 million by 2004–05 (DEST 2002, 2005), signifying a substantial shift back to the internal generation of policy advice, presumably made possible by the expansion in senior staff.

An upsurge in regulation coincided with DEST becoming a mega-agency. As already noted, staff numbers expanded by around a third over a five-year period, though this was largely a

product of various moves to rationalise and consolidate education policy and training in a single department. Nonetheless, this growth and concentration of administrative resources far exceeded the growth in university staff numbers in the same period, when non-academic staff numbers rose by 13 percent compared 10 percent for academic staff. It is usually this growth bias towards university administration that attracts vehement criticism (Corden 2005) and political comment. Perhaps this is simply because this data is so much easier to extract and analyse, than that relating to the size of government. The expansion in government has coincided with diminishing transparency and reduced accountability, including unprecedented constraints on the media (Kelly 2006: 10). As government has grown larger, its inner workings are less open to routine scrutinised, the larger relevance of which is taken up below.

The Black Box of Government

Developments in higher education must be seen from the perspective of changes within the executive and across the public service as these create the framework for policymaking, particularly within areas of reform. From the start, Howard consolidated cabinet leadership within a presidential mode, beginning with the sacking of six departmental heads. While their replacements were not necessarily members of the 'party faithful' in the US style (Davis and Rhodes 2000: 87) they were adherents to a particular style of policy and management (Mulgan 1998). The changes also brought an end to the tradition of permanent tenure for departmental heads, making way for a regime of contracts and performance agreements.

A somewhat similar attitude was taken with the appointment of a succession of education ministers none of whom, it could be said, articulated a novel or distinctive vision for Australian higher education or research. Rather, their chief qualification was an ability to impose unpopular measures and to tough out any ensuing debate. Amanda Vanstone presided over the initial round of budget cuts. Her combative style proved unpopular and she was moved in 1997 (Maslen 1997: 57). The conservative academic, David Kemp, sparked national protests by suggesting that Australia should adopt a much more complete user-pays regime. This would entail a system of student vouchers similar to the American model, abolishing student loans and applying market-based fees. Brendon Nelson proved the most ambitious introducing a wide range of micro-management controls (Duckett 2004) and making unprecedented incursions into academic freedom, as discussed below. Finally, Julie Bishop was moved into the portfolio as an election year loomed, and faced the task of having to smooth down many ruffled feathers across the sector.

Commonwealth ministers, like the bureaucrats beneath them, have come to rely less on their own knowledge and expertise within a portfolio, and more on their generic political skills and those of their minders. Ministers must drive policy from above, but in the continuous gaze of the media they must distance themselves from any mishaps and unwanted outcomes, thereby also reducing the government's exposure to criticism. As a consequence, the ministerial mindset is to control information flows, conceal the way in which resources are used, and avoid evaluation. Ministerial minders assist in this process by becoming the conduits of executive power. They help to steer departmental policy debates, and decision-making, to ensure that policy options are kept within certain boundaries 'predetermined by an ideological agenda' (Walter 2006). They also oversee the 'central political battleground' (Tiffen 2004: 201) of communications and media relations, providing the linkage between executive authority and the direction given to the corporate-styled media and marketing units run by each department, in place of what were once information units. Altogether this ensures that cabinet discipline is enforced from the top of the decision-making hierarchy, down to the administrative coalface and into the public arena.

This discipline necessarily prevents close interaction between officials, journalists and external policy advocates, effectively creating a zone of silence around departmental operations (Grattan cited by Anderson 2006: 180; Kelly 2006: 10). Furthermore, access to information on internal departmental operations has been diminished by sleight-of-hand countermeasures against freedom-of-information legislation, such as avoiding paper trails (Podger 2005 quoted by Kelly 2006: 12). Systematic evaluations, and monitoring of public sectors reforms are at best 'patchy' (Halligan 2003: 89). Parliamentary inquiries and committees provide one window on government activities. According to Weller, these have an important agenda setting function, offering a wealth of information on the inside workings of government, although, it is not known how they influence the political process (2005: 36). Also, they do not provide a regular and comprehensive source of information that allow for detailed analysis. The annual Portfolio Budget Statement (PBS) performed this function up and till 1997–98 at which point accrual accounting procedures were introduced. In the absence of an accompanying cash-based system of reporting, providing line item expenditures, the PBS conceals year-to-year shifts in program costs. In turn, this enables ministers to be very 'selective' in their use of official figures (Barton 2005: 217) giving them a long head start in debates over the rationale of policy initiatives.

Without thorough and routine public scrutiny, and with reduced ministerial exposure, it is ultimately departmental heads that carry the key responsibility for the execution of policy. In turn, they are directly accountable to the executive to whom they must ensure that 'outputs are achieved', in line with appropriations and their performance contracts (Halligan 2003: 89). Under these conditions, the extent to which senior public servants can be expected to act in the public interest, rather than serve their own interests, and therefore protect ministerial interests, has emerged as a matter for urgent debate (Mulgan 2000; Keating 2004: 153–173; Kelly 2006: 13–14). This was particularly evident under Howard following the 'children overboard' incident and the Australian Wheat Board sales to Iraq scandal. These events revealed how Ministers could be insulated from developments on the ground, even though there were strong suspicions that they had – or should have had – some knowledge and involvement. A strong adherence to cabinet discipline, the avoidance of paper tails, and the hands off approach to policy execution all create scope for ambiguity. This is in large part an outcome of the shift towards a corporate style of cabinet government initiated by Hawke, consolidated and extended by Howard, and inherited by Rudd. The question this raises is whether the politicisation of the bureaucracy has become a systemic feature of Australian government.

The rhetoric of the incoming Labor government suggested a move towards greater accountability and a restoration of public service independence, but how far this will go remains to be seen. It is widely apparent that a veil has been drawn over government operations. The result has been that the regulatory authority that imposes wide ranging accountability measures on the higher education sector, is not held similarly accountable. This is part of a long-term trend towards corporate government, albeit pushed to new heights under Howard who successfully integrated 'politics into policy and administration to a degree unachieved by any of his predecessors' (Kelly 2006: 9). The executive became the central policy engine. Advisers held the support structures in place, and provided a bridge that drew senior public servants into the hierarchy. The evidence from DEST suggests that this structure was replicated at the departmental level, with the SES being given additional support by the expansion of staff immediately below. This consolidated the hierarchy through which executive decision-making could be transmitted downward, rather than policy advice coming in through a plurality of channels. A shift towards a more consensus-based approach, mooted by Rudd on his election, would suggest that this structure should also come up for revision.

Clipping the Wings of the Academy

Recent debate in higher education policy was sparked by the readiness of the executive to intervene in academic affairs on a number of levels. This included Brendan Nelson vetoing Australian Research Council (ARC) grants, and replacing the council college of experts with ministerial appointees (Senate 2006: 55). Nelson's period as minister will also be remembered as a time of political meddling and restrictions to academic freedom, that was likened to the 'McCarthyist period'. This occurred after one vice chancellor was warned by phone to 'be careful' about allowing academics at his institution to discuss certain topics publicly (Chubb 2006).

The intervention in academic affairs up till this point was much less explicit. For instance, the government was able to override proposals, developed through a 'consultative process', for a 'broad theme' to be adopted in setting national research priorities (Stocker 1997). This meant that the final set of priorities (DEST 2006a) proved to be much more narrow in focus, benefiting some disciplines over others. This steering of the national research effort represented a subtle constraint on academic self-regulation.

Similarly, national protocols covering the selection, size and the attributes of members of governing boards had an indirect impact, effectively removing 'significant amounts' of university autonomy (Jackson 2006:8). The shift towards much more direct intervention in academic affairs might be dismissed as the actions of a particularly zealous minister. However, the broad scope for intervention at multiple levels is the product of current administrative arrangements, the structure of which blur the lines of demarcation between funding, regulation and partisan politics.

This became evident in the way that the promised increases in higher education funding, under the BAA package, were to be delivered. When the funding measures were translated into legislation, within the *Higher Education Support Bill 2003*, the initial hopes for the BAA were frustrated by the 'unforeseen and unprecedented intervention into university operations by way of micromanagement' (Gilbert, quoted by Senate 2003a: 23.3). These included controls over course enrolments, and the need to supply detailed 'open ended' personal information on students, relating to their enrolment and attendance. DEST officials would also have the power to enter and inspect premises at any time, altogether representing an 'interventionist regime not seen before in Australian higher education' (Gilbert cited by Senate 2003a: 23.15). Some of the most excessive forms of Nelson micro-regulation, including a cap on students paying for full-fee degrees, were subsequently removed under Julie Bishop, giving universities more 'flexibility and discretion' (Gallagher quoted by Maiden 2007). This was seen to be heading in the right direction, though the institutional framework that provides ministers with wide discretion remained wholly intact.

The mechanism used to routinely collect data is the aforementioned HEIMS, which universities were being given \$200,000 to implement. This was seen as poor compensation for what some institutions believe might entail an entire new layer of management. One vice chancellor said the funds amounted to little more than the price of 'an indecent consultancy' (Senate 2003a). When Democrat Senator Stott Despoja used Senate estimate hearings to question public officials in writing on the 'likely savings to universities and government from the implementation of HEIMS', the written answer to come back was: 'The HEIMS system is required to implement the higher education reforms. The system will track and manage students' consumption of entitlements including student learning entitlement, student loans and scholarships. There has been no modeling of savings to universities or government (Senate 2004). This would suggest that the amount offered to meet compliance costs was arbitrary.

The poorly planned, perhaps ill-considered, implementation of major policy initiatives is consistent with a culture of exceptionalism, similar to that revealed by an investigation into the 'hidden' operations of the regulatory state⁴ in Britain. This showed that compliance costs tended to be pushed on to the area being regulated as 'unfunded mandates' (Power 1997, quoted in Hood and Scott et al 1999:28). Also, total compliance costs were rarely logged across government. 'Regulators aim to drive out duplication, overlap and unrationalised proliferation of activities, but they themselves are not subject to the same rules (Hood and Scott 1999: 34). For many of the reasons outlined above, in Australia the precise detail of the planning and rationale behind many areas of regulation is difficult to extract. Nonetheless, there does exist a very large footprint that is left behind from the impact of an expanding regulatory state. The Productivity Commission's (PC 2006) analysis, *Rethinking Regulation*, indicated the presence of a \$2 billion regulatory apparatus that has emerged from the process described as 'regulatory creep'. This has come about as a result of the doubling in the amount of legislation in place over the past twenty years, and resulting in the imposition of compliance costs in the 'tens of billions of dollars'. The report portrayed a system that was often conflicting, inefficient, and obstructive and often made demands for information that were excessive and unnecessary. A similar study into regulation was carried out a decade earlier, for the Bell report, and this reached similar conclusions but the situation had remained unchanged. Much of the cause was that regulation was very often developed within departmental 'silos' (PC 2006: 15), which failed to consult with each other on the cumulative impacts.

The extent of regulation and control facing universities results from a raft of legislation in recent years. The Administrative Arrangements Orders for DEST show that of the 27 acts administered by the agency, eleven relate directly to higher education, seven of which have been passed since 1997. Most concern education services for overseas students and the creation of the Australian Universities' Quality Agency in 2000 (AGD 2006). The department itself has grown large and unwieldy with four different sections dealing with key elements of higher education, and an overall budget of \$21 billion that has expanded at a rate of more than ten percent a year. Around three quarters of appropriations have related to science and higher education (DEST 2006b). The department is bigger and undoubtedly more responsive to policy directives from above, but the question is whether it has a capacity to develop solutions that respond to what is occurring below? An ongoing shortfall in policy capacity, due to a 'lack of policy expertise' (Norton 2005: 107) might suggest otherwise. A loss of brains trust would have resulted from the quite dramatic changes in staffing in the past decade, in addition to the impact from restructuring and reforms that began in the late 1980s. This is compounded by the overwhelming effect of a tightly consolidated executive, which is empowered by the availability of new policy tools and information technology systems being used to implement radical policy changes.

The result appears to be a cascading downward flow in policy unmitigated by systemic evaluation and coordination. The recurrent problem of 'red tape' going out of control is just the most visible symptom of this: a system not responding to the subject that it is dealing with and running ahead of itself. University leaders calculate (AVCC 2005) that institutions must each typically comply with around 100 separate State and Commonwealth reporting requirements and regulations. These are sometimes duplicated and conflicting, particularly so with commercial investments, which the Commonwealth seeks to encourage but over which

⁴ This is distinct from the 'welfare state', where the provision of benefits and services is made directly by the state. Within the 'regulatory state' these are provided indirectly, often through complex forms of governance, but where there is a separation between the operational and the regulatory activities of the state. The extent to which this trend is commonplace, and even global, is reviewed by Moran (2002).

the States have legislative control. There are signs that much of the information gathering and 'rituals of audit' are decoupled from the aim of striving towards an overall improvement in learning and research, as will be demonstrated below. In this sense oversight becomes a systematic process of institutional 'colonisation and control' which creates a 'dysfunction' (Power 1997: 95–97) and which leads to disequilibrium.

The Best of Times, the Worst of Times

At the end of the millennium Australian higher education was claimed to be in the depths of a 'crisis' with declining morale and falling standards (Senate 2001) and this was followed by a stream of incidents, some related to 'accountability fatigue', leading to governance and institutional failure within universities, often resulting in financial crisis (Murray and Dollery 2006: 479–80). Yet at the same time the system was undergoing expansion and was enjoying apparent increases in productivity. As a result, the apparent problems were easily put aside and the policy settings that contributed to this general state of affairs were carried into the next phase of implementation of the BAA (Senate 2003b). However, a wide set of quantifiable measures point to a pattern of long-term decay in research capacity due to systematic problems. These problems go well beyond difficulties that may be attributed to 'transitional' adjustments.

One underlying concern is that the user–pays model strictly applied does not take into account the intrinsic value of higher education and the larger civil and social benefits. This means the social returns from higher education are undervalued. This was not seen as a serious problem as the system was expanding, driven by demand. However, it is likely to become a problem with a contraction brought about from demographic trends in Australia and the likelihood of declining demand from Asia, as countries there seek to 'catch up' to the west by developing their own capacity (Altbach 2004: 32; Mazzarol et al 2003: 92). Furthermore, the declining private rate of return on the investment in higher education, due to high fees, is likely to discourage the next cohort from thinking about entering university, at a time when the need for graduates will be rising (Gallagher 2006: 11–12). Added to this, the long period of financial stringency, and push towards generating private funding, has meant that fewer discretionary funds have been available to universities to allow them to fund the basic research (Marginson 2007: 29) to build on their distinctive areas of scholarship and core capabilities. In other words, as Australian universities are seeking to charge more for their services, they will be in much less of a position to do so.

To encourage universities to generate additional income through industry collaboration, or by winning competitive grants, funding mechanisms are leveraged, in that they usually come with conditions attached. Funding from the Commonwealth comes in a dual stream: about \$1.1 billion is provided annually in 'block' funding and a second stream of competitive funds, of around \$1 billion, is delivered through the ARC and the National Health and Medical Research Council. Dual streaming was designed to give institutions some flexibility, with competitive funding aimed at immediate national research objectives, and the block funds to be used in a more discretionary manner: for institutions to develop their own strategic areas of research capability. In practice, the allocation of block funding is proportional to the success rate of competitive grants. What then occurs is that much of the block funding is used to underpin, and support the research capacity needed to carry out competitive research projects. In turn this leaves individual universities with only 'limited flexibility and discretion' (PC 2007: 616). What was supposed to be 'additional funding' under the coalition's BAA program was tied to competitive funding schemes, and this placed further demands on the existing research base, preventing any additional public investment in 'core research capacity' (AVCC quoted in PC 2007: 518) which is basic research, or the capacity to carry out basic research.

Varying levels of investment across the research spectrum will, over time, set the course for a particular strategic direction. Australia's scientific publication rates went up between 1984 and 2004, from a two percent share of the world's publications to reach almost three percent (PC 2007: 710). This increase in productivity is a key measure used to argue that the reforms to higher education since the 1980s, though 'painful' and 'strongly criticised', are actually having positive results, with many 'remarkably successful transitions' (Harman 2006: 171) to a new entrepreneurial environment. While it is a case that there are many more students attending Australian universities, researchers are producing more publications and collaborating more widely, these may not be an indication of strengthening competitive advantage at a strategic level. The opposite may be the case. For instance, when examining the relative impact of journal publications the pressure to publish, in order to gain funding, can artificially stimulate production by driving researchers to publish in lower quality journals. What then occurs is an increase in publication rates at the expense of quality (Butler 2003: 147). This suggests a deeper level of statistical analysis is required⁵, and one that takes into account the policy settings.

The run down in core research capacity is indicated by the changing pattern of investment in fundamental research, which comprises 'strategic basic research' and 'pure basic research'. The current trend in the data show a higher rate of investment of up to sixty per cent in strategic–basic research compared to pure–basic research, and faster growth in experimental and applied research within universities than in other sectors (ABS 2003). Given that the overall level of basic research, across all sectors, has not changed substantially, this represents a shift towards more commercially oriented research and much of this increase is taking place within universities (OECD 2007b). More to the point, over a decade there has been a significant decline in the percentage of basic research performed in universities, from close to seven percent in 1981 down to just over five percent in 2002.

In other words, Australia is doing much the same amount of fundamental research that it was doing at the end of the 1980s, however, a larger proportion of that has a strategic, or commercial, focus and this larger proportion is being carried out in universities. This is a direct result of the policy settings that effectively squeeze out investment in basic research. In a very subtle fashion this further undermines the scope for self-regulation and the ability to create strategically balanced investments in research. One of the most severe consequences of this is the associated 'alarming' fall off in the number of students being trained in the enabling sciences, measured over the long term since 1980s (Dobson 2007: 71–72).

This reduction in core research capacity and training in the enabling sciences is a systemic problem, which can threaten Australia's long-term strategic interests. Advanced industrial economies, including the US and Japan, are leading an OECD trend towards increasing the amount of basic research that is carried out within higher education, as this is one distinctive feature of what universities do. As other sectors – business and government and non-profit organisations – step up their research and development effort, consolidating basic research within higher education allows universities to better maintain their 'specificity' and competitive advantage (Vincent–Lancrin 2006: 174–176). This point is reinforced by the fact that the world production of scientific knowledge is expanding rapidly as developing economies become more active, but they are much less able to perform basic research. It is therefore in the interest of countries such as Australia, which have this capacity, to consolidate this specialisation.

⁵ For instance, Australia's performance, measured by the relative impact of citations, shows a steady increase since 1999; however, the measure is highly volatile over short periods. The rate in 1988 was the same as in 2001 but shifted markedly between these periods (DEST 2005 cited by the PC 2007, 712). Taking the long-term average, Australia's position has undergone little change (Butler 2007).

In sum, the extent to which Australia has moved towards a market-based approach to funding higher education is causing internal imbalances in the way the various levels of research, and disciplinary areas, are being supported. This is leading to a lack of strategic direction that is evident when considering international trends. Moreover, this is illustrated in the most immediate context of its trade relations. As countries in the Asian regions expand their own capacity international enrolments are expected to fall which suggests that Australia will need to become much more strategic and competitive in what it offers. However, the large amount of income gained from the years of delivering education exports to Asia has not been reinvested in the intellectual assets needed to build lasting bridges between Australia and the region. Instead there has been a gradual stagnation in Asian studies, and the study of Asian languages (Fitzgerald et al 2002: 42), which has continued to prompt calls for urgent action (ASAA 2005: 5–6). Furthermore, Australia's position as a collaborative partner in research to countries across the Asian region, as they seek to expand their research capacity, is firmly based on Australia's very traditional academic and scientific foundations, which includes strength in basic research. Running down this capability is therefore counter-productive and lacks coherence as a strategy.

Conclusions

Australian higher education exists within a precarious orbit in relation to the state — more so than other like countries, and it stands highly exposed to political influence, and 'capture'. The most important warning sign that this is occurring to some degree is that the locus of decision-making has shifted firmly towards the bureaucratic and political, which have together strengthened their overall capacity to impose regulatory demands from above, without being held accountable from below. This picture is reinforced by the common experience from within the sector of there being little scope to make inputs into policy, other than reacting and responding to initiatives that come down from above.⁶

The situation has come about through a sequence of incremental changes, implemented from both sides of government, that are often subtle in their immediate effects but which have long-term cumulative impacts. These include 'regulatory creep', the imposition of 'unfunded mandates', impacts from ceaseless monitoring, reporting and auditing, and the growing uncertainty of public service impartiality within a structure of increased cabinet and ministerial power. Together these erode self-regulation and undermine academic discretion. At the same time, what is absent from the system is a clear-cut boundary to mark transgressions and which could be used to counter the gradual shifts in decision-making power. The use of an independent co-ordinating body, or some other form of institutional buffer, is unlikely to solve all the problems of the sector, as the experience in the US suggests. However, it would provide a means through which a much more rational, transparent and evidence-based approach to policy formulation could be pursued.

The long-term impact of heightened political influence and declining self-regulation will have wide implications. As the weight of strategic decision making shifts, and continues to accumulate within government, the academy as a whole will operate more and more as a state-run enterprise, which compromises its scope for continued creativity, innovation and productivity.

⁶ This is based on interviews with vice-chancellors as part of a follow-up research project.

References

ABS — Australian Bureau of Statistics (2003) *Measures of a Knowledge-Based Economy and Society*. available at:

<http://www.abs.gov.au/ausstats/abs@.nsf/94713ad445ff1425ca25682000192af2/1947F20581D90D26CA25706200036218?opendocument>

AGD — Attorney General's Department (2006) *Administrative Arrangements Order*. Commonwealth of Australia, available at:

<http://www.comlaw.gov.au/ComLaw/Legislation/AdministrativeArrangementsOrders1.nsf/frame lodgem ent attachments/F98C98F6C29BDC4ACA25712B0013E0F4>

AGD (2007) *ComLaw* Commonwealth of Australia, available at:

<http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/frame lodgem ent attachments/AD785A462BF075D7CA256F71004E5243?OpenDocument>

Altbach, P G (2004) 'The Past and Future of Asian Universities: Twenty-First Century Challenges', in P G Altbach and T Umakoshi, eds, *Asian Universities*. Baltimore: The Johns Hopkins University Press.

Anderson, G (2006) 'Ministerial Staff: New Players in the Policy Game', in H K Colebatch, ed, *Beyond the Policy Cycle: the policy process in Australia*. Sydney: Allen and Unwin.

APSC — Australian Public Service Commission (2006) *State of the Service Reports*. available at:

<http://www.apsc.gov.au/stateoftheservice/index.html>

ASAA — Asian Studies Association of Australia (2005) 'Submission to the Federal Budget 2006–07', Canberra: Asian Studies Association of Australia.

Aucoin, P and B Herman (2005) 'Public Service Reform and Policy Capacity: Recruiting and Retaining the Best and the Brightest', in *Challenges to State Policy Capacity: Global Trends and Comparative Perspectives*. New York: Palgrave.

AVCC — Australian Vice Chancellors' Committee (2005) *Room to Move, Room to Excel – Commonwealth and State regulation of universities: The AVCC response to Building Better Foundations*. The Australian Vice Chancellors' Committee, available at:

<http://www.avcc.edu.au/documents/publications/policy/submissions/Room-to-move.pdf>.

Barton, A (2005) 'Issues in Accrual Accounting and Budgeting in Government', *Agenda* 12:3.

Bartos, S (2005) 'The Uhrig Report: Damp Squib or Ticking Timebomb?' *Australian Journal of Public Administration* 64:1.

Bell, S and A Park (2006) 'The Problematic Metagovernance of Networks: Water Reform in New South Wales,' *Journal of Public Policy* 26:1.

Bowen, F M, K R Bracco, P M Callan, J E Finney, R C Richardson Jr and W Trombley (1997). *State Structures for the Governance of Higher Education: A Comparative Study* State. Structures for the Governance of Higher Education and The California Higher Education Policy Center, available at:[cited 29 October 2007]. available at: <http://www.policycenter.org/comparative/comparative2.html>.

Butler, L (2003) 'Explaining Australia's increased share of ISI publications – the effects of a funding formula based on publication counts', *Research Policy* 32,143–155.

Butler, L (2007) 'Interpretation of data appearing in Productivity Commission', Personal Communication, 18 October, Canberra.

Christensen, T and P Løegrei (2005) 'Autonomization and Policy Capacity: The Dilemmas and Challenges Facing Political Executives', in M Painter and J Pierre, eds, *Challenges to State Policy Capacity: Global Trends and Comparative Perspectives*. New York: Palgrave.

Chubb, I (2006) *Universities: Why We Need Controversy*. available at:
http://www.apo.org.au/webboard/results.chtml?filename_num=94288

Clark, B (1983) *The Higher Education System: Academic Organization in Cross-National Perspective*. Berkeley: University of California Press.

Corden, M (2005) *Moscow, Markets, or Trust: The Uncertain Future of Australian Universities*. Annual Sir Leslie Melville Lecture. available at:
<http://www.economics.unimelb.edu.au/wcorden/melvilleAustralianuniversities.pdf>

Craven, G (2006) 'Commonwealth Power Over Higher Education: implications and realities', *Public Policy* 1:1.

Crick, B (1963) *Political Theory and Practice*. London: The Penguin Press.

Davis, G (1993) *Public Policy in Australia*. (2nd ed), Sydney: Allen and Unwin.

Davis, G and RAW Rhodes (2000) 'From hierarchy to contracts and back again: reforming the Australian public service', in M Keating, J Wanna and P Weller, eds, *Institutions on the Edge? Capacity for Governance*. Sydney: Allen & Unwin.

DEST — Department of Education, Science and Training (2002) *Annual Report 2001–02*. Canberra: Australian Government.

DEST (2002) *Annual Report 2001–02*. Canberra: Australian Government.

DEST (2003) *Annual Report 2002–03*. Canberra: Australian Government.

DEST (2005) *Annual Report 2004–05*. Canberra: Australian Government.

DEST (2006a) *National Research Priorities and their Associated Priority Goals*. Canberra: Australian Government.

DEST (2006b) *Portfolio Budget Statement*. Canberra: Australian Government.

DEST (2007) *Finance 2006 – Financial Reports of Higher Education Providers*. Canberra: Australian Government.

Dobson, I (2007) *Sustaining Science: University Science in the 21st Century*. A study commissioned for the Australian Council for the Deans of Science (ACDS), ACDS.

Duckett, S J (2004) 'Turning right at the crossroads: The Nelson Report's proposals to transform Australia's universities', *Higher Education* 47.

Edwards, Meredith, Russell Ayres, and Cosmo Howard. 2003. *Public Service Leadership*. Report for the Australian Public Service Commission, Canberra: National Institute for Governance.

- Emmanuel, I and G Reekie (2004) 'Financial Management and Governance in HEIS: Australia.' in *OECD Project on International Comparative Higher Education Financial Management and Governance*. Canberra: DEST.
- English, B (2006) 'The Tertiary Education Advisory Commission (TEAC) Reforms', *Journal of Management and Organisation* 12:1.
- Fitzgerald, J, R Jeffrey, K Maclean, and T Morris–Suzuki (2002) *Maximizing Australia's Asia Knowledge: repositioning and renewal of a national asset*. Canberra: Asian Studies Association of Australia.
- Fox, W (1994) 'Higher Education in California', in L Goedegebuure, F Kaiser, P Maassen, L. F Meek, F. van Vught and E de Weert, eds, *Higher Education Policy: An International Comparative Perspective*. Oxford: Pergamon.
- Gallagher, M (2006) 'Reversing the Slide', *Australian Universities Review* 48:1.
- Garret–Jones, S (2007) 'Knowledge and Cooperation for Regional Development: The Effect of Provincial and Federal Policy Initiatives in Canada and Australia', *Prometheus* 25:1.
- Gerbod, P (2004) 'Relations with Authority', in W Rüegg, ed, *A History of the University in Europe*. Cambridge: Cambridge University Press.
- Halligan, J (2003) 'Public-sector Reform and evaluation in Australia and New Zealand', in H Wollmann, ed, *Evaluation in Public-Sector Reform: Concepts and Practice in International Perspective*, Cheltenham: Edward Elgar.
- Hammerstein, N (1996) 'Relations with Authority', in H Ridder–Symoens, ed, *The History of the University in Europe*. Cambridge: Cambridge University Press.
- Harman, G (1984) 'Australian Experience with Co-ordinating Agencies for Tertiary Education', *Higher Education* 13:5.
- Harman, G (2006) 'Adjustment of Australian Academics to the New Commercial University Environment', *Higher Education Policy* 19.
- Henkel, M (2005) 'Academic Identity and Autonomy', in I Bleiklie and M Henkel, eds, *Governing Knowledge: A Study of Continuity and Change in Higher Education—A Festschrift in Honour of Maurice Kogan*. Dordrecht: Springer.
- Hood, C, C Scott, O James, G Jones, and T Travers (1999) *Regulation Inside Government*. Oxford: Oxford University Press.
- Howard, J (2000) 'Towards the can-do country', *Campus Review* 10:5.
- Jackson, J (2006) Seminar notes from: *University Governance: Councils, Vice Chancellors and their Executives, Academic Boards and the Law*. Kirby Seminar Series, October 25, 2006, School of Law, University of New England.
- Jaspers, K (1960) *The Idea of the University*. (Translated by H.A.T.Reiche and H. F. Vanderschmidt), London: Peter Owen.
- Karmel, P (2003) 'Higher education at the crossroads: Response to an Australian ministerial discussion paper', *Higher Education* 45.

- Keating, M and P Weller (2000) 'Cabinet government: an institution under pressure', in M Keating, J Wanna and P Weller, eds, *Institutions on the Edge? Capacity for Governance*. Sydney: Allen & Unwin.
- Keating, M (2004) *Who Rules? How Government Retains Control of a Privatised Economy*. Sydney: Federation Press.
- Kelly, P (2006) 'Re-Thinking Australian Governance: The Howard Legacy', *Australian Journal of Public Administration* 65:1.
- Maiden, S (2007) 'Universities slip off the leash', *The Australian*, 26/9/2007.
- Marginson, S (2002) 'Nation-Building Universities in a Global Environment: The Case of Australia', *Higher Education* 43.
- Marginson, S (2007) 'A ride on the funding seesaw', *The Australian Higher Education Supplement*.
- Marginson, S and M Considine (2000) *The Enterprise University: Power, Governance and Reinvention*. Australia: Cambridge University Press.
- Marginson, S (2002) 'Nation-building universities in a global environment: The case of Australia', *Higher Education* 43:409-428.
- Marginson, S (2007) 'A ride on the funding seesaw', *The Australian Higher Education Supplement*.
- Marshall, N (1992) 'Intergovernmental Relations in Australian Higher Education', in N Marshall and C Walsh, eds, *The Governance and Funding of Australian Higher Education*. Canberra: Federalism Research Centre.
- Maslen, G (1997) 'Controversial education minister in Australia is replaced with right-wing scholar', *Chronicle of Higher Education* 44.
- Mazzarol, T, G N Soutar, and M SimYaw Seng (2003) 'The Third Wave: future trends in international education', *The International Journal of Education Management* 17:3.
- Meek, L (1991) 'The Transformation of Australian Higher Education from Binary to Unitary', *Higher Education* 21.
- Meek, L (1994) 'Higher Education Policy in Australia', in L Goedegebuure, F Kaiser, P Maassen, L Meek, F van Vught and E de Weert, eds, *Higher Education Policy: An International Comparative Perspective*. Oxford: Pergamon.
- Meek, L and F Wood (1997) *Higher Education Governance and Management in Australia*. Canberra: Department of Employment, Education, Training and Youth Affairs.
- Mintrom, M and J Wanna (2006) 'Innovative State Strategies in the Antipodes: Enhancing the Ability of Governments to Govern in the Global Context', *Australian Journal of Political Science* 41:2.
- Moran, M (2002) 'Understanding the regulatory state', *British Journal of Political Science* 32:2.
- Moses, I (2007) 'Institutional Autonomy Revisited: Autonomy Justified and Accounted', *Higher Education Policy* 20.
- Mulgan, R (1998) *Politicising the Public Service – Research Paper 3 1998–99* Australian Parliament Library, available at: <http://www.aph.gov.au/LIBRARY/pubs/rp/1998-99/99rp03.htm>.

Mulgan, R (2000) 'Public Servants and the Public Interest', *Canberra Bulletin of Public Administration* 97.

Murray, D and B Dollery (2006) 'Institutional Breakdown? An Exploratory Taxonomy of Australian University Failure', *Prometheus* 23:4.

Neave, G and F van Vught (1991), eds, *Prometheus Bound: The Changing Relationship Between Government and Higher Education in Western Europe*. Oxford: Pergamon.

Norton, A (2005) 'Commonwealth Control of Universities', *Agenda* 12:2.

OECD — Organisation for Economic Co-operation and Development (2007a) *Education at a Glance: OECD Indicators* OECD, available at: <http://www.oecd.edu/eag2007>.

OECD (2007b) *Main Science and Technology Indicators*. Paris: OECD, available at: <http://www.oecd.org>.

PC — Productivity Commission (2006) *Rethinking Regulation*. Canberra: Australian Government, available at: <http://www.regulationtaskforce.gov.au/>.

PC (2007) *Public Support for Science and Innovation*. Canberra: Australian Government.

PCO — Parliamentary Counsel Office (2007) *Tertiary Education Commission Preliminary Provisions* [Database]. Government of New Zealand, available at: <http://www.legislation.govt.nz>.

Porter, M (1990) *The Competitive Advantage of Nations*. New York: Simon & Schuster.

Power, M (1997) *The Audit Society: rituals of verification*. Oxford: New York.

Quiddington, P (1999) 'Political Football', *Today's Life Science* 11:3.

Quiddington, P (2000) 'Great expectations and big ideas', *Campus Review* 10:5.

Quiddington, P (.2001) 'Unis claim lion's share of funding', *Campus Review* 11:3.

Rhoades, G (2005) 'Capitalism, Academic Style, and Shared Governance', *Academe* 91:3.

Riddle, P (1993) 'Political Authority and University Formation in Europe, 1200–1800', *Sociological Perspectives* 36:1.

Scott, C and C Hood (2004) 'Higher Education and university research: harnessing competition and mutuality to oversight?' in C Hood, O James, B G Peters and C Scott, eds, *Controlling Modern Government: Variety, Commonality and Change*. Cheltenham: Edward Elgar.

Senate (2001) *Universities in Crisis*. Senate Employment, Workplace Relations, Small Business and Education Committee, Canberra: Australian Parliament.

Senate (2003a) *University Governance and Management Issues*. (Chapter Three) Inquiry into higher education and regulatory legislation. Employment, and Training Committee: Australian Parliament, available at: http://www.apf.gov.au/Senate/committee/eet_ctte/completed_inquiries/2002-04/highed2003/report/08ch3.doc.

- Senate (2003b) *Hacking Australia's Future*. Employment, Workplace Relations and Education References Committee: Australian Parliament, available at:
http://www.aph.gov.au/SENATE/COMMITTEE/EET_CTTE/completed_inquiries/2002-04/highed2003/report/index.htm.
- Senate (2004) Education, Science and Training Committee, Questions on Notice, 2004–2005 Budget Estimates Hearing, available at:
http://www.aph.gov.au/Senate/committee/eet_ctte/estimates/index.htm.
- Senate (2006) *Opposition Senators' Report: The Australian Research Council Amendment Bill*. Canberra: Australian Parliament.
- Shanahan, T and G A Jones (2007) 'Shifting roles and approaches: government coordination of post-secondary education in Canada, 1995–2006', *Higher Education Research & Development* 26:13.
- Shergold, P (2004) 'Regeneration: New Structures, New Leaders, New Traditions', *Australian Journal of Public Administration* 64:2.
- Skolnik, M L and G A.Jones (1992) 'A Comparative Analysis of Arrangements for State Co-ordination of Higher Education in Canada and the United States', *Journal of Higher Education* 63:2.
- Slaughter, S and L Leslie (1997) *Academic Capitalism: Politics Policies, and the Entrepreneurial University*. London: The Johns Hopkins University Press.
- Stocker, J (1997) *Priority Matters: A report to the Minister for Science and Technology on Arrangements for Commonwealth Science and Technology*, Canberra: Commonwealth Government. available at: http://www.dest.gov.au/Archive/Science/chiefscientist/reports/Priority_Matters/
- Tiffen, R (2004) 'The news media and Australian politics', in P Boreham, G Strokes and R Hall, eds, *The Politics of Australian Society: Political Issues for the New Century*. Sydney: Pearson Education.
- Toma, D (2007) 'Expanding peripheral activities, increasing accountability demands and reconsidering governance in US higher education', *Higher Education Research & Development* 26:1.
- Vincent–Lancrin, S (2006) 'What is Changing in Academic Research? Trends and Future Scenarios', *European Journal of Education* 41:2.
- Walter, J (2006) *Ministerial staff and the 'lattice of leadership'* Australian National University, available at: <http://democratic.audit.anu.edu.au>.
- Weller, P (2005) 'Investigating Power at the Centre of Government: Surveying Research on the Australian Executive', *Australian Journal of Public Administration* 64:1.
- Zook, C and JAllen (2001) *Profit from the Core: Growth Strategy in an Era of Turbulence*. Boston: Harvard Business School Press.