Students and staff to bear brunt of latest Australian university funding cut

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Ever-larger class sizes, closures of courses and campuses, thousands more staff job cuts and accelerated pro-business restructuring. These are some of the already known impacts of the latest multi-billion funding cuts to Australia's public universities, which the federal government announced just a week before Christmas.

The Liberal-National Coalition government was unable to get a $2.8 billion package of cost-cutting over four years through the Senate, because Labor, Greens and right-wing populist senators feared the intense hostility of students, staff and the wider population and refused to support it. So, instead, the government used the December 18 release of its mid-year budget review to impose $2.2 billion in cutbacks by decree.

The most immediately damaging measure is a two-year freeze on funding for undergraduate enrolments. Universities Australia, the peak management body, estimates this will mean nearly 10,000 student places going unfunded in 2018.

Then, from 2020, new "performance targets" will make any funding increases depend on universities "realigning" their course offerings to be more in tune with the requirements of the corporate elite. Universities must do more to meet "the expectations of employers," Education Minister Simon Birmingham declared.

Despite the political posturing by opposition and "crossbench" politicians, this is part of a protracted bipartisan assault on students and staff, and the basic right to higher education. The latest package is on top of funding reductions exceeding $4 billion since 2011, mostly inflicted by the previous Labor government, which was kept in office by the Greens.

Over the same period, universities increasingly have been transformed into corporate entities as a result of that Labor government's market-driven "education revolution," which compelled universities to compete with each other to attract students to courses tailored to satisfy business needs.

The December 18 announcement also directly hit students by lowering the threshold at which graduates must start repaying the massive debts incurred during their studies under the government's HECS/HELP fee deferment scheme. The threshold, calculated in terms of annual income, will be reduced from $52,000 to $45,000. Many more young people, on relatively low wages, will be forced to commence paying off the loans, adding to the financial stresses produced particularly by sky-high rents and housing prices.

By announcing the cuts so late, the government gave the universities no time to change their enrolment and other plans for 2018. Universities Australia chief executive Belinda Robinson said this week: "The cuts were announced on 18 December and took effect from 1 January. Many universities had already made detailed plans by that time on how many places they would offer in 2018."

Robinson said some universities would be forced to offer fewer student places "to avoid a budget black hole." Others would have to dig into critical maintenance funds or shut down facilities and outreach programs.

Global ratings agency Moody's also warned last week that the funding freeze would create greater funding volatility and risks for the universities, which borrow funds on the financial markets to build new facilities. Moody's said regional and expanding universities would be most affected.

Seven regional universities this week listed programs that could be shelved as a result of the freeze. They included some facilities in working class areas, such as

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a new University of Southern Queensland health sciences campus at Ipswich, west of Brisbane, and University of the Sunshine Coast campuses at Hervey Bay, Caboolture, Petrie and the Sunshine Coast University Hospital.

Sweeping cutbacks, as yet unspecified, are threatened across the country. In an ominous email to all staff members on December 19, Western Sydney University (WSU) vice-chancellor Barney Glover said: "Preliminary modelling by the University's Finance and Resources Division estimates that the impact of the changes would be approximately $5.7 million in 2018. More detailed analysis is being conducted to obtain a fuller assessment of the impacts on the University."

Students and staff at WSU, like every other university, are already reeling from the effects of constant rounds of pro-market restructuring that have slashed administrative and academic jobs, sent class sizes soaring, reduced face-to-face teaching and consultation, and driven up staff casualisation rates.

Labor, the Greens and the National Tertiary Education Union (NTEU), the main trade union covering universities, criticised the December 18 bombshell but they are primarily responsible for enforcing the corporate transformation of higher education over the past decade.

Labor's shadow education minister, Tanya Plibersek, said: "Billions of dollars' worth of cuts to universities mean a higher-cost education for students or a poorer-quality education or probably both." Yet the latest cuts just intensify those imposed by the 2007–13 Labor government. Labor lifted caps on enrolments, but only to produce a new "competitive" education "marketplace"—in reality, a business-driven regime.

NTEU national president Jeannie Rea complained that the government had drawn up its cuts "behind closed doors and without public debate" or "discussion with universities, their staff and students." The NTEU spent most of 2017 strenuously stifling or shutting down industrial action. It pushed through new enterprise bargaining agreements (EBAs) at individual universities—11 so far—to assist managements to prepare to make the cuts being demanded.

The EBA provisions vary from place to place, precisely to help each university survive in the "marketplace" at the cost of rival universities. But the agreements have common features, designed to allow managements to impose closures, redundancies and more onerous workloads, while cutting real wages.

At James Cook University in northern Queensland, for example, the NTEU reached an agreement with the management in November that increased the "redeployment period" of most professional staff from 15 to 20 weeks. In other words, the management was given a green light for further retrenchments, as long as it gives affected staff a few more weeks to apply for any alternative positions that might be offered.

NTEU Queensland division secretary Michael McNally called the EBA "a win for all staff at James Cook University," yet it also delivers a real pay cut for the next five years. There is an increase of 8.6 percent over that period—or about 1.7 percent per year—far below the rising cost of living.

The NTEU's main concern is to retain its position, together with the Labor Party, as the policing agency for the underlying corporate program, with which the union entirely agrees. In her media statement last month, Jeannie Rae accused the government of conducting a "crude money-saving exercise" that "flies in the face of the objectives" of the previous Labor government's "demand driven funding model."

Rae said the NTEU had "proposed the need for a better planned and managed allocation" for funding student places through "Public Accountability Agreements." These agreements, outlined in NTEU budget submissions, would require student enrolments to be determined by the "national interest," that is essentially in the interests of the capitalist ruling class.

Once universities resume their full operations next month, students and staff alike will face ever-more intolerable conditions, driven by this big business agenda.

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