

# Budget cuts to deepen in Australian universities

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Regardless of the outcome of the May 21 federal election, Australia's 200,000 surviving university workers and 1.6 million students confront even more serious attacks on jobs and conditions following this year's federal budget.

The cuts in the March 29 budget will intensify what has already happened during the first two years of the COVID-19 pandemic, in which up to 90,000 jobs have been eliminated, including those of casual academics and other workers, class sizes have blown out and hundreds of courses have been scrapped.

In another display of bipartisanship, the opposition Labor Party helped the Liberal-National Coalition government to push the budget through parliament within 24 hours. It targets higher education for further steep cuts, alongside public schools, healthcare and climate change spending, while boosting military funding in preparation for participation in US-led wars.

The budget cut government funding per university student by 5.4 percent in real terms for 2022-23 and 3.6 percent for the following two years. According to the National Tertiary Education Union (NTEU), this means \$3 billion sliced off universities from 2017-18 to 2025-26. That seems to be an underestimate, because it is based on inflation figures that predate the global surge in prices since the start of the Ukraine war.

Without even taking inflation into account, spending on the Commonwealth Grants Scheme itself, which funds undergraduate and some masters degree courses, will fall from \$7.56 billion in 2021-22 to \$7.22 billion in 2023-24.

The Morrison government's "Job Ready Graduates" scheme shifts more of the cost of courses onto students, especially those in humanities, while more narrowly focussing tertiary education on satisfying the demands of employers. The estimated student share of course costs is rising from 42 to 48 percent, loading students with massive debts.

Spending on university research is set to increase marginally, from \$2.32 billion in 2021-22 to \$2.92 billion in 2025-26, but that is a cut in real terms due to rising inflation.

Much of the increase in dollar terms is due to the government's pro-business "research commercialisation" scheme announced late last year to further tie universities to the research requirements of the corporate elite.

The budget cuts will intensify the pro-business gutting and restructuring of tertiary education that has been pursued by Coalition and Labor governments alike, especially since the last Labor government of 2007 to 2013, kept in power by the Greens, imposed an "education revolution."

Labor's "demand-driven" funding system forced universities to compete for enrolments while cutting funding by \$3 billion in 2012-13, driving them to become increasingly dependent on full-fee paying international students.

That laid the basis for the current Coalition government and university managements to exploit the COVID pandemic to accelerate this offensive, with the loss of international revenue being used as a pretext to cut a swathe through jobs and courses.

University data for 2020, released last month by Acting Education Minister Stuart Robert, showed that "productivity" grew across the sector by 4.5 percent that year, a leap from 1.2 percent in 2019.

According to the *Australian*, this productivity calculation features cost-cutting metrics such as "students per \$1 million" and "students per academic." In other words, "productivity" means cutting spending, and academics, per student.

The only beneficiaries of the restructuring, apart from big business, have been highly-paid university executives. They have been rewarded, including via performance bonuses, for inflicting the pain on staff and students.

University of Queensland (UQ) vice-chancellor Professor Deborah Terry was paid \$1.2 million last year, for example. That is about 30 times Australia's official minimum wage of \$40,000.

UQ's 2021 annual report, tabled in the Queensland parliament, also reveals that another 10 executives were paid

between \$555,000 and \$825,000 each. That places them firmly in the top 5 percent of the income scale.

Yet, all this is only possible because the outrage of university workers and students has been systematically suppressed by the NTEU and other trade unions, as well as the student unions, mostly aligned to the Labor Party.

When COVID-19 hit in 2020, the NTEU rushed into backroom talks with these university managements, offering wage cuts of up to 15 percent and up to 18,000 job cuts, including by forced redundancies.

After this unprecedented union-management deal provoked immense anger among university workers, the employers pulled out of it. Nevertheless, the NTEU pressed ahead by pushing through similar schemes to impose sacrifices on staff at individual universities to help managements achieve the cost cuts they demanded.

The union opposed every call by Socialist Equality Party (SEP) and Committee for Public Education (CFPE) supporters for a unified struggle against the government. At the same time, the NTEU's protests and pleas to members of the parliamentary elite for budgetary relief predictably fell on deaf ears.

After this debacle, the NTEU began trying to corral workers back into its ranks by claiming that enterprise bargaining with individual managements provided the only means of defending even what conditions remained.

The NTEU has since dragged that process out, long past the expiry of the previous three-year enterprise agreements, effectively imposing a wage freeze and further isolating staff and students, campus by campus.

Meanwhile, the union has promoted the illusion that a Labor government would halt the assault. In a post-budget media release, NTEU national president Alison Barnes wrote: "The spotlight is now firmly on a future government to deliver the urgent reforms and funding the higher education sector needs to restore jobs and recover from the pandemic."

This pitch not only flies in the face of the destructive role of the last Labor government, it covers up the even more reactionary plans of Labor today. Labor leader Anthony Albanese has said a Labor government would fund "up to" 20,000 extra university places in 2022 and 2023.

That is a far cry from Labor's 2019 election promise, itself inadequate, to step up university funding by \$10 billion over 10 years. The *Australian* calculated that the additional places would cost less than \$500 million.

Moreover, Labor's blueprint echoes the Coalition's Job Ready regime. The new student places would focus on vocational areas such as digital and cyber security, manufacturing, early childhood, aged care and disability. The first two are priorities for the capitalist elite as it plans

for military conflict and seeks to maximise the available workforce to exploit.

Last August, Labor's shadow education minister Tanya Plibersek addressed the *Australian Financial Review* Higher Education Conference, an elite business gathering, presenting a Labor government as the best means of escalating the corporate restructuring of tertiary education.

Plibersek proposed a bipartisan "accord" between the two ruling parties, the unions, business, university managements, students and parents to "make university reform stick" in the interests of "national prosperity."

The NTEU shares Labor's pro-business commitment to "university reform." In her budget media release, Barnes said the Coalition government was "embarrassing" because it refused to recognise that "tertiary education is Australia's fourth largest export industry contributing \$40 billion to Australia's total exports."

This means further subordinating tertiary education to the profit interests of the Australian capitalist class. It makes clear that the ongoing destruction of jobs, conditions and courses can be fought only on the basis of a totally opposed political perspective that rejects the dictates of the financial markets and employers. That is, a socialist program in which educators have secure jobs with decent pay, and free, first-class education is a right for all.

Lessons need to be drawn from these experiences. The NTEU and other unions do not represent the interests of workers. They function as pro-Labor and pro-employer industrial police forces.

SEP and CFPE members are urging staff and students to form independent rank-and-file committees and link up with the struggles of educators and students internationally against the global COVID-19 catastrophe and corporate offensive on jobs and conditions. For discussion contact the CFPE.

Email: [cfpe.aus@gmail.com](mailto:cfpe.aus@gmail.com)

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