

# Australian universities defunded by successive governments

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17 July 2023

A report published this month provides a revealing, yet distorted, picture of how far Australian governments have slashed funding for universities over the past three decades and increasingly transformed them into corporate entities.

The report calculates that federal government funding for universities, excluding the HELP fees loan system that students must repay after graduation, fell from 0.9 percent of gross domestic product (GDP) in 1995 to 0.6 percent in 2021. That amounts to a \$6.5 billion reduction in funding in 2021, equal to almost half (46.5 percent) of current higher education funding.

The report, produced by the Centre For Future Work, an arm of the Australia Institute think tank, and commissioned by the National Tertiary Education Union (NTEU), shows that successive governments have defunded universities. This has forced them to rely ever-more heavily on private sources of cash, particularly full fee-paying international students and corporate partnerships, while casualising their workforces and ramping up class sizes.

Since 1995, private sources have doubled as a share of university revenue—increasing from 21.7 percent to an all-time high of 43 percent in 2019. Thus, the label “public” universities is no longer accurate. They have become substantially privatised.

Other findings of the report point to the damage done to staff and students.

- Casualisation is rampant. Between 1999 and 2019, casual employment grew by 4.5 percent per year, almost twice as fast as total employment. By best estimates, casual employment now accounts for 40 percent of jobs at public universities.

- Degrees are becoming more expensive for students. Average HELP debt has doubled since 2008: increasing from \$12,990 to \$24,771 in 2022.

- Despite a Labor government review of higher education in 2008 finding that rising student-staff ratios were jeopardising the quality of teaching and the learning support provided to students, class sizes have become even bigger since 2008.

- One of the clearest indications that public universities are being run like businesses is the salaries of vice chancellors, which averaged almost \$1 million in 2020, putting them in the same league as corporate CEOs.

However, the report presents this process misleadingly. First, it is silent on how this offensive has been possible. It says nothing about the role of the NTEU and the other main campus union, the Community and Public Sector Union (CPSU) in stifling the resistance of university workers over many years.

Second, it chooses timelines that coincide with Liberal-National governments, thus camouflaging the pivotal part played by the Labor governments of 1983?96 and 2007?13, as well as the deeper cuts already made by the current Albanese Labor government.

For example, the report states:

While Federal Government funding for higher education has grown in nominal terms, it has not even kept up with inflation—let alone the growing population and enrolments. Figure 1 shows that in the decade since 2013, funding for higher education fell by 2.4 percent in real terms (after adjusting for inflation) by 2022?23. This is despite growth in domestic student enrolment of 18 percent between 2013 and 2021, and the expectation of continued enrolment growth into the future. The combination of a decline in real federal funding with growth in enrolment has produced a more dramatic decline in the amount of real federal spending per domestic student.

Figure 1 in the report, however, shows that this decline began in 2011?12, during the final years of the Rudd-Gillard-Rudd Labor governments, not 2013, when the Abbott Liberal-National government took office and continued Labor’s cuts.

In fact, the Rudd-Gillard government laid the basis for the accelerating pro-corporate restructuring of the universities through its market-based “education revolution.” It scrapped block funding for universities and forced them to compete for funds based on enrolments. It then cut tertiary education funding by some \$3 billion in 2012?13.

The earlier Hawke-Keating Labor government paved the foundations for this transformation by reintroducing fees, first for international students, turning them onto cash cows to offset declining funding, and then for domestic students, through the HECS (now HELP) loans scheme, loading students with huge debts.

The current Albanese government is intensifying this process. Its May 9 budget increased higher education spending for 2023?24 only from \$10.6 billion to \$10.9 billion. That is less than 3 percent—a cut of about 4 percent in real terms compared to inflation.

Even more fundamentally, the Albanese government has launched a review of tertiary education—its University Accord—which aims to further subordinate universities to the demands of business, and the military and intelligence apparatus.

In the opening words of the discussion paper issued in February by the government’s handpicked advisory panel: “The Australian Government is working to establish an Australian Universities Accord to drive lasting alignment between Australia’s high quality higher education system and national needs.”

These “national needs” refer to the private profit, geo-strategic and military requirements of the Australian capitalist class, particularly for vocational training to meet the narrow needs of employers, and for the dedication of research to commercial and war preparation purposes.

That was highlighted by the April visit of Universities Australia (UA) chief executive Catriona Jackson to Washington to commit Australian universities to the development of nuclear-powered submarines and other hi-tech weaponry for the AUKUS pact and US-led war preparations against China.

This focus on corporate profit and war plans necessarily involves denying students the essential social right to an all-round critical education, exposing them to the full richness and historical content of human thought, and depriving educators and researchers of the capacity to conduct genuinely socially-useful and scientifically-important teaching and research.

Nevertheless, the NTEU is urging university workers and students to support the Labor government’s review, just as the NTEU did with the last review conducted by the Rudd-Gillard government, which became the basis for the “education revolution’s” market-driven regime.

In an email to NTEU members, promoting the “must-read” report, NTEU president Alison Barnes declared: “As we head towards a major reform of the higher education sector, these findings make it impossible to ignore that our sector needs to change, and this is our chance to have a say on our future.”

However, the NTEU’s submission to the Accord panel is aligned with the Labor government’s pro-business objectives. It calls for a higher education sector that “provides the graduates with the necessary skill sets for future productivity.”

The NTEU bureaucrats have a long record of suppressing educators’ hostility to the increasing corporatisation of universities, even when they claim to oppose it. While striking rotten enterprise bargaining deals with individual university managements, all designed to facilitate restructuring, the NTEU machine has blocked any unified mobilisation against it.

That is why staff and students need to form rank-and-file committees throughout universities, independent of the unions, like the one recently established at Macquarie University. These would seek to unify with workers in Australia and internationally, including university workers worldwide, through the International Workers’ Alliance of Rank-and-File Committees.

This is part of a broader necessary struggle against capitalism aimed at reorganising society along socialist lines, in the interests of humanity, not the soaring wealth of billionaires, and instead of governments pouring billions of dollars into corporate pockets and preparations for more US-led wars.

*To discuss how to form rank-and-file committees, and obtain help to do so, please contact the Committee for Public Education (CFPE) the rank-and-file educators’ network:*

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

*Facebook: [facebook.com/commforpubliceducation](https://www.facebook.com/commforpubliceducation)*

*Twitter: [@CFPE\\_Australia](https://twitter.com/CFPE_Australia)*



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