

# Australian budget further squeezes university funding

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For Australia's 39 public universities, last week's federal budget intensifies the Labor government's funding pressure and restructuring, which has already driven the elimination of about 4,000 jobs of academics and professional staff over the past 18 months.

As well as tearing up the National Disability Insurance Scheme (NDIS) and inflicting further real spending cuts on primary and secondary public schools, Prime Minister Anthony Albanese's government particularly targeted the universities and their staff and students.

For universities, overall funding for teaching and research will rise 5 percent next year to \$12.6 billion, in line with Treasury's understated inflation forecast. But that headline figure does not cover the 4.1 percent rise in domestic student enrolments allocated by the government's new Australian Tertiary Education Commission (ATEC).

So the real funding per student will continue to fall, as it has since the 1980s.

Moreover, research funding was cut outright, by 4.3 percent, from \$3 billion this financial year to \$2.87 billion in 2026-27, and then further to \$2.8 billion in 2029-30.

The budget also halved spending on the Higher Education Support program, from \$1.4 billion this financial year to \$783,000 next financial year. That program included some money for student loans and relocation assistance for students from remote areas. It also provided funding to help universities improve access, retention and completion rates for low socioeconomic status, indigenous and regional students and students with disabilities, as well as deliver research training and research support programs.

This assault is part of the government's austerity program as a whole. It is cutting \$63.8 billion from social programs over the next four years, on top of the \$114 billion in cuts that Treasurer Jim Chalmers previously boasted of making since taking office in 2022.

However, the government's financial squeeze on the universities has a far-reaching political content. It is directed at further subordinating the universities, both in their teaching and research, to the employment and war preparation requirements of the corporate elite and the military-intelligence apparatus, as outlined in Labor's 2024 Universities Accord.

According to the budget papers, universities will be encouraged to keep costs under control by "specialising" in their teaching and research. That reflects the Accord blueprint, which sets out a plan to tie each university's funding to individual "mission compacts" with ATEC focused on specified national priorities, featuring war-related ones such as the AUKUS military pact, strategic technologies and critical minerals.

Some of the research cuts result from more than halving the funding for the National Collaborative Research Infrastructure Strategy over the next four years, from \$465 million this financial year to \$206 million in 2029-30. Among other things, this program coordinated co-funding for investments in equipment such as high-performance computing, software platforms and secure data storage.

Among its priorities were monitoring equipment, satellite data tools and sensory networks for climate forecasting and bushfire preparedness, and advanced medical equipment to accelerate healthcare breakthroughs.

Labor has refused to re-establish a funding program for university infrastructure to replace the Education Investment Fund, which was abolished in 2019, removing "nearly \$4 billion in dedicated higher education and TAFE infrastructure investment," according to a Universities Australia (UA) report.

Other research cuts include the abolition of the Trailblazer Universities Program, which cost \$86 million this year, and phasing out of the Economic Accelerator

Program (EAP), which will receive \$65 million in 2026-27 but only \$13 million the following year, and \$3.6 million in the subsequent two years.

Both these programs involve universities raising revenue by commercialising research outcomes. The EAP shut down alone will reduce university research funding by \$759.9 million over five years.

At the same time, the Albanese government is intensifying the outlawing of any research collaboration with scholars from designated enemy countries, notably Iran, China and Russia, and making universities more dependent on military contracts, particularly with the Trump administration and the Pentagon.

Driven by the same agenda, the budget also prolongs the previous Liberal-National Coalition government's Job-ready Graduates (JRG) package, in which humanities, business, law and arts students pay up to \$17,000 per year while the government contributes only \$1,300, slicing around \$750–800 million per year off university budgets.

By setting such exorbitant fees, the JRG program seeks to herd students into science and technology programs, often military-related. That is the primary reason why the Albanese government has refused to scrap the JRG scheme, despite promising to do so during the 2022 election campaign.

A report produced in February by UA, representing university managements, estimated that average funding per domestic student has fallen 6 percent in real terms since 2017, largely as a result of the JRG program.

But this is also a decades-long trend, not only attributable to the JRG regime. The level of federal government funding for domestic student enrolments has halved from around 80 percent to 40 percent or less since the Hawke Labor government reintroduced domestic student fees in 1987 via a loans scheme.

That HELP/HECS scheme has now produced student debts totalling \$64 billion despite a 20 percent reduction for ex-students last year, which the government proclaimed as a great concession, while refusing to give existing students any fee relief.

In addition, the Albanese government has resumed slashing international student enrolments, matching the anti-immigrant agitation of the Coalition and the far-right One Nation by falsely blaming overseas students and immigrants for the worsening housing and cost-of-living crisis.

The international student intake has fallen already by 35 percent from a peak of 577,295 in 2022-23, when the government lifted previous COVID pandemic border

closures, to just 371,564 last financial year. The number is on track to fall even further, with only 247,878 visas approved in the first nine months of this (financial?) year.

To drive down the numbers further, Labor has almost trebled international student visa application fees from \$710 to \$2,000 and driven up the rejection rate for offshore student visas to 40 percent in March—up from 25 percent in the same month a year earlier. Students from India, Nepal and Bangladesh are being rejected at rates as high as 50 percent.

UA has said the crackdown will cost universities \$1.4 billion over the next three years, as they lose revenue from the huge tuition fees they charge these students to try to offset the government under-funding.

The government has also slashed its already miserable support for international students, from \$11 million this financial year to \$6.2 million in 2026-27 and \$3.4m in subsequent years.

This intensifying assault is being enforced by the main campus trade unions, the National Tertiary Education Union (NTEU) and the Community and Public Sector Union (CPSU). They have imposed one enterprise agreement after another that have cut wages in real terms, driven up workloads and facilitated pro-corporate and pro-military restructuring.

That is why educators and students must create new forms of organisation—rank-and-file committees, totally independent of the trade unions—that will develop and fight for demands based on their needs, and those of working people and society as a whole, not the dictates of the corporate ruling class and the war machine.

To discuss these issues, and how to halt the Albanese government-backed US-Israeli war on Iran and Labor's austerity offensive, register to join the forthcoming public meetings called by the Socialist Equality Party and the International Youth and Students for Social Equality. Register here.



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