



## Don't Bail Out Bloated Unis

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Australian universities should not get a cent of any federal government bailout program or stimulus package in the wake of the coronavirus.

Over the past decade universities have privatised the profits from the fees paid by overseas students. University vice-chancellors in this country enjoy building Taj Mahals to themselves and earning an average annual salary of close to \$1 million.

It's true universities are now large operations. The University of Sydney has a \$2.8 billion budget and its vice-chancellor is paid \$1.5 million a year. But it's not that hard to run a business in an industry that is basically a self-perpetuating oligopoly where the government does you the favour of banning price or product competition.

Australia's universities these days are [like our banks](#) . They compete against each other on the basis of the colour of their logo and the strength of their supposed commitment to the latest progressive cause promoted on Twitter. (But, to be fair to universities and the banks, if advertising

such fripperies is basically the only thing the government allows you to do to attract customers, that's what you do.)

The University of Sydney said this week it is [facing a loss to its revenue of \\$200 million](#) because of the coronavirus, with 15,000 of its students unable to leave China. According to the university, if these students missed a year of education, up to 1500 full-time jobs would be affected in NSW, in the retail, accommodation, and food services sectors.

This is a revealing argument from the university. It demonstrates that the \$17 billion Australian taxpayers pay to our universities is as much about supporting employment in fast food outlets as it is about fulfilling Cardinal John Henry Newman's vision of a university as a place that "educates the intellect to reason well in all matters, to reach outwards towards truth, and grasp it".

The truth is that public universities in this country are today not places of higher learning – they're certificate factories.

Certainly there are pockets of creativity and scholarship and groundbreaking research in Australian universities, but they are harder and harder to find. The reasons for this are many and varied, ranging from the Labor Party's Whitlamite obsession to bestow a university qualification on as many people as possible regardless of its quality, to the Liberals' complete lack of comprehension about what has happened to universities, to the sector's preference for growth at any expense.

As [Peter Hartcher has reported](#) in *The Sydney Morning Herald*, it was Victorian Liberal senator James Paterson who summed up the universities' situation in the Coalition party room last week .

In a discussion about federal government financial assistance for those affected by the coronavirus, Paterson said: "With the ongoing China travel ban, I'm very sympathetic about the impact of tourism and farmers, but I'm less so with the universities. Because they have been warned for years that they are over-reliant on the Chinese market, and for years they've reassured us that it was all fine, and that if anything they'd be able to withstand it. They rode the cycle up, now they can ride the cycle down."

The argument is often made, usually by the universities themselves, that they've been forced to rely on overseas student income to make up for Coalition funding cuts. This is demonstrably wrong.

As shown by [a research paper from the Parliamentary Library, \*Overseas students: immigration policy changes 1997-2015\*](#), the big increase in overseas student numbers began just as the Rudd government was increasing funding to the tertiary sector. In 2005-06 the number of overseas student visas was 191,000, in 2006-07 it was 231,000, in 2007-08 it was 279,000, and in 2008-09 it was 320,000.

As travel bans on students hit university enrolments, the tertiary sector should not be allowed to force taxpayers to socialise their losses.



Universities can't have it both ways. They can't on the one hand declare their autonomy and complain when ministers involve themselves in the allocation of research funding, for example, and then on the other hand, at the first hint of trouble go with their begging bowl to the very same minister, asking for a taxpayer-funded handout.

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